

**BOE**

# **The 2015 Annual Report**

**April 2016**

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

## Section I Important Statements, Contents and Definitions

The Board of Directors, Supervisory Committee, directors, supervisors and senior management of staff 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.

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## Definitions

| Term                      | Definition  |
|---------------------------|---|
| BOE, the Company, Company | BOE Technology Group Co., Ltd.                                    |
| Stock Listing Rules       | Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2014)  |
| SZSE, the Stock Exchange  | Shenzhen Stock Exchange   |
| CSRC                      | China Securities Regulation Commission                            |
| CSRC Beijing              | China Securities Regulation Commission Beijing Bureau             |
| Articles of Association   | Articles of Association of BOE Technology Group Co., Ltd.         |
| The “Company Law”         | The “Company Law of the People’s Republic of China”               |
| The “Securities Law”      | The “Securities Law of the People’s Republic of China”            |
| The cninfo website        | <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> |
| BOEOST                    | BOE Optical Science and Technology Co., Ltd.                      |
| Chengdu BOE               | Chengdu BOE Optoelectronics Technology Co., Ltd.                  |
| Hefei BOE                 | Hefei BOE Optoelectronics Technology Co., Ltd.                    |
| BOE Display               | Beijing BOE Display Technology Co., Ltd.                          |
| Hefei Xinsheng            | Hefei Xinsheng Optoelectronics Technology Co., Ltd.               |
| Yuansheng Optoelectronics | Ordos Yuansheng Optoelectronics Co., Ltd.                         |
| Chongqing BOE             | Chongqing BOE Optoelectronics Technology Co., Ltd.                |
| OASIS Hospital            | OASIS International Hospital                                      |

## Section II Corporate Profile and Financial Results

### I Corporate information

|   |   |            |                |
|---|---|------------|----------------|
| Stock abbr.                                   | BOE A, BOE B  | Stock code | 000725, 200725 |
| Stock exchange                                | Shenzhen Stock Exchange   |            |                |
| Company name in Chinese                       | 京东方科技集团股份有限公司   |            |                |
| Abbr. of the Company name in Chinese          | 京东方   |            |                |
| Company name in English (if any)              | BOE TECHNOLOGY GROUP CO., LTD.  |            |                |
| Abbr. of the Company name in English (if any) | BOE   |            |                |
| Legal representative                          | Wang Dongsheng  |            |                |
| Registered address                            | 10 Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China                        |            |                |
| Zip code                                      | 100015  |            |                |
| Office address                                | 12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China |            |                |
| Zip code                                      | 100176  |            |                |
| Company website                               | <a href="http://www.boe.com">http://www.boe.com</a>                               |            |                |
| Email   | web.master@boe.com.cn   |            |                |

### II Contact information

| Item    | Company Secretary   | Representative for Securities Affairs |
|---------|---|---------------------------------------|
| Name    | Liu Hongfeng  | -                                     |
| Address | 12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China | -                                     |
| Tel.    | 010-64318888 ext.   | -                                     |
| Fax     | 010-64366264  | -                                     |
| E-mail  | liuhongfeng@boe.com.cn  | -                                     |

### III Information disclosure and place where this Report is kept

|  |  |
|--|--|
| Newspapers designated by the Company for information disclosure  | China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK) |
| Website designated by the China Securities Regulatory Commission (CSRC) for the publication of this Report | <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>                      |
| Place where this Report is kept  | Company Secretary Office   |

## IV Company registration and alteration

|   |  |
|---|--|
| Organization code   | According to the new rules of the industry and commerce administration for company registration, the business license, the organization code certificate and the tax registration certificate of the Company have been changed into a business license with a credibility code (911100001011016602). For details, please refer to The Public Announcement No. 2015-074 on Company Registration Alteration disclosed by the Company dated 14 November 2015.   |
| Changes in main business activities since the Company was listed (if any) | No changes   |
| Changes of the controlling shareholder (if any)                           | On 10 March 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 Public Announcement (No. 2015-008) disclosed by the Company on 12 March 2015. |

## V Other information

The CPAs firm hired by the Company

|                                |   |
|--------------------------------|---|
| Name                           | KPMG Huazhen LLP  |
| Office address                 | 8/F, KPMG Tower, Oriental Plaza, No. 1 East Chang An Avenue, Beijing, P.R.China |
| Accountants writing signatures | Su Xing, Liu Jingyuan   |

Sponsor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable  Not applicable

| Name                       | Office address   | Representative             | Supervisory period   |
|----------------------------|--|----------------------------|--|
| China Securities Co., Ltd. | Room 2203, North Tower, Shanghai Stock Exchange Building, 528 Pudong South Road, Shanghai, P.R.China | Zhu Mingqiang,<br>Zhao Jun | 2014.04.05-2015.12.31 (Up to 31 December 2015, the funds raised by the Company through a private A-share offering had not yet been used up. Therefore, China Securities Co., Ltd. and its representatives would continue to perform their supervisory function on the Company. |

Financial advisor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable  Not applicable

## VI Accounting and financial results

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

| Item   | 2015               | 2014               | Increase/decrease (%) | 2013              |
|--|--------------------|--------------------|-----------------------|-------------------|
| Operating revenues (RMB)   | 48,623,732,312.00  | 36,816,316,676.00  | 32.07%                | 33,774,285,620.00 |
| Net profits attributable to shareholders of the Company (RMB)                                      | 1,636,270,488.00   | 2,562,128,829.00   | -36.14%               | 2,353,365,694.00  |
| Net profits attributable to shareholders of the Company after extraordinary gains and losses (RMB) | 613,814,833.00     | 1,827,866,642.00   | -66.42%               | 1,713,985,503.00  |
| Net cash flows from operating activities (RMB)   | 10,493,385,445.00  | 8,095,825,923.00   | 29.61%                | 8,956,439,250.00  |
| Basic earnings per share (RMB/share)   | 0.046              | 0.087              | -47.13%               | 0.174             |
| Diluted earnings per share (RMB/share)   | 0.046              | 0.087              | -47.13%               | 0.174             |
| Weighted average return on equity (%)  | 2.13%              | 4.29%              | -2.16%                | 8.70%             |
| Item   | 31 December 2015   | 31 December 2014   | Increase/decrease (%) | 31 December 2013  |
| Total assets (RMB)   | 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 (RMB)                                       | 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.

## VII Differences in accounting data under domestic and overseas accounting standards

### 1. Differences in the net profits and the net assets disclosed in the financial reports prepared under international and Chinese accounting standards

Applicable  Not applicable

No such differences for the Reporting Period.

### 2. Differences in the net profits and the net assets disclosed in the financial reports prepared under overseas and Chinese accounting standards

Applicable  Not applicable

No such differences for the Reporting Period.

## VIII Financial results by quarter

Unit: RMB

| Item               | Q1                | Q2                | Q3                | Q4                |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues | 11,582,854,379.00 | 11,387,993,733.00 | 13,449,597,930.00 | 12,203,286,270.00 |

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Net profits attributable to shareholders of the Company                                      | 978,140,971.00   | 973,029,881.00   | 41,216,719.00    | -356,117,083.00  |
| Net profits attributable to shareholders of the Company after extraordinary gains and losses | 880,748,144.00   | 695,649,793.00   | -168,061,110.00  | -794,521,994.00  |
| Net cash flows from operating activities   | 2,302,553,649.00 | 3,150,837,839.00 | 2,380,219,615.00 | 2,659,774,342.00 |

Whether there are 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

## IX Extraordinary gains/losses

Applicable  Not applicable

Unit: RMB

| Item   | 2015             | 2014           | 2013            | Note |
|--|------------------|----------------|-----------------|------|
| Gains/losses on disposal of non-current assets (including offset amount of asset impairment provisions)  | -8,350,324.00    | -15,575,867.00 | -112,722,720.00 | -    |
| Tax rebates, reductions and exemptions due to approval beyond authority or the lack of official approval documents   | 0.00             | 0.00           | 0.00            | -    |
| Government grants charged to the gains/losses for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards) | 1,045,101,727.00 | 830,471,170.00 | 838,279,656.00  | -    |
| Capital occupation charges on non-financial enterprises that are charged to the gains/losses for the Reporting Period  | 0.00             | 0.00           | 0.00            | -    |
| Gains due to the situation where investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of identifiable net assets of investees when making investments                | 163,082.00       | 10,168,409.00  | 0.00            | -    |
| Gains/losses on non-monetary asset swap  | 0.00             | 0.00           | 0.00            | -    |
| Gains/losses 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            | -    |
| Gains/losses 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            | -    |
| Gains/losses on the part over the fair value due to transactions with distinctly unfair prices   | 0.00             | 0.00           | 0.00            | -    |
| Reporting Period net gains/losses of subsidiaries acquired through business mergers under the same control from  | 0.00             | 0.00           | 0.00            | -    |



|  |                  |                |                |    |
|--|------------------|----------------|----------------|----|
| period-beginnings to merger dates  |                  |                |                |    |
| Gains/losses on contingencies irrelevant to the Company's normal business activities   | 0.00             | 0.00           | 0.00           | -  |
| Gains and losses on fair value changes of transactional financial assets and liabilities & investment gains on disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company | 173,159,454.00   | 6,113,418.00   | 0.00           | -  |
| Impairment provision reversal for accounts receivable on which the impairment test is carried out separately   | 4,535,849.00     | 5,583,021.00   | 500,938.00     | -  |
| Gains/losses on entrusted loans  | 0.00             | 0.00           | 0.00           | -  |
| Gains/losses on fair value changes in investing properties of which the subsequent measurement is carried out adopting the fair value method   | 0.00             | 0.00           | 0.00           | -  |
| Effect on Reporting Period gains/losses when a one-off adjustment is made to Reporting Period 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 operations  | 0.00             | 0.00           | 0.00           | -  |
| Non-operating income and expense other than the above  | 22,787,015.00    | 43,217,737.00  | 39,012,396.00  |    |
| Other gain/loss items that meet the definition of extraordinary gain/loss  | 0.00             | 0.00           | 0.00           |    |
| Investment gains on disposal of long-term equity investments   | 0.00             | -4,190,740.00  | 1,870,000.00   |    |
| Less: Corporate income tax   | 185,320,551.00   | 119,985,837.00 | 32,010,501.00  |    |
| Minority interests (after tax)   | 29,658,851.00    | 21,539,124.00  | 95,549,578.00  |    |
| Total  | 1,022,455,655.00 | 734,262,187.00 | 639,380,191.00 | -- |

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  Not applicable

No such cases in the Reporting Period.

## Section III Business Profile

### I Main business scope 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, displays, 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.

### II Significant changes in the main assets

#### 1. Significant changes in the main assets

| Main asset               | Reason for any significant change                                     |
|--------------------------|---|
| Equity assets            | New equity investments and fair value changes in the Reporting Period |
| Fixed assets             | No significant changes  |
| Intangible assets        | No significant changes  |
| Construction in progress | No significant changes  |

#### 2. Main assets overseas

Applicable  Not applicable

### III Core competitiveness analysis

#### 1. The Company firmly executed DSH business strategy, optimized industry layout, and improved global competitiveness

The powerful strategy execution promoted rapid growth of BOE's businesses, made the industry layout more balanced, and further improved global competitiveness. As for the display devices business, the Chongqing 8.5G Line's TFT-LCD production line was lightened up, put into production, and delivered to clients in advance, creating the fastest speed in improving capacity and yield rate; the Chengdu 6G Line's LTPS/AMOLED production line, Fuzhou 8.5G TFT-LCD production line, and Hefei 10.5G TFT-LCD production line came into operation in the same year, which provided guarantee for realizing the Group's "SHI SAN WU" strategic target of on-scale capacity and upper-level technology. As for smart system business, production and sales of complete machine OEM hit a record high, the market share of backlight units stably improved; Alta, the new-concept display terminal was launched into market, and preliminarily built BOE's high-end brand image; the smart commercial platform went on-line, having made the 1<sup>st</sup> step of online terminal products consumption in the internet era; the smart flagship store cooperated by Ping'an bank and the Company set up, innovated commercial modes, and provided clients with integrated smart display products and solutions. As for health service business, the Company successfully acquired OASIS International Hospital, started Hefei hospital project, and realized a landing breakthrough for health service business strategy.

#### 2. The Company stuck to client orientation, and stably improved shares in market segments

BOE always stuck to the client orientation system of jointly creating value and making win-win cooperation, made quick response to customer demand and market trend, and put forward responding plans of new products and technologies for the first time, taking the fundamental objective as creating client value and enterprise value, carried out cooperation with new and old clients with high-quality products, mobilized stable improvement in the integrated shipment quantity and shares in market segments. Besides, the breakthrough development in market expansion and strategic client cooperation in new application areas, such as vehicle-mounted, apparel, industrial control, health care, splicing, and education, laid foundation of the Company's further expansion of market scale.

#### 3. The Company persisted in self-innovation, and obtained remarkable results in new technology and product innovation

BOE firmly persisted in self-innovation, as well as innovation ideas of "leading technology, first release in the globe, and joint value creation", continued to strengthen construction of patent attack and defense system, positively took part in domestic and international industrial standard formation, constantly intensified self-innovation capability, kept foresight and primacy of technologies and products, and thoroughly improved global competitiveness of products and technologies. In 2015, the Company directed and promoted 15 projects of domestic and international technology standards, and took part in over 30 projects. 1 IEC international standard, 1 cross-strait (Taiwan and mainland China) applied standard, 1 TIAA alliance standard were listed among them. 6156 patents were newly increased in the year, of which over 80% were patent for invention. The newly increased authorized patents were over 2500. The patent application volume kept in the front rank. So far, BOE's patents in commission accumulated to an amount of over 40,000, of which 2 patents won the golden China patent award, and 13 patents won excellence China patent award. At the same time, the globally leading launch speed accelerated constantly. The Company successively launched innovative products guiding the industry development, including the 110-inch 8K UHD display with the largest size in the globe, the 1<sup>st</sup> model of 82-inch 10K4K UHD display in the globe, the 1<sup>st</sup> and only model of display specially designed for people with color vision defects, the 4.7-inch UHD handset display with the worldwide highest pixel density reaching 941PPI, and the worldwide 1<sup>st</sup> 9.55-inch soft and transparent OLED display. Besides, the Company also launched BOE Alta, the terminal brand TV, with the honor of winning 2015iF golden product design award, which was appraised as the Oscar award in designing industry, as well as the red point award.

#### 4. The Company continued to input more on technology R&D and reinforce talents training, so as to provide innovation with powerful support

BOE has always been attaching importance to R&D input, so as to infuse innovation with endless energy. In recent years, the technology R&D input ratio has been keeping at 6%-8%, and the input amount of science and technology R&D input have been increasing in every year and kept ranking at the top level in the industry. Science and technology innovation, together with talents, is the important assurance for the Company. Currently, BOE owns about 13000 scientific and technological workers, of which there are

over 500 doctors and foreign experts, nearly 900 envisioning technology R&D engineers, nearly 2000 new product development engineers, and over 10000 production technology engineers. The increasing R&D input and the emphasis on technological talents training have become the motive power for BOE's self-dependent innovation which contributes to BOE's leading competitiveness in the globe.

## Section IV Management Discussion and Analysis

### I Overview

2015 marked the closing year for China's 12<sup>th</sup> 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:

#### (1) 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.

#### (2) 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 1<sup>st</sup> 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.

### (3) 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 OASIS International 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.

## II Analysis of main business

### 1. Overview

See “I. Overview” in “Management Discussion and Analysis”.

### 2. Revenues and costs

#### (1) Breakdown of operating revenues

Unit: RMB

| Item                | 2015              |   | 2014              |   | +/-    |
|---------------------|-------------------|---|-------------------|---|--------|
|                     | Amount            | As a percentage of operating revenues (%) | Amount            | As a percentage of operating revenues (%) |        |
| Operating revenues  | 48,623,732,312.00 | 100%                                      | 36,816,316,676.00 | 100%                                      | 32.07% |
| By business segment |                   |   |                   |   |        |
| Display device      | 43,501,436,202.00 | 89.47%                                    | 32,679,988,414.00 | 88.76%                                    | 33.11% |
| Intelligent system  | 8,781,046,730.00  | 18.06%                                    | 6,224,354,892.00  | 16.91%                                    | 41.08% |
| Health service      | 826,323,560.00    | 1.70%                                     | 693,241,463.00    | 1.88%                                     | 19.20% |
| Other               | 1,196,198,355.00  | 2.46%                                     | 939,551,711.00    | 2.55%                                     | 27.32% |
| Offset              | -5,681,272,535.00 | -11.68%                                   | -3,720,819,804.00 | -10.11%                                   | 52.69% |
| By product          |                   |   |                   |   |        |
| Display devices     | 43,501,436,202.00 | 89.47%                                    | 32,679,988,414.00 | 88.76%                                    | 33.11% |
| Intelligent systems | 8,781,046,730.00  | 18.06%                                    | 6,224,354,892.00  | 16.91%                                    | 41.08% |
| Health services     | 826,323,560.00    | 1.70%                                     | 693,241,463.00    | 1.88%                                     | 19.20% |

|                         |                   |         |                   |         |         |
|-------------------------|-------------------|---------|-------------------|---------|---------|
| Others                  | 1,196,198,355.00  | 2.46%   | 939,551,711.00    | 2.55%   | 27.32%  |
| Offset                  | -5,681,272,535.00 | -11.68% | -3,720,819,804.00 | -10.11% | 52.69%  |
| By geographical segment |                   |         |                   |         |         |
| China                   | 21,057,873,677.00 | 43.29%  | 19,715,034,667.00 | 53.55%  | 6.81%   |
| Other regions in Asia   | 21,339,034,068.00 | 43.89%  | 13,904,578,889.00 | 37.77%  | 53.47%  |
| Europe                  | 2,677,131,554.00  | 5.51%   | 1,017,195,232.00  | 2.76%   | 163.19% |
| America                 | 3,430,415,741.00  | 7.06%   | 1,916,336,657.00  | 5.21%   | 79.01%  |
| Other regions           | 119,277,272.00    | 0.25%   | 263,171,231.00    | 0.71%   | -54.68% |

**(2) Business segments, products or geographical segments contributing over 10% of the operating revenues or profits**

√ Applicable □ Not applicable

Unit: RMB

| Item                    | Operating revenue | Operating cost    | Gross profit margin | Operating revenue: YoY +/-% | Operating cost: YoY +/-% | Gross profit margin: YoY +/-% |
|-------------------------|-------------------|-------------------|---------------------|-----------------------------|--------------------------|-------------------------------|
| By business segment     |                   |                   |                     |                             |                          |                               |
| Display device          | 43,501,436,202.00 | 34,776,700,215.00 | 20.06%              | 33.11%                      | 36.66%                   | -2.07%                        |
| Intelligent system      | 8,781,046,730.00  | 8,020,038,488.00  | 8.67%               | 41.08%                      | 41.10%                   | -0.01%                        |
| By product              |                   |                   |                     |                             |                          |                               |
| Display devices         | 43,501,436,202.00 | 34,776,700,215.00 | 20.06%              | 33.11%                      | 36.66%                   | -2.07%                        |
| Intelligent systems     | 8,781,046,730.00  | 8,020,038,488.00  | 8.67%               | 41.08%                      | 41.10%                   | -0.01%                        |
| By geographical segment |                   |                   |                     |                             |                          |                               |
| China                   | 21,057,873,677.00 | 14,843,883,652.00 | 29.51%              | 6.81%                       | 7.33%                    | -0.34%                        |
| Other regions in Asia   | 21,339,034,068.00 | 17,857,904,109.00 | 16.31%              | 53.47%                      | 54.09%                   | -0.34%                        |

Main business data of the prior year restated according to the changed statistical caliber for the Reporting Period

□ Applicable √ Not applicable

**(3) Whether revenue from physical sales is higher than service revenue**

√ Yes □ No

| Business segment | Item          | Unit        | 2015   | 2014   | +/-     |
|------------------|---------------|-------------|--------|--------|---------|
| TFT-LCD          | Sales volume  | 0,000 units | 52,573 | 45,682 | 15.08%  |
|                  | Output volume | 0,000 units | 53,810 | 48,928 | 9.98%   |
|                  | Inventory     | 0,000 units | 3,960  | 5,827  | -32.03% |

Reason for any over 30% YoY movements in the data above

√ Applicable □ Not applicable

In 2015, the sales volume of small-sized products increased, bringing down the number of the stock.

**(4) Execution progress of major signed sales contracts in the Reporting Period**

□ Applicable √ Not applicable

**(5) Breakdown of operating costs**

By business segment and product

Unit: RMB

| Business segment   | Item                                       | 2015              |  | 2014              |  | +/-     |
|--------------------|--|-------------------|--|-------------------|--|---------|
|                    |  | Amount            | As a percentage of operating costs (%) | Amount            | As a percentage of operating costs (%) |         |
| Display device     | Materials, labor costs, depreciation, etc. | 34,776,700,215.00 | 89.73%                                 | 25,447,592,277.00 | 89.27%                                 | 36.66%  |
| Intelligent system | Materials, labor costs, depreciation, etc. | 8,020,038,488.00  | 20.69%                                 | 5,683,953,065.00  | 19.94%                                 | 41.10%  |
| Health service     | Materials, labor costs, depreciation, etc. | 411,163,905.00    | 1.06%                                  | 353,742,423.00    | 1.24%                                  | 16.23%  |
| Other              | Materials, labor costs, depreciation, etc. | 6,372,839.00      | 0.02%                                  | 7,897,135.00      | 0.03%                                  | -19.30% |
| Offset             | Materials, labor costs, depreciation, etc. | -4,459,184,781.00 | -11.51%                                | -2,988,304,171.00 | -10.48%                                | 49.22%  |

Unit: RMB

| Product             | Item                                       | 2015              |  | 2014              |  | +/-     |
|---------------------|--|-------------------|--|-------------------|--|---------|
|                     |  | Amount            | As a percentage of operating costs (%) | Amount            | As a percentage of operating costs (%) |         |
| Display devices     | Materials, labor costs, depreciation, etc. | 34,776,700,215.00 | 89.73%                                 | 25,447,592,277.00 | 89.27%                                 | 36.66%  |
| Intelligent systems | Materials, labor costs, depreciation, etc. | 8,020,038,488.00  | 20.69%                                 | 5,683,953,065.00  | 19.94%                                 | 41.10%  |
| Health services     | Materials, labor costs, depreciation, etc. | 411,163,905.00    | 1.06%                                  | 353,742,423.00    | 1.24%                                  | 16.23%  |
| Others              | Materials, labor costs, depreciation, etc. | 6,372,839.00      | 0.02%                                  | 7,897,135.00      | 0.03%                                  | -19.30% |
| Offset              | Materials, labor costs, depreciation, etc. | -4,459,184,781.00 | -11.51%                                | -2,988,304,171.00 | -10.48%                                | 49.22%  |



Notes : None

**(6) Changes in the scope of the consolidated financial statements for the Reporting Period**

√ Yes □ No

In the Reporting Period, due to changes in share ownership, two enterprises were newly included in the scope of the consolidated financial statements while another two were excluded. And the relevant data on the new consolidation scope are as follows:

| Item                           | Operating revenue | Operating cost    | Gross profit margin | Operating revenue: YoY +/-% | Operating cost: YoY +/-% | Gross profit margin: YoY +/-% |
|--------------------------------|-------------------|-------------------|---------------------|-----------------------------|--------------------------|-------------------------------|
| <b>By business segment</b>     |                   |                   |                     |                             |                          |                               |
| Display device                 | 43,496,081,464.00 | 34,776,700,215.00 | 20.05%              | 33.10%                      | 36.66%                   | -2.08%                        |
| Intelligent system             | 8,781,046,730.00  | 8,020,038,488.00  | 8.67%               | 41.08%                      | 41.10%                   | -0.01%                        |
| Health service                 | 826,323,560.00    | 411,163,905.00    | 50.24%              | 19.20%                      | 16.23%                   | 1.27%                         |
| Other                          | 1,196,198,355.00  | 7,378,139.00      | 99.38%              | 27.32%                      | -6.57%                   | 0.22%                         |
| Offset                         | -5,681,272,535.00 | -4,465,124,466.00 | 21.41%              | 52.69%                      | 49.42%                   | 1.71%                         |
| <b>By product</b>              |                   |                   |                     |                             |                          |                               |
| Display devices                | 43,496,081,464.00 | 34,776,700,215.00 | 20.05%              | 33.10%                      | 36.66%                   | -2.08%                        |
| Intelligent systems            | 8,781,046,730.00  | 8,020,038,488.00  | 8.67%               | 41.08%                      | 41.10%                   | -0.01%                        |
| Health services                | 826,323,560.00    | 411,163,905.00    | 50.24%              | 19.20%                      | 16.23%                   | 1.27%                         |
| Others                         | 1,196,198,355.00  | 7,378,139.00      | 99.38%              | 27.32%                      | -6.57%                   | 0.22%                         |
| Offset                         | -5,681,272,535.00 | -4,465,124,466.00 | 21.41%              | 52.69%                      | 49.42%                   | 1.71%                         |
| <b>By geographical segment</b> |                   |                   |                     |                             |                          |                               |
| China                          | 21,057,729,715.00 | 14,838,949,267.00 | 29.53%              | 6.81%                       | 7.33%                    | -0.34%                        |
| Other regions in Asia          | 21,339,034,068.00 | 17,857,904,109.00 | 16.31%              | 53.47%                      | 54.09%                   | -0.34%                        |
| Europe                         | 2,671,920,778.00  | 2,606,471,565.00  | 2.64%               | 163.19%                     | 167.46%                  | -1.56%                        |
| America                        | 3,430,415,741.00  | 3,330,457,514.00  | 2.91%               | 79.01%                      | 79.39%                   | -0.21%                        |
| Other regions                  | 119,277,272.00    | 116,371,840.00    | 2.44%               | -54.68%                     | -55.05%                  | 0.81%                         |

**(7) Major changes in the business, products or services in the Reporting Period**

□ Applicable √ Not applicable

**(8) Main customers and suppliers**

Main customers

|   |                   |
|---|-------------------|
| Total sales to top five customers (RMB)   | 18,759,503,843.00 |
| Total sales to top five customers as a percentage of the total sales for the Reporting Period (%) | 38.58%            |

Information about top five customers

| No.   | Customer   | Sales amount (RMB) | As a percentage of the total sales for the Reporting Period (%) |
|-------|------------|--------------------|---|
| 1     | Customer A | 11,305,633,396.00  | 23.25%  |
| 2     | Customer B | 2,303,164,750.00   | 4.74%   |
| 3     | Customer C | 1,852,327,730.00   | 3.81%   |
| 4     | Customer D | 1,658,168,175.00   | 3.41%   |
| 5     | Customer E | 1,640,209,792.00   | 3.37%   |
| Total | --         | 18,759,503,843.00  | 38.58%  |

Other information about the main customers

Applicable  Not applicable

Main suppliers

|   |                  |
|---|------------------|
| Total purchases from top five suppliers (RMB)   | 7,416,093,000.00 |
| Total purchases from top five suppliers as a percentage of the total purchases for the Reporting Period (%) | 19.14%           |

Information about top five suppliers

| No.   | Supplier   | Purchase amount (RMB) | As a percentage of the total purchases for the Reporting Period (%) |
|-------|------------|-----------------------|---|
| 1     | Supplier A | 3,191,899,493.00      | 8.24%   |
| 2     | Supplier B | 1,649,501,068.00      | 4.26%   |
| 3     | Supplier C | 907,619,296.00        | 2.34%   |
| 4     | Supplier D | 884,504,683.00        | 2.28%   |
| 5     | Supplier E | 782,568,460.00        | 2.02%   |
| Total | --         | 7,416,093,000.00      | 19.14%  |

Other information about the main suppliers

Applicable  Not applicable

### 3. Expense

Unit: RMB

| Item                    | 2015             | 2014             | +/-     | Reason for any significant change                          |
|-------------------------|------------------|------------------|---------|--|
| Selling expenses        | 1,290,038,686.00 | 998,114,416.00   | 29.25%  | No significant changes                                     |
| Administrative expenses | 4,675,778,199.00 | 3,876,636,817.00 | 20.61%  | Ditto  |
| Financial costs         | 1,496,013,180.00 | -187,352,947.00  | 898.50% | Increase in the exchange loss and the interest expenditure |

### 4. R&D input

Applicable  Not applicable

## Information about R&amp;D input

| Item   | 2015             | 2014             | +/-%    |
|--|------------------|------------------|---------|
| Number of R&D personnel                                      | 2,603            | 2,060            | 26.36%  |
| R&D personnel as a percentage in the total employees         | 6.08%            | 6.03%            | 0.05%   |
| R&D input (RMB)  | 3,318,561,843.00 | 2,476,935,252.00 | 33.98%  |
| R&D input as a percentage in operating revenues              | 6.82%            | 6.73%            | 0.09%   |
| Capitalized R&D input (RMB)                                  | 786,493,174.00   | 302,243,432.00   | 160.22% |
| Capitalized R&D input as a percentage in the total R&D input | 23.70%           | 12.20%           | 11.50%  |

Reasons for any significant YoY change in the percentage of the R&D input in the operating revenues

Applicable  Not applicable

Reason for any sharp variation in the percentage of the capitalized R&D input and rationale

Applicable  Not applicable

The percentage of the capitalized R&D input increased considerably from the prior year because the input to new production lines rose significantly.

## 5. Cash flows

Unit: RMB

| Item  | 2015               | 2014               | +/-%     |
|---|--------------------|--------------------|----------|
| Subtotal of cash inflows from operating activities  | 54,646,309,541.00  | 39,910,733,056.00  | 36.92%   |
| Subtotal of cash outflows from operating activities | 44,152,924,096.00  | 31,814,907,133.00  | 38.78%   |
| Net cash flows from operating activities            | 10,493,385,445.00  | 8,095,825,923.00   | 29.61%   |
| Subtotal of cash inflows from investing activities  | 13,757,314,612.00  | 1,737,649,860.00   | 691.72%  |
| Subtotal of cash outflows from investing activities | 33,351,718,502.00  | 25,492,061,006.00  | 30.83%   |
| Net cash flows from investing activities            | -19,594,403,890.00 | -23,754,411,146.00 | 17.51%   |
| Subtotal of cash inflows from financing activities  | 21,241,472,453.00  | 54,796,093,553.00  | -61.24%  |
| Subtotal of cash outflows from financing activities | 13,112,545,053.00  | 19,154,702,339.00  | -31.54%  |
| Net cash flows from financing activities            | 8,128,927,400.00   | 35,641,391,214.00  | -77.19%  |
| Net increase in cash and cash equivalents           | -321,968,943.00    | 20,029,731,311.00  | -101.61% |

Explanation of why the data above varied significantly

Applicable  Not applicable

Mainly due to the increased operating revenues, the net cash flows from operating activities in the Reporting Period added 30% as compared to the prior year.

Mainly due to the financing cash flows in the previous year generated by a directional additional issue, the net cash flows from financing activities in the Reporting Period declined 77% as compared to the year earlier.

Reason for the material difference between net cash flows from operating activities and net profits for the Reporting Period

√ Applicable □ Not applicable

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 profits in the year.

### III Analysis of non-core business

√ Applicable □ Not applicable

Unit: RMB

| Item                               | Amount           | As a percentage of the total assets (%) | Source/reason   | Continuity |
|------------------------------------|------------------|---|---|------------|
| Investment gains                   | 187,191,686.00   | 9.30%                                   | Gains on financial products   | No         |
| Gains/losses on fair value changes | 0.00             | 0.00%                                   | N/A   | No         |
| Asset impairment                   | 1,364,500,152.00 | 67.78%                                  | Amount provided for inventory falling price impairment according to market conditions | No         |
| Non-operating revenue              | 1,082,717,233.00 | 53.78%                                  | Governmental subsidies received in the Reporting Period                               | No         |
| Non-operating expense              | 23,178,815.00    | 1.15%                                   | Loss on disposal of fixed assets and donation expenditure                             | No         |

### IV Analysis of assets and liabilities

#### 1. 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   |

**2. Assets and liabilities measured at fair value**

√ Applicable □ Not applicable

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            |

Significant changes in the measurement attributes of the main assets in the Reporting Period

□ Yes √ No

## V Investments made

### 1. Total investments made

Applicable  Not applicable

| Investments made in the Reporting Period (RMB) | Investments made in the prior year (RMB) | +/-%      |
|--|--|-----------|
| 684,136,502.00                                 | 38,417,454.00                            | 1,680.80% |

### 2. Significant equity investments made in the Reporting Period

Applicable  Not applicable

Unit: RMB

| Name                                   | Major business   | Investment method | Investment amount | Shareholding ratio | Funds resources  | Partners  | Investment period            | Products type             | progress up to the date of the assets liabilities statement | Estimated profits | Investment gains and losses of the Reporting Period | Whether involved with the lawsuits | Disclosure date (if any) | Disclosure index (if any)   |
|--|--|-------------------|-------------------|--------------------|------------------|---|------------------------------|---------------------------|---|-------------------|---|------------------------------------|--------------------------|---|
| Hefei BOE Display Technology Co., Ltd. | Design, manufacture, sales and after-sale service of flat panel display device | Newly established | 89,000,000.00     | 18.20%             | Self-owned funds | Hefei Construction Investment and Holding Co., Ltd. | Same as the operating period | Flat panel display device | Invested of RMB89 million                                   | --                | -3,433,125.00                                       | No                                 | 2015.04.21               | <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> |
| Total                                  | --   | --                | 89,000,000.00     | --                 | --               | --  | --                           | --                        | --  | --                | -3,433,125.00                                       | --                                 | --                       | --  |

### 3. Significant non-equity investments ongoing in the Reporting Period

Applicable  Not applicable

#### 4. Financial investments

##### (1) Securities investments

√ Applicable □ Not applicable

Unit: RMB

| Variety of securities   | Code of securities | Name of securities | Initial investment cost | Accounting measurement model | Opening book value | Gain/loss on fair value changes in the Reporting Period | Cumulative fair value changes charged to equity | Purchased in the Reporting Period | Sold in the Reporting Period | Gain/loss in the Reporting Period | Closing book value | Accounting title                   | Source of funds |
|---|--------------------|--------------------|-------------------------|------------------------------|--------------------|---|---|-----------------------------------|------------------------------|-----------------------------------|--------------------|------------------------------------|-----------------|
| Domestic/overseas stock   | HK00903            | TPV Technology     | 134,658,158.00          | Fair value method            | 32,285,828.00      | 0.00  | -11,468,680.00                                  | 0.00                              | 0.00                         | 193,252.00                        | 20,817,148.00      | Available-for-sale financial asset | Own funds       |
| Domestic/overseas stock   | SH600658           | Electronic Zone    | 90,160,428.00           | Fair value method            | 115,084,458.00     | 0.00  | 22,093,859.00                                   | 0.00                              | 0.00                         | 2,553,068.00                      | 137,178,317.00     | Available-for-sale financial asset | Own funds       |
| Domestic/overseas stock   | HK01963            | Bank of Chongqing  | 120,084,375.00          | Fair value method            | 119,054,721.00     | 0.00  | 28,470,671.00                                   | 0.00                              | 0.00                         | 6,498,919.00                      | 147,525,392.00     | Available-for-sale financial asset | Own funds       |
| Other securities investments held at the period-end   |                    |                    | 0.00                    | --                           | 0.00               | 0.00  | 0.00  | 0.00                              | 0.00                         | 0.00                              | 0.00               | --                                 | --              |
| Total   |                    |                    | 344,902,961.00          | --                           | 266,425,007.00     | 0.00  | 39,095,850.00                                   | 0.00                              | 0.00                         | 9,245,239.00                      | 305,520,857.00     | --                                 | --              |
| Disclosure date of the announcement about the board's consent for the securities investment |                    |                    | N/A                     |                              |                    |   |   |                                   |                              |                                   |                    |                                    |                 |



|  |     |
|--|-----|
| Disclosure date of the announcement about the general meeting's consent for the securities investment (if any) | N/A |
|--|-----|

## (2) Investment in financial derivatives

Applicable  Not applicable

No such cases in the Reporting Period.

## 5. Use of raise funds

Applicable  Not applicable

### (1) General usage of the raise funds

Applicable  Not applicable

Unit: RMB'0,000

| Raised years | Raised methods   | Total amount of the raise funds | Total amount of the used raise funds of the Reporting Period | Total amount of the accumulative used raise funds | Total amount of the raise funds which changed the usage during the Reporting Period | Total amount of the accumulative raise funds which changed the usage | Proportion of the total amount of the accumulative raise funds which changed the usage | Total amount of the raise funds had not been used | Usage and whereabouts of the raise funds had not been used                   | Amount of the raise funds which left unused over 2 years |
|--------------|------------------|---------------------------------|--|---|---|--|--|---|--|--|
| 2014         | Private offering | 4,488,471                       | 1,033,122  | 3,808,878   | 350,000   | 350,000  | 7.80%  | 679,594   | Gradually invest which into the projects according to the scheduled planning | 0  |
| Total        | --               | 4,488,471                       | 1,033,122  | 3,808,878   | 350,000   | 350,000  | 7.80%  | 679,594   | --   | 0  |

#### Overview of the use of raised funds

The total amount of the raise funds of the Company was of RMB45,712,999,989.0 with the net amount of the assets and the cash subscribed raise funds of RMB44,884,705,052.64 after the deduction of each issuance cost of RMB828,294,936.66, which included the asset subscription of RMB8,532,999,999.30 by Beijing State-owned Capital Management Center with its 48.92%

stake in Beijing BOE Display Technology Co., Ltd., and the subscription of RMB5,999,999,999.70 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 □ Not applicable

Unit: RMB'0,000

| 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 |
|--|--|----------------------------------|---------------------------------|-------------------------------|---|--|---|--|----------------------------------|---|
| Commitment investment projects   |  |                                  |                                 |                               |   |  |   |  |                                  |   |
| 1. Hefei 8.5G Line Project   | No   | 700,000                          | 700,000                         | 283,117                       | 621,428                                     | 89.00%   | 31 Oct. 2014  | 1,165,396                                | Yes                              | No  |
| 2. Touch Screen Production Line Project  | No   | 250,000                          | 250,000                         | 66,435                        | 250,000                                     | 100.00%  | 30 Jun. 2016  | Not applicable                           | Not applicable                   | No  |
| 3. Ordos 5.5G Line Project   | No   | 400,000                          | 400,000                         | 58,940                        | 282,870                                     | 71.00%   | 30 Jun. 2017  | Not applicable                           | Not applicable                   | No  |
| 4. Chongqing 8.5G Line Project   | Yes  | 1,520,000                        | 1,170,000                       | 506,245                       | 917,724                                     | 78.00%   | 31 Dec. 2015  | 133,454                                  | Not applicable                   | No  |
| 5. Supplementing the working capital   | No   | 165,171                          | 165,171                         | 0                             | 165,171                                     | 100.00%  | Not applicable  | Not applicable                           | Not applicable                   | No  |
| 6. BOE Display Equity Subscription Project   | No   | 853,300                          | 853,300                         | 0                             | 853,300                                     | 100.00%  | Not applicable  | Not applicable                           | Not applicable                   | No  |
| 7. Hefei Jianxiang Creditor's Right Subscription Project                                   | No   | 600,000                          | 600,000                         | 0                             | 600,000                                     | 100.00%  | Not applicable  | Not applicable                           | Not applicable                   | No  |
| Subtotal of promised investment projects   | --   | 4,488,471                        | 4,138,471                       | 914,737                       | 3,690,493                                   | --   | --  | 1,298,850                                | --                               | --  |
| Investment with over-raised funds  |  |                                  |                                 |                               |   |  |   |  |                                  |   |

|   |  |           |           |         |           |       |    |           |    |    |
|---|--|-----------|-----------|---------|-----------|-------|----|-----------|----|----|
| N/A   |  |           |           |         |           |       |    |           |    |    |
| Repaying bank loans (if any)  | --                                     | 0         | 0         | 0       | 0         | 0.00% | -- | --        | -- | -- |
| Supplementing the working capital (if any)  | --                                     | 0         | 0         | 0       | 0         | 0.00% | -- | --        | -- | -- |
| Subtotal of investment with over-raised funds   | --                                     | 0         | 0         | 0       | 0         | --    | -- | 0         | -- | -- |
| Total   | --                                     | 4,488,471 | 4,138,471 | 914,737 | 3,690,493 | --    | -- | 1,298,850 | -- | -- |
| 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   | N/A                                    |           |           |         |           |       |    |           |    |    |
| Amount, usage and usage progress of over-raised capital   | Not applicable                         |           |           |         |           |       |    |           |    |    |
| Change of the implementation location of any raised funds investment project                            | Not applicable                         |           |           |         |           |       |    |           |    |    |
| Adjustment of the implementation method of any raised funds investment project                          | Not applicable                         |           |           |         |           |       |    |           |    |    |

|   |  |
|---|--|
| Advanced input and exchange of any raised funds investment project                        | Not applicable   |
| Idle raised capital for temporarily supplementing working capital                         | Not applicable   |
| Outstanding raised funds in project implementation and reasons                            | Not applicable   |
| Usage and whereabouts of unused raised capital  | The unused raise capital will be input to commitment 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 □ Not applicable

Unit: RMB'0,000

| Project after change   | Project before change  | Total raised funds planned to be input for the project after change (1) | Actual put 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 |
|--|------------------------|---|--|---|---|---|--|----------------------------------|---|
| Expansion project of Chongqing 8.5G 30K  | Chongqing 8.5G project | 350,000   | 118,385  | 118,385                                     | 33.82%  | 30 Jun. 2016  | Not applicable                           | Not applicable                   | No  |
| Total  | --                     | 350,000   | 118,385  | 118,385                                     | --  | --  | Not applicable                           | --                               | --  |
| Reasons for change, decision-making procedure and relevant information disclosure (explain one project by one project) |                        |   | Considering the narrowing profit margin for touch screen due to increasingly fierce competition, our analysis of market trends and the actual situation of the project, the use of some raised funds has been adjusted according to the Proposal for Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project which was reviewed and approved at the 23 <sup>rd</sup> Meeting of the Seventh Board of Directors dated 19 April 2015 and later at the 2014 Annual General Meeting dated 20 May 2015. The adjustment details have been disclosed in the Announcement No. 2015-022 of BOE Technology Group Co., Ltd. on Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project dated 21 April 2015. |   |   |   |  |                                  |   |
| Reason for failing to reach scheduled progress or projected income (explain one project by one project)                |                        |   | N/A  |   |   |   |  |                                  |   |
| Explanation on significant changes in feasibility of projects after change   |                        |   | No significant changes.  |   |   |   |  |                                  |   |

**VI Sale of major assets and equity interests****1. Sale of major assets**

□ Applicable √ Not applicable

No such cases in the Reporting Period

## 2. Sale of major equity interests

Applicable  Not applicable

## VII Main controlled and joint stock companies

Applicable  Not applicable

Main subsidiaries and joint stock companies with an over 10% influence on the Company's net profits

Unit: RMB

| Company name  | Relationship with the Company | Main business scope   | Registered capital | Total assets      | Net assets        | Operating revenues | Operating profits | Net profits      |
|---|-------------------------------|---|--------------------|-------------------|-------------------|--------------------|-------------------|------------------|
| Beijing BOE Display Technology Co., Ltd.            | Subsidiary                    | Development and production of TFT-LCD   | RMB17.3772 billion | 29,418,253,761.00 | 19,755,808,194.00 | 15,542,959,393.00  | 1,033,383,108.00  | 1,033,454,116.00 |
| Hefei Xinsheng Optoelectronics Technology Co., Ltd. | Subsidiary                    | Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products | RMB19.5 billion    | 36,730,732,397.00 | 20,544,455,711.00 | 11,914,404,228.00  | 600,505,850.00    | 662,519,078.00   |

Subsidiaries obtained or disposed in the Reporting Period

Applicable  Not applicable

| Subsidiary name                                 | How subsidiary was obtained or disposed in the Reporting Period | Impact on overall operation and results |
|---|---|---|
| Fuzhou BOE Optoelectronics Technology Co., Ltd. | Business merger not under the same control                      | No insignificant influence              |
| OASIS Investment Co., Ltd.                      | Business merger not under the same control                      | No insignificant influence              |

Information about the main controlled and joint stock companies: Naught

## VIII Structured bodies controlled by the Company

Applicable  Not applicable

## IX 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: Facilitate the address of stubborn quality problems, push forward the batch sales of existing products; 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.

## X Visits paid to the Company for purposes of research, communication, interview, etc.

### 1. In the Reporting Period

Applicable  Not applicable

| Date of visit | Way of visit   | Type of visitor | Index to main inquiry information   |
|---------------|----------------|-----------------|---|
| 14 Jan. 2015  | Field research | Institution     | Discussed main content: 1. operating situation and the future development strategies of the Company; 2. industry condition and development tendency; 3. situation of the certain production lines of the Company; offered materials; public |
| 23 Jan. 2015  | By phone       | Institution     |   |
| 23 Jan. 2015  | Field research | Institution     |   |
| 23 Jan. 2015  | Field research | Individual      |   |



|              |                |             |   |
|--------------|----------------|-------------|---|
| 4 Feb. 2015  | By phone       | Institution | materials of the 2013 Annual Report, 2014 Semi-annual Report, 2014 Third Quarter Report and the Company brochure and so on.   |
| 5 Feb. 2015  | Field research | Institution |   |
| 12 Feb. 2015 | By phone       | Institution |   |
| 5 Mar. 2015  | Field research | Individual  |   |
| 9 Mar. 2015  | Field research | Institution |   |
| 19 Mar. 2015 | Field research | Institution |   |
| 23 Apr. 2015 | By phone       | Institution | Discussed main content: 1. operating situation and the future development strategies of the Company; 2. industry condition and development tendency; 3. situation of the certain production lines of the Company; offered materials; public materials of the 2014 Annual Report, 2015 First Quarter Report and the Company brochure and so on.                          |
| 24 Apr. 2015 | Field research | Institution |   |
| 29 Apr. 2015 | By phone       | Institution |   |
| 30 Apr. 2015 | By phone       | Institution |   |
| 5 May 2015   | Field research | Institution |   |
| 7 May 2015   | Field research | Institution |   |
| 12 May 2015  | By phone       | Institution |   |
| 19 May 2015  | By phone       | Institution |   |
| 25 May 2015  | Field research | Institution |   |
| 10 Jun. 2015 | Field research | Institution |   |
| 23 Jun. 2015 | By phone       | Institution |   |
| 24 Jun. 2015 | Field research | Institution |   |
| 2 Jul. 2015  | Field research | Institution |   |
| 13 Jul. 2015 | By phone       | Institution |   |
| 28 Aug. 2015 | Field research | Institution | Discussed main content: 1. operating situation and the future development strategies of the Company; 2. industry condition and development tendency; 3. situation of the certain production lines of the Company; offered materials; public materials of the 2014 Annual Report, 2015 First Quarter Report, 2015 Semi-annual Report and the Company brochure and so on. |
| 1 Sep. 2015  | Field research | Institution |   |
| 13 Nov. 2015 | Field research | Institution | Discussed main content: 1. operating situation and the future development strategies of the Company; 2. industry condition and development tendency; 3. situation of the certain production lines of the Company; offered materials; public materials of the Company brochure and so on.  |
| 20 Nov. 2015 | Field research | Institution |   |
| 23 Nov. 2015 | Field research | Individual  |   |
| 8 Dec. 2015  | By phone       | Institution |   |
| 11 Dec. 2015 | Field research | Institution |   |
| 22 Dec. 2015 | Field research | Institution |   |
| 24 Dec. 2015 | Field research | Institution |   |

|   |    |
|---|----|
| Times of visit  | 32 |
| Number of visiting institutions                                   | 83 |
| Number of visiting individuals                                    | 3  |
| Number of other visitors  | 0  |
| Significant undisclosed information disclosed, revealed or leaked | No |

## Section V Significant Events

### I Profit distribution and converting capital reserves into share capital for common shareholders

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, for common shareholders in the Reporting Period

Applicable  Not applicable

The Company's plans (preplans) for distributing common stock dividend and turning capital reserve into share capital for the recent three years (including the reporting year):

The *Preplan for 2013 Annual Profit Allocation* was reviewed and approved at the 2013 Annual Board of Directors. 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.

The *Preplan for 2014 Annual Profit Allocation* was reviewed and approved at the 2014 Annual Board of Directors. According to the Company's *Scheme of Returns for Shareholders for the Coming Three Years (2014-2016)*, the Company shall, except 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 of shareholders. Since the undistributed profits of the Company (without subsidiaries) for 2014 are RMB41,186,231 and the basic undistributed profits per share are RMB0.001167, which is a small amount, the Board proposes not to distribute profits or transfer capital reserves into share capital 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.

For the first half of 2015, based on the total shares of 35,153,067,743 (after deducting the bought-back B-shares), the Company distributed a cash dividend of RMB0.10 (tax inclusive) per 10 shares to all shareholders, representing a total distribution of RMB351,530,677.43, accounting for 75.63% of its undistributed profit. No bonus shares were granted. Nor was any capital reserves converted into share capital.

For the year 2015, based on the total shares of 35,153,067,743.00, the Company intends to distribute, with its undistributed profit, a cash dividend of RMB0.10 (tax inclusive) per 10 shares to all shareholders, representing a total distribution of RMB351,530,677.43, accounting for 72.21% of its undistributed profit. No bonus shares were granted. No capital reserves will be converted into share capital.

Cash dividend distribution of the Company to common shareholders over the past three years (including the Reporting Period)

Unit: RMB

| 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 |
|------|-------------------------------|---|--|---|---|
|      |                               |   |  |   |   |

|      |                |                  |        |      |       |
|------|----------------|------------------|--------|------|-------|
| 2015 | 703,061,354.86 | 1,634,258,903.00 | 42.97% | 0.00 | 0.00% |
| 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% |

The Company made profits in the Reporting Period and the profits distributable to common shareholders of the Company was positive, but it did not put forward a preliminary plan for cash dividend distribution to its common shareholders

Applicable  Not applicable

## II Preliminary plan for profit distribution and converting capital reserves into share capital for the Reporting Period

Applicable  Not applicable

|  |                |
|--|----------------|
| Bonus shares for every 10 shares (share)   | 0              |
| Dividend for every 10 shares (RMB) (tax inclusive)   | 0.1            |
| Additional shares converted from capital reserves for every 10 shares (share)  | 0              |
| Total shares as the basis for the preliminary plan for profit distribution (share)   | 35,153,067,743 |
| Total cash dividends (RMB) (tax included)  | 351,530,677.43 |
| Distributable profits (RMB)  | 486,814,338.00 |
| Percentage of cash dividends in the total distributed profits (%)  | 100.00%        |
| <b>Cash dividend policy</b>  |                |
| If the Company is in a growth stage and has any plan for significant expenditure, in profit distribution, the proportion of cash dividends shall be 20% or above.  |                |
| <b>Details about the preliminary plan for profit distribution and converting capital reserves into share capital</b>   |                |
| As the profit distribution pre-plan for the Reporting Period, the Company intends to, based on its total shares of 35,153,067,743, distribute a cash dividend of RMB0.1 (tax included) to all shareholders for every 10 shares they hold, without bonus shares or turning capital reserves into share capital. The said pre-plan is in compliance with the Company's Articles of Association and relevant approval procedure, and the independent directors have expressed their independent opinion on the pre-plan, which fully protects the legal rights and interests of the minority investors. |                |

### III Fulfillment of commitments

#### 1. Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management staff or other related parties fulfilled in the Reporting Period or ongoing at the period-end

√ Applicable □ Not applicable

| Commitment   | Commitment maker  | Type of commitment            | Contents   | Date of commitment making | Term of commitment | Fulfillment     |
|--|---|-------------------------------|--|---------------------------|--------------------|-----------------|
| Commitments made in share reform   |   |                               |  |                           |                    |                 |
| Commitments made in acquisition documents or shareholding alteration documents |   |                               |  |                           |                    |                 |
| Commitments made in time of asset reorganization                               |   |                               |  |                           |                    |                 |
| Commitments made in time of IPO or refinancing                                 | Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Capital Optoelectronics Investment Co., Ltd. | Restricted shares commitments | Committed that the shares acquired from purchasing would not be transferred from the first date of issuing the newly increased shares of the issuer within 36 months | 8 Apr. 2014               | 36 months          | Being executing |
|  | Hefei Rongke Project Investment Co., Ltd.   | Restricted shares commitments | Voluntarily committed to lock up for 24 months of the whole held Company's shares since 9 January 2014   | 9 Jan. 2014               | 24 months          | Being executing |
| Commitments concerning stock ownership incentive                               |   |                               |  |                           |                    |                 |
| Other commitments  | Beijing Electronics Holdings Co., Ltd.  | Other commitments             | Committed not to decrease the shareholding   | 31 Jul. 2015              | 6 months           | Being           |

|   |  |                   |  |              |          |                 |
|---|--|-------------------|--|--------------|----------|-----------------|
| made to minority shareholders   |  |                   | during the shareholding increase execution and within 6 months after the completion of the shareholding increase of 231,700 tradable shares of the RMB ordinary shares which increased the shareholding through the directional asset plan.  |              |          | executing       |
|   | Beijing BOE Investment & Development Co., Ltd.   | Other commitments | Committed not to decrease the shareholding during the shareholding increase execution and within 6 months after the completion of the shareholding increase of 6,311,100 tradable shares of the RMB ordinary shares which increased the shareholding through the directional asset plan. | 24 Aug. 2015 | 6 months | Being executing |
|   | Whole Directors, Supervisors and Senior Executives   | Other commitments | Committed not to decrease the shareholding of the Company's shares within the future 6 months since 11 July 2015.  | 11 Jul. 2015 | 6 months | Being executing |
|   | Beijing Electronics Holdings Co., Ltd., Beijing BOE Investment & Development Co., Ltd. and Hefei Rongke Project Investment Co., Ltd. | Other commitments | Committed not to decrease the shareholding of the Company's shares within the future 6 months since 28 January 2016.   | 28 Jan. 2016 | 6 months | Being executing |
|   | Beijing BDA Technological Investment Development Co., Ltd.   | Other commitments | Committed not to decrease the shareholding of the Company's shares within the future 6 months since 14 February 2016.  | 14 Feb. 2016 | 6 months | Being executing |
| Executed on time  | No   |                   |  |              |          |                 |
| Specific reasons for failing to fulfill commitments on time and plans for next step | N/A  |                   |  |              |          |                 |

**2. Where there had been earnings forecast for an asset or project and the Reporting Period were still within the forecast period, explain why the forecast has been reached for the Reporting Period.**

Applicable  Not applicable

**IV Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes**

Applicable  Not applicable

No such cases in the Reporting Period.

**V Explanations given by the Board of Directors, the Supervisory Committee and the independent directors (if any) regarding the "auditor's non-standard report" issued by the CPAs firm for the Reporting Period**

Applicable  Not applicable

**VI YoY changes in accounting policies, estimations and methods**

Applicable  Not applicable

No such cases in the Reporting Period.

**VII Retroactive restatement due to correction of material accounting errors in the Reporting Period**

Applicable  Not applicable

No such cases in the Reporting Period.

**VIII 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.

**IX Engagement and disengagement of CPAs firm**

CPAs firm at present

|   |   |
|---|---|
| Name of the domestic CPAs firm                                  | KPMG Huazhen Certified Public Accountants (LLP) |
| The Company's payment for the domestic CPAs firm (RMB'0,000)    | 700   |
| Consecutive years of the audit service provided by the domestic | 11 years  |

|   |                       |
|---|-----------------------|
| CPAs firm   |                       |
| Names of the certified public accountants from the domestic CPAs firm | Su Xing, Liu Jingyuan |

Whether the CPAs firm was changed in the Reporting Period

Yes  No

CPAs firm, financial advisor or sponsor engaged for internal control audit

Applicable  Not applicable

In 2016, owing to the needs of the internal control audit, the Company engaged KPMG Huazhen Certified Public Accountants (LLP) as the internal control audit CPAs with the total paid internal control audit expenses of RMB2.25 million.

### **X Possibility of listing suspension or termination after disclosure of this Report**

Applicable  Not applicable

### **XI Bankruptcy and reorganization**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XII Significant litigations and arbitrations**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XIII Punishments and rectifications**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XIV Credit conditions of the Company as well as its controlling shareholder and actual controller**

Applicable  Not applicable

### **XV Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees**

Applicable  Not applicable

No such cases in the Reporting Period.



## XVI Significant related-party transactions

### 1. Related-party transactions relevant to routine operation

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Related-party transactions regarding purchase or sales of assets or equity interests

Applicable  Not applicable

No such cases in the Reporting Period.

### 3. Related-party transitions regarding joint investments

Applicable  Not applicable

No such cases in the Reporting Period.

### 4. Credits and liabilities with related parties

Applicable  Not applicable

No such cases in the Reporting Period.

### 5. Other significant related-party transactions

Applicable  Not applicable

Index to the public announcements about the said related-party transactions disclosed

| Title of public announcement   | Disclosure date | Disclosure website |
|--|-----------------|--------------------|
| Announcement on the Prediction of 2015 Annual Routine Related Transaction of BOE Technology Group Co., Ltd.                                | 21 Apr. 2015    | www.cninfo.com.cn  |
| Announcement on the Investment on the Complete Machine Intelligent Manufacturing Production Line Project of BOE Technology Group Co., Ltd. | 3 Dec. 2015     | www.cninfo.com.cn  |
| Announcement on the Investment and Construction of the Hefei Digital General Hospital Project of BOE Technology Group Co., Ltd.            | 3 Dec. 2015     | www.cninfo.com.cn  |
| Announcement on the Adjustment of the 2015 Routine Related Transaction Limit of BOE Technology Group Co., Ltd.                             | 10 Dec. 2015    | www.cninfo.com.cn  |

## XVII Significant contracts and execution

### 1. Entrustment, contracting and leasing

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

**(2) Contracting**

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Leasing**

Applicable  Not applicable

No such cases in the Reporting Period.

## 2. Significant guarantees

√ Applicable □ Not applicable

### (1) Guarantees provided by the Company

Unit: RMB Ten Thousand Yuan

| Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries) |  |                   |  |                         |   |                             |            |                                      |
|---|--|-------------------|--|-------------------------|---|-----------------------------|------------|--------------------------------------|
| Guaranteed party  | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date (date of agreement signing) | Actual guarantee amount | Type of guarantee   | Term of guarantee           | Due or not | Guarantee for a related party or not |
| N/A   |  |                   |  |                         |   |                             |            |                                      |
| Total guarantee line for subsidiaries approved during the Reporting Period (A1)                                 |  |                   |  | 0                       | Total actual guarantee amount for subsidiaries during the Reporting Period (A2)         |                             | 0          |                                      |
| Total approved guarantee line for subsidiaries at the end of the Reporting Period (A3)                          |  |                   |  | 0                       | Total actual guarantee balance for subsidiaries at the end of the Reporting Period (A4) |                             | 0          |                                      |
| Guarantees between the Company and its subsidiaries   |  |                   |  |                         |   |                             |            |                                      |
| Guaranteed party  | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date (date of agreement signing) | Actual guarantee amount | Type of guarantee   | Term of guarantee           | Due or not | Guarantee for a related party or not |
| Ordos Yuan Sheng Photoelectric Co., Ltd.  | 2 Apr. 2013  | 461,693           | 22 May 2013  | 461,693                 | Pledge  | 17 Jun. 2013 – 9 Jun. 2021  | No         | No                                   |
| Beijing BOE Display Technology Co., Ltd.  | 14 Aug. 2014                                       | 1,036,915         | 30 Sep. 2014                                       | 359,213                 | Joint liability guarantee   | 27 Jan. 2011 – 26 Jan. 2020 | No         | No                                   |

| Hefei Xin Sheng Photoelectric Technology Co., Ltd.                                     | 14 Aug. 2014                                       | 137,000           | 8 Dec. 2014  | 56,000  | Joint liability guarantee | Opening date of the letter of guarantee – 28 Feb. 2019 | No         | No                                   |
|--|--|-------------------|--|---|---------------------------|--|------------|--------------------------------------|
| Ordos Yuan Sheng Photoelectric Co., Ltd.   | 14 Aug. 2014                                       | 461,693           | 30 Sep. 2014                                       | 461,693   | Joint liability guarantee | 17 Jun. 2013 – 9 Jun. 2021                             | No         | No                                   |
| Chongqing BOE Photoelectric Technology Co., Ltd.                                       | 14 Aug. 2014                                       | 1,383,137         | 29 Sep. 2014                                       | 941,572   | Joint liability guarantee | 5 Nov. 2014 – 5 Nov. 2022                              | No         | No                                   |
| Hefei Xin Sheng Photoelectric Technology Co., Ltd.                                     | 14 Aug. 2014                                       | 1,201,316         | 15 Jan. 2015                                       | 1,142,874   | Joint liability guarantee | 6 Jan. 2014 – 6 Jan. 2022                              | No         | No                                   |
| Hefei BOE Photoelectric Technology Co., Ltd.   | 14 Aug. 2014                                       | 729,374           | 12 Mar. 2015                                       | 451,567   | Joint liability guarantee | 23 Jul. 2010 – 23 Jul. 2019                            | No         | No                                   |
| Chongqing BOE Photoelectric Technology Co., Ltd.                                       | 14 Aug. 2014                                       | 300,000           | 25 May 2015  | 195,000   | Joint liability guarantee | Opening date of the letter of guarantee – 31 Dec. 2020 | No         | No                                   |
| Fuzhou BOE Photoelectric Technology Co., Ltd.  | 10 Dec. 2015                                       | 1,298,720         | 29 Dec. 2015                                       | 389,616   | Joint liability guarantee | 29 Dec. 2015 – 28 Dec. 2018                            | No         | No                                   |
| Total guarantee line for subsidiaries approved during the Reporting Period (B1)        |  | 1,298,720         |  | Total actual guarantee amount for subsidiaries during the Reporting Period (B2)         |                           | 2,257,285  |            |                                      |
| Total approved guarantee line for subsidiaries at the end of the Reporting Period (B3) |  | 6,548,155         |  | Total actual guarantee balance for subsidiaries at the end of the Reporting Period (B4) |                           | 3,997,534  |            |                                      |
| Guarantees between subsidiaries  |  |                   |  |   |                           |  |            |                                      |
| Guaranteed party   | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date (date of agreement signing) | Actual guarantee amount   | Type of guarantee         | Term of guarantee                                      | Due or not | Guarantee for a related party or not |
| Ordos Yuan Sheng Photoelectric Co., Ltd.   | 2 Apr. 2013  | 461,693           | 22 May 2013  | 461,693   | Pledge                    | 17 Jun. 2013 – 9 Jun. 2021                             | No         | No                                   |

|   |           |   |           |
|---|-----------|---|-----------|
| Total guarantee line for subsidiaries approved during the Reporting Period (C1)                                     |           | Total actual guarantee amount for subsidiaries during the Reporting Period (C2)         | 0         |
| Total approved guarantee line for subsidiaries at the end of the Reporting Period (C3)                              |           | Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4) | 0         |
| Total guarantee amount (total of the above-mentioned three kinds of guarantees)                                     |           |   |           |
| Total guarantee line approved during the Reporting Period (A1+B1+C1)  | 1,298,720 | Total actual guarantee amount during the Reporting Period (A2+B2+C2)                    | 2,257,285 |
| Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)   | 6,548,155 | Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)            | 3,997,534 |
| Proportion of the total actual guarantee amount (A4+B4+C4) in net assets of the Company                             |           | 51.59%  |           |
| Of which:   |           |   |           |
| Amount of guarantees provided for shareholders, the actual controller and their related parties (D)                 |           | 0   |           |
| Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E) |           | 0   |           |
| Portion of the total guarantee amount in excess of 50% of net assets (F)  |           | 64,044  |           |
| Total amount of the three kinds of guarantees above (D+E+F)   |           | 64,044  |           |
| Joint responsibilities possibly borne or already borne in the Reporting Period for undue guarantees (if any)        |           | N/A   |           |
| Provision of external guarantees in breach of the prescribed procedures (if any)                                    |           | N/A   |           |

Note: The Company provided a joint-liability guarantee for a syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. In the meantime, the Company, Hefei BOE Optoelectronics Technology Co., Ltd. and Beijing BOE Display Technology Co., Ltd. provided guarantees for the said syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. with their stakes in Erdos Haosheng Energy Investment Co., Ltd. as the pledges. so C3=0.

Explanation on guarantee that adopts complex method

Naught

**(2) Illegal provision of guarantees for external parties**

□ Applicable √ Not applicable

No such cases in the Reporting Period.

**3. Entrusted cash management****(1) Entrusted asset management**

√ Applicable □ Not applicable

Unit: RMB Ten Thousand Yuan

| Name of trustee                         | Whether it is a related-party transaction | Product type                   | Value of entrusted assets | Commencement date | Termination date | Method of remuneration | Actual principal amount recovered for the Reporting Period | Amount provided for impairment (if applicable) | Projected income | Actual profit and loss amount for the Reporting Period | Actually received/paid profit/loss amount for the Reporting Period |
|---|---|--------------------------------|---------------------------|-------------------|------------------|------------------------|--|--|------------------|--|--|
| Industrial and Commercial Bank of China | No  | Bank wealth management product | 25,500                    | 23 Dec. 2014      | 7 Jul. 2015      | Pledged principal      | 25,500   | 0  | 750              | 723  | 750  |
| Industrial and Commercial Bank of China | No  | Bank wealth management product | 13,500                    | 31 Dec. 2014      | 2 Apr. 2015      | Pledged principal      | 13,500   | 0  | 163              | 162  | 163  |
| Industrial and Commercial Bank of China | No  | Bank wealth management product | 10,000                    | 20 Jan. 2015      | 20 Apr. 2015     | Pledged principal      | 10,000   | 0  | 120              | 120  | 120  |
| Industrial and Commercial Bank of China | No  | Bank wealth management product | 19,000                    | 28 Feb. 2015      | 30 Jul. 2015     | Pledged                | 19,000   | 0  | 382              | 382  | 382  |

|   |    |                                |        |              |              |                   |        |   |     |     |     |
|---|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
| Commercial Bank of China                |    | management product             |        |              |              | principal         |        |   |     |     |     |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 13,500 | 2 Apr. 2015  | 3 Aug. 2015  | Pledged principal | 13,500 | 0 | 218 | 218 | 218 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 10,000 | 22 Apr. 2015 | 13 Aug. 2015 | Pledged principal | 10,000 | 0 | 150 | 150 | 150 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 48,000 | 5 Jun. 2015  | 28 Sep. 2015 | Pledged principal | 48,000 | 0 | 705 | 705 | 705 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 59,000 | 4 Aug. 2015  | 1 Dec. 2015  | Pledged principal | 59,000 | 0 | 873 | 873 | 873 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 50,000 | 7 Aug. 2015  | 2 Dec. 2015  | Pledged principal | 50,000 | 0 | 711 | 711 | 711 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 25,000 | 14 Aug. 2015 | 9 Dec. 2015  | Pledged principal | 25,000 | 0 | 356 | 356 | 356 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 11,000 | 14 Aug. 2015 | 9 Dec. 2015  | Pledged principal | 11,000 | 0 | 156 | 156 | 156 |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 48,000 | 30 Sep. 2015 | 27 Jan. 2016 | Pledged principal | 0      | 0 | 631 | 484 | 0   |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 20,000 | 1 Dec. 2015  | 29 Mar. 2016 | Pledged           | 0      | 0 | 243 | 61  | 0   |

|   |    |                                |        |              |              |                   |        |   |     |     |     |  |
|---|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|--|
| Bank of China                           |    | product                        |        |              |              | principal         |        |   |     |     |     |  |
| Industrial and Commercial Bank of China | No | Bank wealth management product | 25,000 | 11 Dec. 2015 | 8 Apr. 2016  | Pledged principal | 0      | 0 | 312 | 51  | 0   |  |
| China Everbright Bank                   | No | Bank wealth management product | 19,000 | 20 Nov. 2014 | 20 Feb. 2015 | Pledged principal | 19,000 | 0 | 221 | 119 | 221 |  |
| Huishang Bank                           | No | Bank wealth management product | 10,000 | 24 Sep. 2014 | 14 Jan. 2015 | Pledged principal | 10,000 | 0 | 144 | 18  | 144 |  |
| Huishang Bank                           | No | Bank wealth management product | 15,000 | 15 Oct. 2014 | 14 Jan. 2015 | Pledged principal | 15,000 | 0 | 180 | 28  | 180 |  |
| Huishang Bank                           | No | Bank wealth management product | 20,000 | 18 Nov. 2014 | 5 Mar. 2015  | Pledged principal | 20,000 | 0 | 273 | 163 | 273 |  |
| Huishang Bank                           | No | Bank wealth management product | 10,000 | 19 Nov. 2014 | 4 Mar. 2015  | Pledged principal | 10,000 | 0 | 135 | 80  | 135 |  |
| Huishang Bank                           | No | Bank wealth management product | 25,000 | 16 Jan. 2015 | 15 Apr. 2015 | Pledged principal | 25,000 | 0 | 293 | 293 | 293 |  |
| Huishang Bank                           | No | Bank wealth management product | 20,000 | 6 Mar. 2015  | 5 Aug. 2015  | Pledged principal | 20,000 | 0 | 421 | 421 | 421 |  |
| Huishang Bank                           | No | Bank wealth management         | 10,000 | 6 Mar. 2015  | 5 Aug. 2015  | Pledged principal | 10,000 | 0 | 210 | 210 | 210 |  |



|               |    |                                |        |              |              |                   |        |   |     |     |     |
|---------------|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|               |    | product                        |        |              |              |                   |        |   |     |     |     |
| Huishang Bank | No | Bank wealth management product | 25,000 | 17 Apr. 2015 | 12 Aug. 2015 | Pledged principal | 25,000 | 0 | 409 | 409 | 409 |
| Huishang Bank | No | Bank wealth management product | 20,000 | 22 Apr. 2015 | 5 Aug. 2015  | Pledged principal | 20,000 | 0 | 293 | 293 | 293 |
| Huishang Bank | No | Bank wealth management product | 20,000 | 29 May 2015  | 26 Aug. 2015 | Pledged principal | 20,000 | 0 | 219 | 219 | 219 |
| Huishang Bank | No | Bank wealth management product | 30,000 | 29 May 2015  | 26 Aug. 2015 | Pledged principal | 30,000 | 0 | 329 | 329 | 329 |
| Huishang Bank | No | Bank wealth management product | 35,000 | 4 Jun. 2015  | 16 Sep. 2015 | Pledged principal | 35,000 | 0 | 449 | 449 | 449 |
| Huishang Bank | No | Bank wealth management product | 20,000 | 5 Jun. 2015  | 10 Sep. 2015 | Pledged principal | 20,000 | 0 | 239 | 239 | 239 |
| Huishang Bank | No | Bank wealth management product | 15,000 | 5 Jun. 2015  | 23 Sep. 2015 | Pledged principal | 15,000 | 0 | 203 | 203 | 203 |
| Huishang Bank | No | Bank wealth management product | 15,000 | 31 Jul. 2015 | 12 Nov. 2015 | Pledged principal | 15,000 | 0 | 175 | 175 | 175 |
| Huishang Bank | No | Bank wealth management         | 10,000 | 7 Aug. 2015  | 3 Dec. 2015  | Pledged principal | 10,000 | 0 | 136 | 136 | 136 |

|                        |        |                                |        |              |              |                   |        |   |     |     |     |
|------------------------|--------|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|                        |        | product                        |        |              |              |                   |        |   |     |     |     |
| Huishang Bank          | No     | Bank wealth management product | 20,000 | 26 Aug. 2015 | 27 Nov. 2015 | Pledged principal | 20,000 | 0 | 214 | 214 | 214 |
| Huishang Bank          | No     | Bank wealth management product | 10,000 | 26 Aug. 2015 | 11 Dec. 2015 | Pledged principal | 10,000 | 0 | 123 | 123 | 123 |
| Huishang Bank          | No     | Bank wealth management product | 20,000 | 11 Sep. 2015 | 6 Jan. 2016  | Pledged principal | 0      | 0 | 269 | 258 | 0   |
| Huishang Bank          | No     | Bank wealth management product | 15,000 | 24 Sep. 2015 | 20 Jan. 2016 | Pledged principal | 0      | 0 | 213 | 177 | 0   |
| Huishang Bank          | No     | Bank wealth management product | 15,000 | 13 Nov. 2015 | 9 Mar. 2016  | Pledged principal | 0      | 0 | 192 | 78  | 0   |
| Bank of Communications | Naught | Bank wealth management product | 15,000 | 8 Dec. 2014  | 5 Mar. 2015  | Pledged principal | 15,000 | 0 | 175 | 46  | 175 |
| Bank of Communications | Naught | Bank wealth management product | 10,000 | 9 Feb. 2015  | 6 May 2015   | Pledged principal | 10,000 | 0 | 119 | 119 | 119 |
| Bank of Communications | Naught | Bank wealth management product | 15,000 | 4 Mar. 2015  | 2 Jun. 2015  | Pledged principal | 15,000 | 0 | 189 | 189 | 189 |
| Bank of Communications | Naught | Bank wealth management         | 15,000 | 6 Mar. 2015  | 4 Jun. 2015  | Pledged principal | 15,000 | 0 | 189 | 189 | 189 |

|                        |        |                                |        |              |              |                   |        |   |     |     |     |
|------------------------|--------|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|                        |        | product                        |        |              |              |                   |        |   |     |     |     |
| Bank of Communications | Naught | Bank wealth management product | 10,000 | 10 Apr. 2015 | 8 Jul. 2015  | Pledged principal | 10,000 | 0 | 123 | 123 | 123 |
| Bank of Communications | Naught | Bank wealth management product | 15,000 | 20 Apr. 2015 | 15 Jul. 2015 | Pledged principal | 15,000 | 0 | 180 | 180 | 180 |
| Bank of Communications | Naught | Bank wealth management product | 10,000 | 8 May 2015   | 5 Aug. 2015  | Pledged principal | 10,000 | 0 | 119 | 119 | 119 |
| Bank of Communications | Naught | Bank wealth management product | 30,000 | 29 May 2015  | 24 Aug. 2015 | Pledged principal | 30,000 | 0 | 329 | 329 | 329 |
| Bank of Communications | Naught | Bank wealth management product | 25,000 | 11 Jun. 2015 | 9 Sep. 2015  | Pledged principal | 25,000 | 0 | 277 | 277 | 277 |
| Bank of Communications | Naught | Bank wealth management product | 10,000 | 10 Jul. 2015 | 8 Oct. 2015  | Pledged principal | 10,000 | 0 | 111 | 111 | 111 |
| Ping An Bank           | No     | Bank wealth management product | 30,000 | 2 Jul. 2015  | 30 Oct. 2015 | Pledged principal | 30,000 | 0 | 459 | 459 | 459 |
| Ping An Bank           | No     | Bank wealth management product | 26,600 | 2 Jul. 2015  | 30 Oct. 2015 | Pledged principal | 26,600 | 0 | 407 | 407 | 407 |
| Ping An Bank           | No     | Bank wealth management         | 30,000 | 30 Oct. 2015 | 29 Dec. 2015 | Pledged principal | 30,000 | 0 | 191 | 191 | 191 |

|          |    |                                |        |              |              |                   |        |   |     |     |     |
|----------|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|          |    | product                        |        |              |              |                   |        |   |     |     |     |
| SPD Bank | No | Bank wealth management product | 10,000 | 1 Sep. 2014  | 2 Mar. 2015  | Pledged principal | 10,000 | 0 | 242 | 79  | 242 |
| SPD Bank | No | Bank wealth management product | 15,000 | 5 Sep. 2014  | 4 Mar. 2015  | Pledged principal | 15,000 | 0 | 362 | 127 | 362 |
| SPD Bank | No | Bank wealth management product | 1,000  | 10 Oct. 2014 | 7 Jan. 2015  | Pledged principal | 1,000  | 0 | 12  | 2   | 12  |
| SPD Bank | No | Bank wealth management product | 15,000 | 16 Oct. 2014 | 14 Apr. 2015 | Pledged principal | 15,000 | 0 | 362 | 209 | 362 |
| SPD Bank | No | Bank wealth management product | 1,000  | 20 Oct. 2014 | 17 Jan. 2015 | Pledged principal | 1,000  | 0 | 12  | 2   | 12  |
| SPD Bank | No | Bank wealth management product | 10,000 | 20 Oct. 2014 | 19 Jan. 2015 | Pledged principal | 10,000 | 0 | 117 | 84  | 117 |
| SPD Bank | No | Bank wealth management product | 1,000  | 13 Jan. 2015 | 13 Apr. 2015 | Pledged principal | 1,000  | 0 | 11  | 11  | 11  |
| SPD Bank | No | Bank wealth management product | 1,000  | 22 Jan. 2015 | 22 Apr. 2015 | Pledged principal | 1,000  | 0 | 11  | 11  | 11  |
| SPD Bank | No | Bank wealth management         | 10,000 | 4 Mar. 2015  | 2 Jun. 2015  | Pledged principal | 10,000 | 0 | 121 | 121 | 121 |

|          |    |                                |        |              |              |                   |        |   |     |     |     |
|----------|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|          |    | product                        |        |              |              |                   |        |   |     |     |     |
| SPD Bank | No | Bank wealth management product | 15,000 | 16 Apr. 2015 | 15 Jul. 2015 | Pledged principal | 15,000 | 0 | 189 | 189 | 189 |
| SPD Bank | No | Bank wealth management product | 1,000  | 16 Apr. 2015 | 15 Jul. 2015 | Pledged principal | 1,000  | 0 | 11  | 11  | 11  |
| SPD Bank | No | Bank wealth management product | 15,000 | 30 Apr. 2015 | 29 Jul. 2015 | Pledged principal | 15,000 | 0 | 182 | 182 | 182 |
| SPD Bank | No | Bank wealth management product | 1,000  | 8 May 2015   | 6 Aug. 2015  | Pledged principal | 1,000  | 0 | 11  | 11  | 11  |
| SPD Bank | No | Bank wealth management product | 400    | 29 May 2015  | 27 Aug. 2015 | Pledged principal | 400    | 0 | 4   | 4   | 4   |
| SPD Bank | No | Bank wealth management product | 30,000 | 20 Jul. 2015 | 18 Oct. 2015 | Pledged principal | 30,000 | 0 | 381 | 381 | 381 |
| SPD Bank | No | Bank wealth management product | 30,000 | 26 Aug. 2015 | 24 Nov. 2015 | Pledged principal | 30,000 | 0 | 311 | 311 | 311 |
| SPD Bank | No | Bank wealth management product | 20,000 | 28 Aug. 2015 | 26 Nov. 2015 | Pledged principal | 20,000 | 0 | 207 | 207 | 207 |
| SPD Bank | No | Bank wealth management         | 25,000 | 11 Sep. 2015 | 10 Dec. 2015 | Pledged principal | 25,000 | 0 | 265 | 265 | 265 |

|          |    |                                |        |              |              |                   |        |   |     |     |     |
|----------|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|          |    | product                        |        |              |              |                   |        |   |     |     |     |
| SPD Bank | No | Bank wealth management product | 35,000 | 18 Sep. 2015 | 17 Dec. 2015 | Pledged principal | 35,000 | 0 | 380 | 380 | 380 |
| SPD Bank | No | Bank wealth management product | 10,000 | 9 Oct. 2015  | 7 Jan. 2016  | Pledged principal | 0      | 0 | 108 | 100 | 0   |
| SPD Bank | No | Bank wealth management product | 30,400 | 20 Oct. 2015 | 18 Jan. 2016 | Pledged principal | 0      | 0 | 322 | 251 | 0   |
| SPD Bank | No | Bank wealth management product | 10,000 | 13 Nov. 2015 | 20 Jan. 2016 | Pledged principal | 0      | 0 | 97  | 70  | 0   |
| SPD Bank | No | Bank wealth management product | 16,600 | 13 Nov. 2015 | 11 Feb. 2016 | Pledged principal | 0      | 0 | 176 | 96  | 0   |
| SPD Bank | No | Bank wealth management product | 30,000 | 26 Nov. 2015 | 24 Feb. 2016 | Pledged principal | 0      | 0 | 318 | 124 | 0   |
| SPD Bank | No | Bank wealth management product | 20,000 | 30 Nov. 2015 | 29 Feb. 2016 | Pledged principal | 0      | 0 | 214 | 73  | 0   |
| SPD Bank | No | Bank wealth management product | 25,000 | 14 Dec. 2015 | 14 Mar. 2016 | Pledged principal | 0      | 0 | 268 | 56  | 0   |
| SPD Bank | No | Bank wealth management         | 35,000 | 21 Dec. 2015 | 20 Mar. 2016 | Pledged principal | 0      | 0 | 371 | 41  | 0   |

|                 |    |                                |        |              |              |                   |        |   |     |     |     |
|-----------------|----|--------------------------------|--------|--------------|--------------|-------------------|--------|---|-----|-----|-----|
|                 |    | product                        |        |              |              |                   |        |   |     |     |     |
| SPD Bank        | No | Bank wealth management product | 30,000 | 23 Dec. 2015 | 22 Mar. 2016 | Pledged principal | 0      | 0 | 318 | 32  | 0   |
| Industrial Bank | No | Bank wealth management product | 10,000 | 16 Jun. 2015 | 16 Sep. 2015 | Pledged principal | 10,000 | 0 | 113 | 113 | 113 |
| Industrial Bank | No | Bank wealth management product | 10,000 | 24 Sep. 2015 | 17 Dec. 2015 | Pledged principal | 10,000 | 0 | 97  | 97  | 97  |
| Industrial Bank | No | Bank wealth management product | 10,000 | 28 Dec. 2015 | 28Jan. 2016  | Pledged principal | 0      | 0 | 32  | 3   | 0   |
| Bank of China   | No | Bank wealth management product | 10,000 | 22 Sep. 2014 | 5 Jan. 2015  | Pledged principal | 10,000 | 0 | 135 | 6   | 135 |
| Bank of China   | No | Bank wealth management product | 15,000 | 25 Sep. 2014 | 15 Jan. 2015 | Pledged principal | 15,000 | 0 | 221 | 30  | 221 |
| Bank of China   | No | Bank wealth management product | 15,000 | 29 Sep. 2014 | 26 Jan. 2015 | Pledged principal | 15,000 | 0 | 235 | 51  | 235 |
| Bank of China   | No | Bank wealth management product | 20,000 | 16 Oct. 2014 | 19 Jan. 2015 | Pledged principal | 20,000 | 0 | 250 | 50  | 250 |
| Bank of China   | No | Bank wealth management         | 10,000 | 29 Oct. 2014 | 6 Feb. 2015  | Pledged principal | 10,000 | 0 | 129 | 48  | 129 |

|   |    |                                |                                  |              |              |                   |           |   |        |        |     |
|---|----|--------------------------------|----------------------------------|--------------|--------------|-------------------|-----------|---|--------|--------|-----|
|   |    | product                        |                                  |              |              |                   |           |   |        |        |     |
| Bank of China   | No | Bank wealth management product | 10,000                           | 6 Jan. 2015  | 8 Apr. 2015  | Pledged principal | 10,000    | 0 | 121    | 121    | 121 |
| Bank of China   | No | Bank wealth management product | 15,000                           | 16 Jan. 2015 | 16 Apr. 2015 | Pledged principal | 15,000    | 0 | 178    | 178    | 178 |
| Bank of China   | No | Bank wealth management product | 20,000                           | 20 Jan. 2015 | 20 Apr. 2015 | Pledged principal | 20,000    | 0 | 237    | 237    | 237 |
| Bank of China   | No | Bank wealth management product | 15,000                           | 27 Jan. 2015 | 27 Apr. 2015 | Pledged principal | 15,000    | 0 | 178    | 178    | 178 |
| Total   |    |                                | 1,621,500                        | --           | --           | --                | 1,261,500 | 0 | 21,287 | 17,067 | --  |
| Source of entrusted assets  |    |                                | All from the Company's own funds |              |              |                   |           |   |        |        |     |
| Cumulative amount of principal and revenue overdue  |    |                                | 0                                |              |              |                   |           |   |        |        |     |
| Litigation involved (if applicable)   |    |                                | Not applicable                   |              |              |                   |           |   |        |        |     |
| Disclosure date of the announcement about the board's consent for the asset management entrustment (if any)           |    |                                | 21 Apr. 2015                     |              |              |                   |           |   |        |        |     |
| Disclosure date of the announcement about the general meeting's consent for the asset management entrustment (if any) |    |                                | 21 May 2015                      |              |              |                   |           |   |        |        |     |
| Any plan for asset management entrustment in the future   |    |                                | Yes                              |              |              |                   |           |   |        |        |     |

Notes: The annual general meeting approved a line of RMB5 billion for entrusted wealth management, which could be used repeatedly.



## (2) Entrusted loans

Applicable  Not applicable

No such cases in the Reporting Period.

## 4. Other significant contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## XVIII Other significant events

Applicable  Not applicable

1. According to the Share Buybacks Long-term Mechanism of BOE Technology Group Co., Ltd. (2014-2016) released on 22 April, 2014 by the Company and Plan About Buyback of Partial Public Shares of BOE Technology Group Co., Ltd. released on 29 July, 2014, currently the Plan has been approved by 2<sup>nd</sup> Extraordinary General Meeting in 2014. Up to the expiration of the buy-back period on 13 August 2015, we had bought back a total of 136,569,831 B-shares, which were cancelled on 18 August 2015. For details, see the Announcement of BOE Technology Group Co., Ltd. on Completion of Buy-back and Cancellation of Some Public Shares & Changes in Shares disclosed on 20 August 2015 (Notice No.: 2015-061).

2. According to the Notice About Acquisition of All Stock Equity of OASIS Investment Co., Ltd. and Addition of Registered Capital by BOE Technology Group Co., Ltd. (Notice No.: 2015-041) released on 19 June, 2015 by the Company, currently the Company had completed the acquisition and delivery progress of the whole equities and the industrial and commercial registration change procedures of OASIS Investment Co., Ltd.; for the details, see the Announcement on the Progress of the Acquisition of OASIS Investment Co., Ltd. BOE Technology Group Co., Ltd. (Notice No.: 2015-068).

3. According to the Notice About Resolutions of the 2<sup>nd</sup> Extraordinary General Meeting of BOE Technology Group Co., Ltd (Notice No.: 2015-049) released on 7 July, 2015 by the Company, Mr. Zhang Jinsong is elected as the non-independent director in the 7<sup>th</sup> Board of Directors; Mr. Wang Huacheng is elected the independent director in the 7<sup>th</sup> Board of Directors; Mr. Chen Ming and Ms. Shi Hong are elected the supervisors in the 7<sup>th</sup> Board of Supervisors.

4. According to the Notice About Resolutions of the 26<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors of BOE Technology Group Co., Ltd. (Notice No.: 2015-055) released on 30 July, 2015 by the Company, Mr. Xie Xiaoming is elected deputy chairman in the 7<sup>th</sup> Board of Directors.

5. According to the Notice About Resolutions of the 11<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors of BOE Technology Group Co., Ltd. (Notice No.: 2015-056) released on 30 July, 2015 by the Company, Mr. Chen Ming is elected chairman in the 7<sup>th</sup> Board of Supervisors.

6. On 15 September 2015, the Company disclosed the Announcement on the Resolutions of the 2015 3<sup>rd</sup> Extraordinary General Meeting of BOE Technology Group Co., Ltd. (Notice No.: 2015-070), which reviewed and approved the proposal on the 2015 mid-term profits distribution preplan.

7. On 13 June 2015, the Company disclosed the Announcement on the Investment and Construction of Fuzhou No. 8.5 Generation New Type Semiconductor Display Device Production Line Project of BOE Technology Group Co., Ltd. (Notice No.: 2015-040), which planned to invest and to construct in Fuzhou on the No. 8.5 generation new type semiconductor display device production line project and the event had been reviewed as well as approved by the 2015 2<sup>st</sup> Extraordinary General Meeting and as for the specific information, see the relevant announcements: Announcement on the Investment of Fuzhou No. 8.5 Generation Line Project by China Development Fund of BOE Technology Group Co., Ltd. disclosed on 10 Dec. 2015 by the Company (Notice No.: 2015-082), of

which the China Development Fund Co., Ltd. contributed of RMB1.7 billion for the investment on Fuzhou BOE Optoelectronics Technology Co., Ltd. and the event had been reviewed and approved by the 2015 4<sup>th</sup> Extraordinary General Meeting; on 11 Mar. 2016, the Company disclosed the Announcement on the Additional Investment of the 8.5 Generation Line Project by China Development Fund of BOE Technology Group Co., Ltd. (Notice No.: 2015-016), of which the China Development Fund Co., Ltd. made an additional investment of RMB1.6 billion for the investment on Fuzhou BOE Optoelectronics Technology Co., Ltd. and the event had been reviewed and approved by the 2016 2<sup>nd</sup> Extraordinary General Meeting.

## XIX Significant events of subsidiaries

Applicable  Not applicable

- 1、The Chengdu 6G LTPS/AMOLED Production Line started its construction on 8 May 2015.
2. Fuzhou No. 8.5 generation line: began to be constructed on 11 October 2015.
3. Hefei No. 10.5 generation thin film transistor liquid crystal display device production line: began to be constructed on 2 December 2015.

## XX Social responsibilities

Applicable  Not applicable

For the details, see the Announcement on the 2015 Social Responsibilities of BOE Technology Group Co., Ltd. disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn) on 26 April 2016.

Whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China

Yes  No  Not applicable

## XXI Corporate bonds

Corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full

Yes

### 1. Basic information of the Company bonds

| Name  | Abbr.             | Code   | Release date | Due date     | Bonds balance<br>(RMB Ten<br>Thousand Yuan) | Interest<br>rate | Way of<br>redemption   |
|---|-------------------|--------|--------------|--------------|---|------------------|--|
| 2016 Public offering of the corporation bonds for the qualified investors of BOE Technology Group Co., Ltd. (Phase I) | 16BOE01           | 112358 | 21 Mar. 2016 | 21 Mar. 2021 | 1,000,000                                   | 3.15%            | Paid for the interests by year and the principals once when expired. |
| Listed or transferred trading place of the Company bonds  | List on the SZSE. |        |              |              |   |                  |  |

|   |  |
|---|--|
| Appropriate arrangement of the investors  | The bonds only publically offered to the qualified investors and after the listing, which will be appropriate managed by the implementation investors and only be limited for the qualified investors to participate in the transactions.  |
| List of the interests payment of the Company bonds during the Reporting Period  | Up to the approval quotation date of the Annual Report, the bonds were not yet needed to pay for the bonds interests.  |
| Execution of the relevant regulations during the Reporting Period such as the affiliated option clause of the issuers or investors, special clauses such as the exchangeable regulations of the Company bonds (if applicable) | There was affiliated issuers' up-regulation nominal interest rate option and the investors' sell-back option at the year-end of the third year of the current bond duration; and up to the approval quotation date of the Annual Report, the bonds were not yet needed to be executed. |

## 2. List of the bond trustee and the rating organization

|  |                            |                |  |  |                                      |                |              |
|--|----------------------------|----------------|--|--|--------------------------------------|----------------|--------------|
| Bond trustee:  |                            |                |  |  |                                      |                |              |
| Name   | China Securities Co., Ltd. | Office address | No. 4 Building, No. 66 of Anli Rd., Chaoyang District, Beijing | Contact  | Zhu Mingqiang, Han Yong, Sheng Cheng | Contact number | 021-68801565 |
| Rating organization executed the tracking rating of the Company bonds of the Reporting Period:   |                            |                |  |  |                                      |                |              |
| Name   | United Ratings Co., Ltd.   |                | Office address   | No. 508 of Ailiyuan Apartment, No. 38 of North Rd. of Water Park, Nankai District, Tianjin |                                      |                |              |
| Alternation reasons, execution process and influences on the investors' interests etc. if there was alternation of the bond trustees and the credit rating agencies engaged by the Company during the Reporting Period (if applicable) | Not applicable             |                |  |  |                                      |                |              |

## 3. List of the usage of the raised funds of the Company bonds

|  |  |
|--|--|
| List of the usage of the raised funds and the execution process of the Company bonds | The Company executed the internal decision-making process strictly according to the applications committed by the prospectus as well as the reviewal regulations of the Board of Directors and Annual General Meeting of the Company.  |
| Year end balance(Millon)   | N/A  |
| Operating situation of the raised funds special account                              | The Company signed the Agreement on the 2016 Public Offering of the Corporation Bonds Account for the Qualified Investors and the Funds Tripartite Authorities of BOE Technology Group Co., Ltd. with the Beijing Olympic Branch of Ping An Bank Co, Beijing Heping Branch of CHINA CITIC BANK CORPORATION LIMITED and |

|   |  |
|---|--|
|   | Beijing Branch of China Merchants Bank Co., Ltd., which set up the raise funds account that ensure the exclusive use of the special fund of the raise funds. |
| Whether the usage of the raised funds met with the usage, using plan and other agreements committed on the prospectus | Yes  |

#### 4. Rating situation of the Company bonds information

On 25 January 2016, United Ratings Co., Ltd. (hereinafter referred to as “United Ratings”) issued the Analysis Report of the 2016 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd., with the issuers’ main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. The main body of the credit rating of the Company was AAA with the rating outlook was stable that reflected the rather strong debt paying ability which would basically not be influenced by the disadvantage economic environment with rather low default risks. The credit rating of the bonds of the Reporting Period was AAA, which reflected the rather high bond credit quality and the rather low credit risks.

According to the relevant requirements of the supervision department and the United Rating on the tracking rating, during the duration of the current bonds, the United Rating would execute once periodic tracking rating within 2 months after the annual report of the Company and execute non-scheduled tracking rating according to the relevant situation during the duration of the bonds of the Reporting Period. The United Rating will pay close attention on the relevant conditions of the Company and if discovered any significant change of the relevant elements of the Company or the current bonds or discovered which exist or may exist significant event that cause rather big influences on the credit rating. The United Rating will execute the relevant situation and assess the influences of which on the credit rating and according to the influences to recognize or to adjust the credit rating of the current bonds. The tracking rating report of the current bonds by the United Rating will be disclosed on [www.szse.cn](http://www.szse.cn) and [www.unitedratings.com.cn](http://www.unitedratings.com.cn) with the public disclosure date of [www.szse.cn](http://www.szse.cn) not later than that of other trading places, media or other places.

#### 5. Credit-adding mechanism, repayment plan and other repayment guarantee measures of the Company bonds

There was no guarantee of the corporate bonds of the Reporting Period.

The profits of the main business of the issuers was the main resources of the debt service fund of the bonds of the Reporting Period. The debt repayment plan was as follows: during the duration period of the bonds of the Reporting Period, every 21 March of each year from Y2017 to Y2021 is the interest date of the last interest accrual year (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day); if the investors executed the put-back right, the interest date of the part of the put-back bonds is every 21 March from Y2017 to Y2021 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day). The principal of the current bonds should be paid at one time when expired. The payment date of the current bonds would be 21 March 2021 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day); if the investors executed the put-back right, the payment date of the part of the put-back bonds would be 21 March 2019 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day).

The repayment guarantee measures of the corporate bonds of the Reporting Period: to formulate the Meeting Regulations of the Bondholders and the repayment guarantee measures; to formulate and strictly carry out the funds management plans; to fully exert the functions of the bond trustees; to strictly disclose the information; at the same time, when expected to fail to repay the principals and interest of the bonds on time or failed to repay the principals and interest of the bonds when expired, the Company will at least adopt the measures of the execution of the capital expenditures projects such as to postpone the significant external investment and the purchase as well as merger and so on that guarantee the repayment of the debts.

During the Reporting Period, there was no alternation of the credit-adding mechanism, debt repayment plan and other repayment guarantee measures of the corporate bonds.

## 6. Convene situation of the bonds holders meeting during the Reporting Period

No convention of the bondholders held during the duration of the current bonds up to the approval quotation date of the Annual Report.

## 7. List of the duty execution of the bonds trustee during the Reporting Period

As the bond trustee of the Reporting Period, China Securities Co., Ltd. constantly paid attention on the operating, finance and credit situation of the Company strictly according to the relevant laws and regulations such as the Regulations of the Offering and Trading of the Corporate Bonds, Professional Code of Conduct of the Bond Trustee of the Corporate Bonds and vigorously executed the responsibilities as a trustee as well as maintained the legal interests of the bondholders; there was no any situation conflicted to the Company's interests when executing the relevant responsibilities of the trustee.

## 8. The major accounting data and the financial indicators of the recent 2 years of the Company up the period-end

Unit: RMB Ten Thousand Yuan

| Item   | 2015       | 2014       | Change rate of the same period |
|--|------------|------------|--------------------------------|
| EBITDA   | 1,146,017  | 976,705    | 17.34%                         |
| Net amount of the cash flow from investing activities      | -1,959,440 | -2,375,441 | -17.51%                        |
| Net amount of the cash flow from financing activities      | 812,893    | 3,564,139  | -77.19%                        |
| Balance of the cash and cash equivalents at the period-end | 3,618,274  | 3,650,471  | -0.88%                         |
| Current ratio  | 220.83%    | 309.25%    | -88.42%                        |
| Asset-liability ratio                                      | 48.65%     | 43.51%     | 5.14%                          |
| Quick ratio  | 197.94%    | 287.31%    | -89.37%                        |
| Total debt ratio of EBITDA                                 | 15.44%     | 16.48%     | -1.04%                         |
| Times interest earned                                      | 1.79       | 2.39       | -25.10%                        |
| Times interest earned of cash                              | 9.05       | 5.8        | 56.03%                         |
| Times interest earned of EBITDA                            | 6.08       | 5.83       | 4.29%                          |
| Loan repayment rate  | 100.00%    | 100.00%    | 0.00%                          |
| Interest coverage  | 100.00%    | 100.00%    | 0.00%                          |

Main reason of the above accounting data and the financial indicators with the YoY change exceeded 30%

Applicable  Inapplicable

The net amount of the cash flow from financing activities decreased of 77% over the same period of last year, which mainly due to the completion of the directional seasoned offering of the last year that caused certain cash flow from the financing activities;

Current ratio decreased of 88% over the same period of last year, which mainly due to the acquired loans from the newly constructed

projects of Y2016;

Quick ratio decreased of 89% over the same period of last year, which mainly due to the acquired loans from the newly constructed projects of Y2016;

Times interest earned of cash increased of 56% over the same period of last year, which mainly due to the increase of the revenues of Y2016 as well as the increase of the net amount of the cash flow from operating activities.

### 9. List of the restricted assets right up to the report-end

| Item   | Closing book balance | Restricted reason   |
|--|----------------------|---|
| Monetary funds   | 2,684,123,619.00     | Pledged for guarantee and margin deposit  |
| Notes receivable   | 51,563,586.00        | Had been endorsed and transferred as well as been attached to the right of recourse |
| Inventories  | 0.00                 | N/A   |
| Fixed assets   | 51,516,583,058.00    | pledged for guarantee   |
| Intangible assets  | 668,801,276.00       | pledged for guarantee   |
| Other (investment property, construction in progress, accounts receivable) | 10,650,169,900.00    | pledged for guarantee   |
| Total  | 65,571,241,439.00    | --  |

### 10. List of the interest payment of other bonds and bonds financing instruments during the Reporting Period

No such situation of the Company during the Reporting Period.

### 11. List of the acquired bank credit lines, usage and the repayment of the bank loans

The operation and reputation of the Company was favourable and the profitability as well as the debt payment ability of the Company was strong as well as the Company maintained the long-term cooperative partnerships with China Development Bank, Ping An Bank and Industrial and Commercial Bank. Up to 31 Dec. 2015, the total amount of the credit line of the major cooperative banks with the Company was of RMB28.09 billion with the used credit line of RMB6.74 billion and the unused amount of which was of RMB21.35 billion.

No such situation of the Company during the Reporting Period.

### 12. List of the execution of the agreements or the commitments related to the Company bonds raising specification during the Reporting Period

Up to the approval quotation date of the Annual Report, the Company strictly carried out each agreement and commitment of the current bond prospectus, and there was no any situation of the inefficient execution of the relevant agreements or commitments according to the bond prospectus by the Company that caused the negative influences on the bonds investors.

**13. Significant events occurred during the Reporting Period**

No such situation of the Company during the Reporting Period.

**14. Whether there was guarantor of the Company bonds**

Yes  No

## Section VI Share Changes and Information about Shareholders

### I. Changes in shares

#### 1. Change in shares

Unit: Share

| Item  | Before the change |            | Increase/decrease (+, -) |                 | After the change |            |
|---|-------------------|------------|--------------------------|-----------------|------------------|------------|
|   | Number            | Percentage | Other                    | Subtotal        | Number           | Percentage |
| I. Restricted shares                              | 22,445,286,295    | 63.60%     | -11,847,673,529          | -11,847,673,529 | 10,597,612,766   | 30.15%     |
| 1. Shares held by the state                       | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| 2. Shares held by state-owned corporations        | 10,595,502,993    | 30.02%     | 0                        | 0               | 10,595,502,993   | 30.14%     |
| 3. Shares held by other domestic investors        | 11,849,783,302    | 33.58%     | -11,847,673,529          | -11,847,673,529 | 2,109,773        | 0.01%      |
| Among which: shares held by domestic corporations | 11,847,619,043    | 33.57%     | -11,847,619,043          | -11,847,619,043 | 0                | 0.00%      |
| Shares held by domestic individuals               | 2,164,259         | 0.01%      | -54,486                  | -54,486         | 2,109,773        | 0.01%      |
| 4. Shares held by foreign investors               | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| Among which: Shares held by foreign corporations  | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| Shares held by foreign individuals                | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| II. Non-restricted shares                         | 12,844,351,279    | 36.40%     | 11,711,103,698           | 11,711,103,698  | 24,555,454,977   | 69.85%     |
| 1. RMB ordinary shares                            | 11,505,691,279    | 32.60%     | 11,847,673,529           | 11,847,673,529  | 23,353,364,808   | 66.43%     |
| 2. Domestically listed foreign shares             | 1,338,660,000     | 3.79%      | -136,569,831             | -136,569,831    | 1,202,090,169    | 3.42%      |
| 3. Overseas listed foreign shares                 | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| 4. Other  | 0                 | 0.00%      | 0                        | 0               | 0                | 0.00%      |
| III. Total shares                                 | 35,289,637,574    | 100.00%    | -136,569,831             | -136,569,831    | 35,153,067,743   | 100.00%    |

Reasons for changes in shares

√ Applicable □ Not applicable

- On 15 April 2015, part of the Company's non-public issue share was unlocked, the number was 11,847,619,043 shares.
- In 26 December 2014, there were changes in senior executives, whose holding of shares changed into restricted shares. As of the end of Reporting Period, the lock period of the shares had expired, which transfer into unlock share with a number of 211,962 shares. In 22 October 2015, there were changes in senior executives, whose holding of shares changed into restricted shares, he number was



157,476 shares, the above decrease of restricted shares were in total 54,486 shares.

3. During Reporting Period, the Company had completed a phase I repurchase plan; accumulatively repurchase 0 share of A share and 136,569,831 shares of B share. Cancelled all repurchase shares on 18 August 2015.

Approval of share changes

Applicable  Not applicable

Particulars about transferring ownership of shares

Applicable  Not applicable

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  Not-applicable

Unit: RMB

| Item  | Jan.- Dec. 2015  |
|---|------------------|
| Basic EPS   | 0.046            |
| Diluted EPS   | 0.046            |
| Item  | 31 December 2015 |
| Net assets per share attributed to the common shareholders of the Company | 2.204            |

Other contents that the Company thinks it is necessary to disclose or that securities regulatory institutions demand to disclose

Applicable  Not applicable

## 2. Change of the restricted shares

Applicable  Not applicable

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        | 4,063,333,333                                | 0  | 0   | 4,063,333,333                              | Non-public issuance | Estimated after 2017-4-7        |
| Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. | 3,000,000,000                                | 0  | 0   | 3,000,000,000                              | Non-public issuance | Estimated after 2017-4-7        |
| Hefei Jianxiang Investment Co., Ltd.                               | 2,857,142,857                                | 0  | 0   | 2,857,142,857                              | Non-public issuance | Estimated after 2017-4-7        |
| Minsheng Royal Fund-CMBC-Ping'an                                   | 2,380,952,380                                | 2,380,952,380                            | 0   | 0  | Non-public issuance | Estimated after 2017-4-15       |

|   |                |                |         |                |  |                           |
|---|----------------|----------------|---------|----------------|--|---------------------------|
| Trust-Ping'an Finance-Assembled Funds Trust Plan of Huitai No. 66                                     |                |                |         |                |  |                           |
| Hua An Fund-HXB-Ping'an Trust-Ping'an Finance * Assembled Funds Trust Plan of Huitai No. 72           | 2,380,952,380  | 2,380,952,380  | 0       | 0              | Non-public issuance                                  | Estimated after 2017-4-15 |
| Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1 | 1,904,761,904  | 1,904,761,904  | 0       | 0              | Non-public issuance                                  | Estimated after 2017-4-15 |
| Ping'an Dahua Fund-Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 31 | 1,428,571,428  | 1,428,571,428  | 0       | 0              | Non-public issuance                                  | Estimated after 2017-4-15 |
| Ping'an Dahua Fund-Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 34 | 1,428,571,428  | 1,428,571,428  | 0       | 0              | Non-public issuance                                  | Estimated after 2017-4-15 |
| Shenzhen Ping'an Innovation Capital Investment Co., Ltd.  | 1,190,476,190  | 1,190,476,190  | 0       | 0              | Non-public issuance                                  | Estimated after 2017-4-15 |
| Hefei Rongke Project Investment Co., Ltd.   | 675,026,803    | 0              | 0       | 675,026,803    | Voluntarily committed to add the selling restriction | 2016-1-11                 |
| Other shareholders of non-public restricted shares  | 1,133,333,333  | 1,133,333,333  | 0       | 0              | Non-public issuance                                  | 2015-4-15                 |
| Senior Executives shareholdings   | 2,164,259      | 211,962        | 157,476 | 2,109,773      | Change in Senior Executives                          | --                        |
| Total   | 22,445,286,295 | 11,847,831,005 | 157,476 | 10,597,612,766 | --   | --                        |

## **II. Issuance and listing of securities**

### **1. Securities issuance in Reporting Period (excluding preferred stock)**

Applicable  Not applicable

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

Applicable  Not applicable

In Reporting Period, the Company accumulatively repurchased and cancelled 136,569,831 shares of B share, the total share of the Company decreased from 35,289,637,574 shares to 35,153,067,74 shares. At the end of Reporting Period, the total assets increased from RMB136,240,283,477.00 to RMB152,592,894,442.00. The asset-liability ratio increased from 43.51% to 48.65%.

### **3. List of the existing internal workers' shares**

Applicable  Not applicable

### III. Shareholders and actual controller

#### 1. Total number of shareholders and their shareholding situation

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 shareholders with a shareholding percentage over 5% or the top 10 shareholders       |                         |  |   |   |  |                                      |                          |                  |
| Name of shareholder   | Nature of shareholder   | Shareholding percentage (%)  | Total shares held at the period-end   | Increase/decrease during the Reporting Period | Number of restricted shares held   | Number of non-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   | 0   | 4,063,333,333  | 0                                    |                          |                  |
| Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.                                    | State-owned Corporation | 8.53%  | 3,000,000,000   | 0   | 3,000,000,000  | 0                                    | Pledged                  | 955,000,000      |
| Hefei Jianxiang Investment Co., Ltd.  | State-owned Corporation | 8.13%  | 2,857,142,857   | 0   | 2,857,142,857  | 0                                    |                          |                  |
| Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1 | Other                   | 4.45%  | 1,564,126,904   | -340,635,000                                  | 0  | 1,564,126,904                        |                          |                  |
| China Securities Finance Corp.  | Other                   | 2.99%  | 1,051,078,931   | 1,051,078,931                                 | 0  | 1,051,078,931                        |                          |                  |

|  |                         |   |             |              |             |             |  |  |
|--|-------------------------|---|-------------|--------------|-------------|-------------|--|--|
| Beijing BOE Investment & Development Co., Ltd.   | State-owned Corporation | 2.34%   | 822,092,180 | -38,888,900  | 0           | 822,092,180 |  |  |
| Beijing Economic-Technological Investment & Development Corp.  | State-owned Corporation | 1.93%   | 677,423,641 | -170,226,359 | 0           | 677,423,641 |  |  |
| Hefei Rongke Project Investment Co., Ltd.  | State-owned Corporation | 1.92%   | 675,026,803 | 0            | 675,026,803 | 0           |  |  |
| Beijing BDA Technological Investment Development Co., Ltd.   | Other                   | 1.60%   | 564,000,000 | -36,000,000  | 0           | 564,000,000 |  |  |
| Beijing Electronics Holdings Co., Ltd.   | On behalf of the State  | 0.78%   | 273,735,583 | -1,568,300   | 0           | 273,735,583 |  |  |
| Strategic investors or general corporations becoming top-ten shareholders due to placing of new shares (if any) (see Note 3) |                         | N/A   |             |              |             |             |  |  |
| Related or acting-in-concert parties among the shareholders above  |                         | <p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development Co., Ltd. and was its controlling shareholder.</p> <p>3. Beijing Economic-technological Investment &amp; 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 &amp; 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</p> |             |              |             |             |  |  |

|  | rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to <i>Implementation Protocol of Voting Right</i> .  |                     |               |
|--|---|---------------------|---------------|
|  | 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.   |                     |               |
| Shareholdings of the top ten non-restricted shareholders   |   |                     |               |
| Name of shareholder  | Number of non-restricted shares held at the period-end  | Type of shares      |               |
|  |   | Type                | Number        |
| Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1  | 1,564,126,904   | RMB ordinary shares | 1,564,126,904 |
| China Securities Finance Corp.   | 1,051,078,931   | RMB ordinary shares | 1,051,078,931 |
| Beijing BOE Investment & Development Co., Ltd.   | 822,092,180   | RMB ordinary shares | 822,092,180   |
| Beijing Economic-Technological Investment & Development Corp.  | 677,423,641   | RMB ordinary shares | 677,423,641   |
| Beijing BDA Technological Investment Development Co., Ltd.   | 564,000,000   | RMB ordinary shares | 564,000,000   |
| Beijing Electronics Holdings Co., Ltd.   | 273,735,583   | RMB ordinary shares | 273,735,583   |
| Central Huijin Asset Management Co., Ltd.  | 248,305,300   | RMB ordinary shares | 248,305,300   |
| ChongqingJiangbeizui CBD Investment Group Co., Ltd.  | 107,095,238   | RMB ordinary shares | 107,095,238   |
| Sinotrans Air Transportation Development Co., Ltd.   | 78,200,000  | RMB ordinary shares | 78,200,000    |
| ICBC Credit Suisse fund- Agricultural Bank of China-ICBC Credit Suisse China Securities Finance Assets Management  | 55,558,900  | RMB ordinary shares | 55,558,900    |
| Related or acting-in-concert parties among the top ten non-restrictedly tradable share holders and between the top ten non-restrictedly tradable share holders and the top ten | 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. |                     |               |

|  |  |
|--|--|
| shareholders   | <p>3. Beijing Economic-technological Investment &amp; 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 &amp; 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> |
| Top ten common shareholders conducting securities margin trading | N/A  |

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 | Credibility code | Main business scope  |
|--|---|-----------------------|------------------|--|
| Beijing Electronics Holdings Co., Ltd.   | Wang Yan  | 1997-04-08            | 63364799-8       | 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. |
| 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 363,429,503 shares of A share of Electronic City ((Stock Code: 600658), which was of 62.65% of the total shares amount of Electronic City. |                       |                  |  |

Change of the controlling shareholder during the Reporting Period

Applicable  Not applicable

|   |   |
|---|---|
| New controlling shareholder                         | Beijing Electronics Holdings Co., Ltd                           |
| Date of change                                      | 2015-03-10  |
| Index to relevant information on designated website | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| Date of disclosure                                  | 2015-03-12  |

## 3. Information about the actual controller



Nature of the actual controller: Local management organization for state-owned assets

Type of the actual controller: Corporation

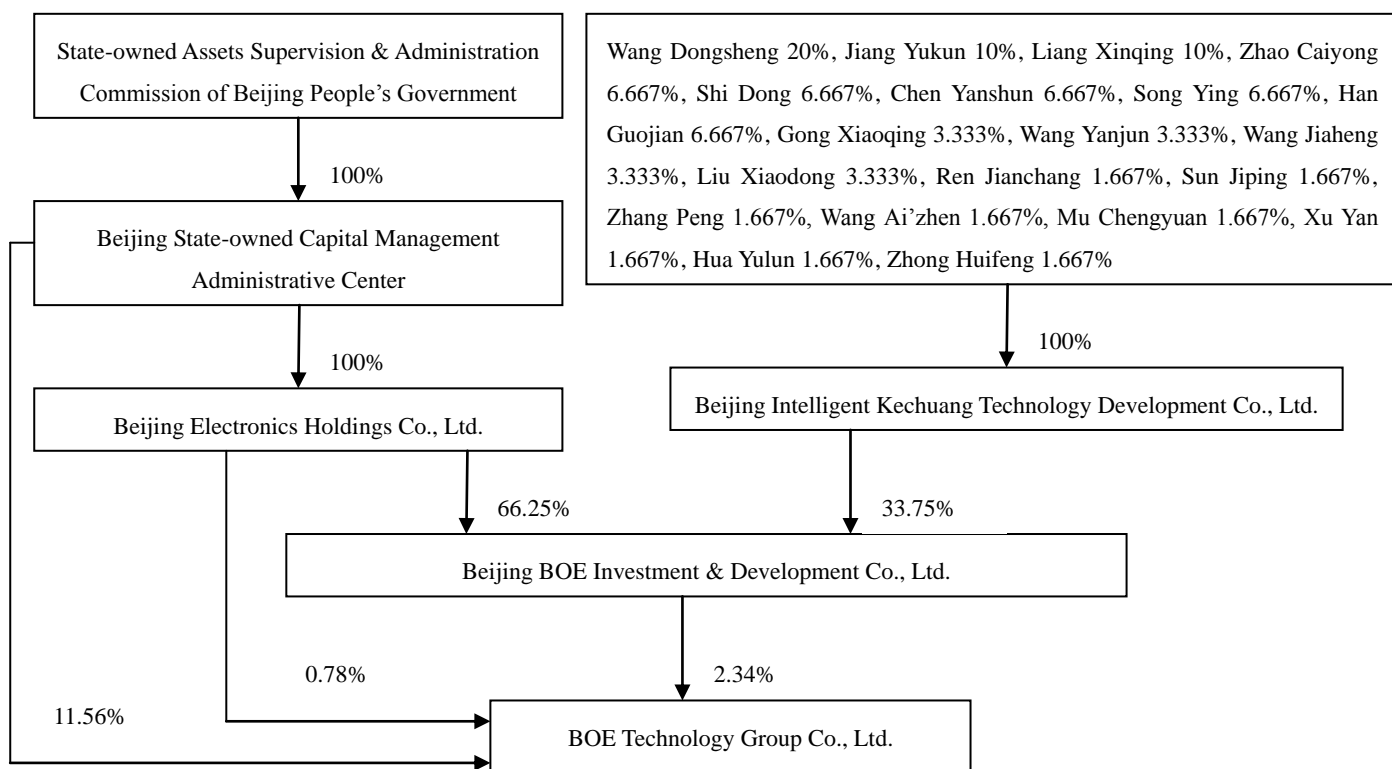
| Name of actual controller  | Legal representative / company principal  | Date of establishment | Organization code | Business scope   |
|--|---|-----------------------|-------------------|--|
| Beijing Electronics Holdings Co., Ltd.   | Wang Yan  | 1997-04-08            | 63364799-8        | Operation 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. |
| 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 363,429,503 shares of A share of Electronic City ((Stock Code: 600658), which was of 62.65% of the total shares amount of Electronic City. |                       |                   |  |

Change of the actual controller during the Reporting Period

Applicable  Not applicable

There was no change of the actual controller during the Reporting Period.

Ownership and control relations between the actual controller and the Company



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.

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

Applicable  Not applicable

#### 4. Other corporate shareholders with a shareholding percentage above 10%

Applicable  Not applicable

| Name of corporate shareholder                                | Legal representative / company principal | Date of establishment | Registered capital | Business scope   |
|--|--|-----------------------|--------------------|--|
| Beijing State-owned Capital Management Administrative Center | Lin Fusheng                              | 2008-12-30            | 35,000,000,000     | Investment and investment management; assets management; organize the reorganization as well as the merger and acquisition of the enterprise assets. |

**5. Limits on the Company's shares held by its controlling shareholder, actual controller, reorganizer and other commitment subjects**

Applicable  Not applicable

## VII. Preference Shares

Applicable  Not applicable

There was no preferred stock during Reporting Period.

## Section VIII Directors, Supervisors, Senior Management and Employees

### I Changes in shareholdings of directors, supervisors and senior management

| Name           | Office title   | Incumbent/former | Gender | Age | Starting date of tenure | Ending date of tenure | Opening shareholding (share) | Increase in the Reporting Period (share) | Decrease in the Reporting Period (share) | Other increase/decrease (share) | Closing shareholding (share) |
|----------------|--|------------------|--------|-----|-------------------------|-----------------------|------------------------------|--|--|---------------------------------|------------------------------|
| Wang Dongsheng | Chairman of the Board and Chief of Execution Committee | Current          | Male   | 58  | 2013-07-10              | 2016-07-09            | 299,905                      | 0  | 0  | 0                               | 299,905                      |
| Xie Xiaoming   | Vice Chairman of the Board                             | Current          | Male   | 56  | 2015-07-29              | 2016-07-09            | 7,680                        | 0  | 0  | 0                               | 7,680                        |
| Chen Yanshun   | Executive Director, President                          | Current          | Male   | 49  | 2013-07-10              | 2016-07-09            | 260,000                      | 0  | 0  | 0                               | 260,000                      |
| Wang Jing      | Director   | Current          | Female | 44  | 2014-05-30              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Zhang Jinsong  | Director   | Current          | Male   | 43  | 2015-07-06              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Liu Xiaodong   | Executive Director, Executive Vice President, COO      | Current          | Male   | 51  | 2013-07-10              | 2016-07-09            | 250,000                      | 0  | 0  | 0                               | 250,000                      |
| Song Jie       | Director   | Current          | Male   | 48  | 2013-07-10              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Dong Youmei    | Director, Senior Vice President, CTO                   | Current          | Female | 52  | 2016-01-29              | 2016-07-09            | 200,000                      | 0  | 0  | 0                               | 200,000                      |
| Ji Guoping     | Independent Director                                   | Current          | Male   | 68  | 2013-07-10              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Yu Ning        | Independent Director                                   | Current          | Male   | 61  | 2013-07-10              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Lv Tingjie     | Independent Director                                   | Current          | Male   | 61  | 2014-05-30              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Wang Huacheng  | Independent Director                                   | Current          | Male   | 52  | 2015-07-06              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Chen Ming      | Chief of Supervisor                                    | Current          | Male   | 58  | 2015-07-06              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Xu Tao         | Supervisor   | Current          | Male   | 52  | 2013-07-10              | 2016-07-09            | 0                            | 0  | 0  | 0                               | 0                            |
| Mu Chengyuan   | Supervisor   | Current          | Male   | 48  | 2013-07-10              | 2016-07-09            | 2,991                        | 0  | 0  | 0                               | 2,991                        |

|                |   |         |        |    |            |            |           |   |   |   |           |
|----------------|---|---------|--------|----|------------|------------|-----------|---|---|---|-----------|
| Zhao Wei       | Supervisor  | Current | Male   | 47 | 2013-07-10 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Shi Hong       | Supervisor  | Current | Female | 31 | 2015-07-06 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Zhuang Haoyu   | Supervisor  | Current | Male   | 31 | 2013-07-10 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Miao Chuanbin  | Employee Supervisor                                       | Current | Male   | 42 | 2015-10-22 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Zhou Yanwen    | Employee Supervisor                                       | Current | Male   | 48 | 2013-07-10 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Xu Yangping    | Employee Supervisor                                       | Current | Male   | 41 | 2013-07-10 | 2016-07-09 | 0         | 0 | 0 | 0 | 0         |
| Sun Yun        | Executive President, CFO                                  | Current | Female | 46 | 2013-07-10 | 2016-07-09 | 155,981   | 0 | 0 | 0 | 155,981   |
| Li Xuezheng    | Senior Vice President                                     | Current | Male   | 46 | 2013-07-10 | 2016-07-09 | 186,600   | 0 | 0 | 0 | 186,600   |
| Yue Zhanqiu    | Senior Vice President                                     | Current | Male   | 48 | 2013-07-10 | 2016-07-09 | 150,000   | 0 | 0 | 0 | 150,000   |
| Feng Liqiong   | Senior Vice President, Chief Counsel                      | Current | Female | 43 | 2013-07-10 | 2016-07-09 | 150,000   | 0 | 0 | 0 | 150,000   |
| Zhong Huifeng  | Senior Vice President, Chief CHRO                         | Current | Male   | 45 | 2016-01-13 | 2016-07-09 | 150,000   | 0 | 0 | 0 | 150,000   |
| Xie Zhongdong  | Vice President, Chief Risk Control Officer, Chief Auditor | Current | Male   | 45 | 2013-07-10 | 2016-07-09 | 110,000   | 0 | 0 | 0 | 110,000   |
| Yao Xiangjun   | Senior Vice President,                                    | Current | Male   | 38 | 2013-07-10 | 2016-07-09 | 100,000   | 0 | 0 | 0 | 100,000   |
| Liu Hongfeng   | Secretary of Board of Directors                           | Current | Male   | 37 | 2013-07-10 | 2016-07-09 | 100,000   | 0 | 0 | 0 | 100,000   |
| Wu Wenxue      | Vice Chairman of the Board                                | Former  | Male   | 49 | 2013-07-10 | 2015-05-05 | 0         | 0 | 0 | 0 | 0         |
| Wang Jiaheng   | Director, Vice Executive President, co-CEO                | Former  | Male   | 46 | 2013-07-10 | 2015-10-22 | 250,000   | 0 | 0 | 0 | 250,000   |
| Geng Jianxin   | Independent Director                                      | Former  | Male   | 61 | 2013-07-10 | 2015-05-05 | 0         | 0 | 0 | 0 | 0         |
| Zhang Chunming | Supervisor  | Former  | Female | 44 | 2013-07-10 | 2015-04-15 | 0         | 0 | 0 | 0 | 0         |
| Song Ying      | Executive Vice President, CHRO                            | Former  | Female | 58 | 2013-07-10 | 2015-10-22 | 229,905   | 0 | 0 | 0 | 229,905   |
| Total          | --  | --      | --     | -- | --         | --         | 2,603,062 | 0 | 0 | 0 | 2,603,062 |

## II Changes in directors, supervisors and senior management

| Name           | Office title                                | Type of change                   | Date       | Reason                           |
|----------------|---|----------------------------------|------------|----------------------------------|
| Xie Xiaoming   | Vice Chairman of the Board                  | Appointed                        | 2015-07-29 | Post change                      |
| Zhang Jinsong  | Director                                    | Appointed                        | 2015-07-06 | Post change                      |
| Zhong Huifeng  | Senior Vice President, Chief CHRO           | Appointed                        | 2016-01-13 | Post change                      |
| Wu Wenxue      | Vice President                              | Left the post                    | 2015-05-05 | Quit                             |
| Wang Jiaheng   | Director, Executive Vice President,, co-CEO | Left the post                    | 2015-10-22 | Quit                             |
| Geng Jianxin   | Independent Director                        | Left as the service term expired | 2015-05-05 | Left as the service term expired |
| Zhang Chunming | Supervisor                                  | Left the post                    | 2015-04-17 | Job change                       |
| Song Ying      | Executive Vice President, CHO               | Dismiss                          | 2015-10-22 | Job change                       |

## III Brief biographies

Professional backgrounds, main working experience and current responsibilities in the Company of the incumbent directors, supervisors and senior management

### 1. Working experience of the directors

#### Directors' Particulars

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

Now he takes the posts of Chairman of the 7<sup>th</sup> 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 led 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. 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 Electronics Co., Ltd. Party Secretary of Beijing Semiconductor Devices Fifth Factory.

Now he takes the posts of Director of the 7<sup>th</sup> Session of the 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. 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 1<sup>st</sup> Board of Directors of the Company, Secretary of the 2<sup>nd</sup> Board of Directors and Vice President, Executive Director of the 3<sup>rd</sup> Board of Directors and Senior Vice President, Executive Director of the 4<sup>th</sup>, 5<sup>th</sup> and the 6<sup>th</sup> Board of Directors and President, and Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd., Beijing BOE Optoelectronics Technology Co., Ltd., Hefei BOE Optoelectronics Technology Co., Ltd., and Ordos Yuansheng Optoelectronics Co., Ltd.

Now he takes the posts of Executive Director and the President of the 7<sup>th</sup> Board of Directors of the Company, Chairman of the Board of Beijing BOE Multimedia Science and 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., Chairman the Board of Ordos Yuansheng Optoelectronics Co., Ltd., and Chairman of the Board of BOE Technology (Hong Kong) Co., Ltd., etc., Chairman of the Board of Hefei BOE Optoelectronics Technology Co., Ltd. and other company directors and chairman of the board of directors, and director of

**Mrs. Wang Jing**, Bachelor of Finance, LLM 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 7<sup>th</sup> Board of Directors of the Company, Deputy GM of Beijing State-owned Capital Operation Management Center. Director of BAIC MOTOR Corporation Ltd. and BAIC BJEV Co., Ltd..

**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 6<sup>th</sup> Supervisory Committee and Chairman of Supervisor of the 7<sup>th</sup> Supervisory Committee.

Now he acts as Director of the 7<sup>th</sup> Vice President of Beijing Electronics Holdings Corp., and Director of Beijing BOE Investment & Development Co., Ltd., Director of Beijing BBEF Science & Technology Co., Ltd., Chairman of the Board of Beijing Sevenstar Electronics Co., Ltd. and Beijing Peony Electronic Group Co., Ltd. Director of Beijing BOE Investment & Development Co., Ltd., Beijing BBEF Science & Technology Co., Ltd., BESK and Beijing Yandong Microelectronics Co., Ltd..

**Mr. Liu Xiaodong**, Bachelor' degree, 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., President of Beijing BOE Multimedia Science and Technology Co., Ltd. and Beijing BOE Technology Wisdom Commerce Co., Ltd.

Now he takes the posts of Director of the 7<sup>th</sup> Session of the Board of Director of the Company, Executive Vice President and COO of the Company, Vice 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 Ltd. and TPV Technology (China) Co., Ltd..

**Mr. Song Jie**, Senior Economist, MBA of Peking University, Countries travelled 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 session of the board of director, manager of Department of investment and financing of Beijing



Economic -Technological Investment & Development Corp.

**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 Senior Vice President and Chief Technology Officer of the Company, 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

### Independent director's particulars

**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 7<sup>th</sup> Board of Directors of the Company, Hengdian Group Dmegc Magnetics Co., Ltd. since Jan. 2011 to Dec. 2014

**Mr. Yu Ning**, Master of Economic Law of School of Law of Peking University, Lawyer, worked for Discipline Inspection of the Communist Party of China, Practicing Lawyer of Beijing Shidai Huadi China Law Firm, Member of the 11<sup>th</sup> of National Committee of CPPCC, Member of Social and Legal Affairs Committee of CPPCC and Chairman of 6<sup>th</sup> and 7<sup>th</sup> China National Lawyer's Association.

Now he is the Independent Director of the 7<sup>th</sup> Board of Directors of the Company, independent director of BOBJ and Beingmate Infant Child Food Ltd. and the Independent Supervisor of PICC Group.

**Lv Tingjie**, Doctor Degree, 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 7<sup>th</sup> 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..

**Mr. Wang Huacheng**, Doctoral Candidate Degree, Professor Doctoral Supervisor, In July 1985, graduate from Department of Finance, Renmin University of China, obtained bachelor of economics degree, in July 1988, graduated from Department of Accounting, Renmin University of China, obtained master's degree in economics, in July 1998, graduated from Department of Accounting, Renmin University of China, obtained PhD degree. Since September 1988, worked as a teacher in Renmin University of China, He successively worked as teaching assistant, lecturer, associate professor, professor, PhD supervisor, social appointments: Director of the institute of Chinese accounting.

Now he is the independent director of the 7<sup>th</sup> Board of Directors of the Company, HXB and China Railway Construction Corporation Limited.

### Supervisors' Particulars

**Mr. Chen Ming**, Bachelor degree, once worked as Manager of Beijing Wireless Power Plant Peony Electronic Engineering Company, Chairman of the Board and Chief of Execution Committee, Factory Director of Beijing Wireless Power Plant and GM of Beijing Ether-led Electronic Group Co., Ltd.

Currently, the Chairman (Convener) of the 7th Supervisory Committee of the Company, the Chairman of the Supervisory Committee of Beijing Electronics Zone Investment and Development Co., Ltd. and Beijing Zhaowei Electronics (Group) Co., Ltd.

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

Currently, a supervisor of the Company's 7th Supervisory Committee, the Financial/Accounting Center Director of Beijing Electronics Holdings Co., Ltd., a director of Beijing Electronics Zone Investment and Development Co., Ltd. and a supervisor of Beijing BOE Investment & Development Co., Ltd.

**Mr. Mu Chengyuan**, master, is an 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 3<sup>rd</sup> Supervisory Committee of the Company, Supervisor and Secretary of the 4<sup>th</sup> and the 5<sup>th</sup> Supervisory Committee of the Company, the Supervisor and Secretary of the 6<sup>th</sup> Supervisory Committee,

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

**Ms. Shi Hong**, Master of Economics, Senior Economist.

Now he is the Supervisor and Secretary of the 7<sup>th</sup> Supervisory Committee, worked in Department of Investment and Financing of Beijing Economic-Technological Investment & Development Corp. Member of Investment Decision Committee of China Reform Fund Management Co., Ltd. and Supervisor of Beijing Boda Xinyuan House Real Estate 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 7<sup>th</sup> Supervisory Committee and Project Assistant of Beijing Industrial Development.

**Mr. Miao Chuanbin**, master degree, once worked as Manager of Market Department Beijing Wireless Power Plant Putai Technology Company, Secretary of Party Committee Work Department and Deputy Secretary of Beijing Wireless Power Plant. Deputy General Manager of Beijing Ether-led Electronic Group Co., Ltd., Secretary of Party Committee Work Department, Enterprise Minister of Culture of Beijing Electronics Holdings Co., Ltd.,

Now he is the Employee Supervisor of the 7<sup>th</sup> Supervisory Committee, Vice Secretary of Party Committee, Secretary of the Commission for Discipline Inspection, Union Officials and Chief Officer of Culture; 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 7<sup>th</sup> 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 7<sup>th</sup> Supervisory Committee, Minister and Deputy Director of the Company's

Legal Department and Organization and the Director of 4<sup>th</sup> Session of Board of Directors of Gaochuang (Suzhou) Electronics Co., Ltd.

**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 Senior 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.. He acted 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..

Now he acts as Senior Vice President of the Company, and Vice-principal of BOE University.

**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.

**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 5<sup>th</sup> and 6<sup>th</sup> 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. 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 2<sup>nd</sup> Board of Directors, Secretary to the Board of the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Board of Directors of the Company, Employee Supervisor of the 6<sup>th</sup> Supervisory Committee and Employee Supervisor of the 7<sup>th</sup> Supervisory Committee, Supervisor of Beijing Orient Top Victory Electronics Co., Ltd.. and 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.

Now he acts as Senior Vice President and CHO of the Company.

**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., Hefei Xinsheng Optoelectronics Technology Co., Ltd., Supervisor of Beijing BOE Display Technology Co., Ltd., and OASIS Investment Co., Ltd., Beijing BOE Vision-electronic Technology Co., Ltd. and Gaochuang (Suzhou) Electronics 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 7<sup>th</sup> Board of Directors and Director of Beijing Nissin Electronics Precision Component Co., Ltd.

#### Post-holding in shareholders' units

√Applicable □Not-applicable

| 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? |
|---|--|---|-------------------------------|----------------------------|---|
| Wang Dongsheng  | Beijing Electronics Holdings Co., Ltd.   | Vice chairman of the board                  | 2008-12-15                    | -                          | No  |
| Xie Xiaoming  | Beijing Electronics Holdings Co., Ltd.   | Vice president                              | 2011-06-22                    | -                          | Yes                                       |
| Wang Jing   | Beijing State-owned Capital Management Center  | Vice GM                                     | 2014-01-26                    | -                          | Yes                                       |
| Zhang Jinsong   | Beijing Electronics Holdings Co., Ltd.   | Vice president                              | 2011-08-29                    | -                          | Yes                                       |
|   | Beijing BOE Investment & Development Co., Ltd.   | Director                                    | 2012-12-14                    | -                          | No  |
| Song Jie  | Beijing Economic-Technological Investment & Development Corp.                                | Manager of Investment Securities Department | 2008-05-26                    | -                          | Yes                                       |
| Mu Chengyuan  | Beijing Electronics Holdings Co., Ltd.   | Minster of Investment Securities Department | 2011-06-01                    | -                          | Yes                                       |
|   | Beijing BOE Investment & Development Co., Ltd.   | Director, Vice president                    | 2012-12-14                    | -                          | No  |
| Xu Tao  | Beijing Electronics Holdings Co., Ltd.   | Finance Minister                            | 2012-10-26                    | -                          | Yes                                       |
| Shi Hong,   | Beijing Economic-Technological Investment & Development Corp.                                | Investment & Financing Director             | 2012-9-18-                    | -                          | Yes                                       |
| Zhuang Haoyu  | Beijing Industrial 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 □Not-applicable

| 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? |
|---|---------------------------------|------------------------|-------------------------------|----------------------------|-----------------------------------|
| Lv Tingjie  | Beijing University of Posts and | Doctor                 |                               |                            | Yes                               |

|                                     |  |                |  |  |     |
|-------------------------------------|--|----------------|--|--|-----|
|                                     | Telecommunications   | Advisor        |  |  |     |
| Wang Huacheng                       | Renmin University of China   | 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. |                |  |  |     |

Punishments imposed in the recent three years by the securities regulators on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period

√ Applicable □ Not applicable

#### IV. 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 total RMB19.1338 million (before tax). Allowance for independent directors is RMB150,000 (after tax) per year in 2015. For details please referred to the statement below:

Remuneration for directors, supervisors and senior management staffs of the Company during the Reporting Period

Remuneration for directors, supervisors and senior management staffs of the Company during the Reporting Period

Unit: RMB'0,000

| Name           | Office title   | Sex    | Age | Tenure status | Total remuneration gained from the Company | Total remuneration gained from shareholder's unit |
|----------------|--|--------|-----|---------------|--|---|
| Wang Dongsheng | Chairman of the Board and Chief of Execution Committee | Male   | 58  | Current       | 180.26                                     | No  |
| Xie Xiaoming   | Vice Chairman of the Board                             | Male   | 56  | Current       | 0  |   |
| Chen Yanshun   | Vice Chairman of the Board, President                  | Male   | 49  | Current       | 154.61                                     | No  |
| Wang Jing      | Director   | Female | 44  | Current       | 0  |   |

|               |  |        |    |         |        |    |
|---------------|--|--------|----|---------|--------|----|
| Zhang Jinsong | Director   | Male   | 43 | Current | 0      |    |
| Liu Xiaodong  | Director,<br>Executive Vice<br>President, COO                                | Male   | 51 | Current | 143.87 | No |
| Song Jie      | Director   | Male   | 48 | Current | 8      |    |
| Dong Youmei   | Executive Vice<br>President, CTO   | Female | 52 | Current | 136.31 |    |
| Ji Guoping    | Independent<br>Director  | Male   | 68 | Current | 15     | No |
| Yu Ning       | Independent<br>Director  | Male   | 61 | Current | 15     | No |
| Lv Tingjie    | Independent<br>Director  | Male   | 61 | Current | 15     | No |
| Wang Huacheng | Independent<br>Director  | Male   | 52 | Current | 7.18   | No |
| Chen Ming     | Chief of<br>Supervisor   | Male   | 58 | Current | 0      |    |
| Xu Tao        | Supervisor   | Male   | 52 | Current | 0      |    |
| Mu Chengyuan  | Supervisor   | Male   | 48 | Current | 0      |    |
| Zhao Wei      | Supervisor   | Male   | 47 | Current | 8      |    |
| Zhuang Haoyu  | Supervisor   | Male   | 31 | Current | 8      |    |
| Miao Chuanbin | Employee<br>Supervisor   | Male   | 48 | Current | 4.23   |    |
| Zhou Yanwen   | Employee<br>Supervisor   | Male   | 48 | Current | 54.79  | No |
| Xu Yangping   | Employee<br>Supervisor   | Male   | 41 | Current | 67.64  | No |
| Sun Yun       | Executive Vice<br>President, CFO   | Female | 46 | Current | 126.23 | No |
| Li Xuezheng   | Senior Vice<br>President   | Male   | 46 | Current | 97.37  | No |
| Yue Zhanqiu   | Senior Vice<br>President   | Male   | 48 | Current | 126.23 | No |
| Feng Liqiong  | Senior Vice<br>President, Chief<br>Counsel                                   | Female | 43 | Current | 106.76 | No |
| Zhong Huifeng | Senior Vice<br>President, Chief<br>CHO                                       | Male   | 45 | Current | 107.75 | No |
| Xie Zhongdong | Senior Vice<br>President, Chief<br>Risk Control<br>Officer, Chief<br>Auditor | Male   | 45 | Current | 104.61 | No |

|                |  |        |    |         |          |    |
|----------------|--|--------|----|---------|----------|----|
| Yao Xiangjun   | Senior Vice President,                     | Male   | 38 | Current | 109.11   | No |
| Liu Hongfeng   | Secretary of Board of Directors            | Male   | 37 | Current | 79.55    | No |
| Wang Jiaheng   | Director, Executive Vice President, co-CEO | Male   | 46 | Former  | 106.69   | No |
| Geng Jianxin   | Independent Director                       | Male   | 61 | Former  | 8.22     | No |
| Zhang Chunming | Supervisor                                 | Female | 44 | Former  | 2.33     |    |
| Song Ying      | Executive Vice President, CHRO             | Female | 58 | Former  | 120.64   | No |
| Total          | --   | --     | -- | --      | 1,913.38 | -- |

Equity incentives for directors, supervisors and senior management in the Reporting Period

Applicable  Not applicable

## V Employees

### 1. Number, functions and educational backgrounds of the staff

|  |                     |
|--|---------------------|
| Number of in-service employees of the Company  | 1,502               |
| Number of in-service employees of main subsidiaries  | 40,218              |
| Total number of in-service employees   | 42,837              |
| Total number of employees with remuneration in the Reporting Period                            | 42,837              |
| Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension | 15                  |
| Functions  |                     |
| Function   | Number of employees |
| Production   | 22,959              |
| Sales  | 849                 |
| Technicians  | 14,571              |
| Financial  | 418                 |
| Administrative   | 298                 |
| R&D  | 2,603               |
| Manager  | 1,063               |
| Other  | 76                  |
| Total  | 42,837              |

| Educational backgrounds    |                     |
|----------------------------|---------------------|
| Educational background     | Number of employees |
| Doctor and post-doctorate  | 209                 |
| Master                     | 3,873               |
| Bachelor                   | 8,415               |
| College                    | 12,999              |
| Technical secondary school | 11,693              |
| Other                      | 5,648               |
| <b>Total</b>               | <b>42,837</b>       |

## 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 2015, BOE University has been set-up, which with a vision of being international competitive and respectful Industrial University. And undertakes the strategy and service as main line, driving the development of the Company personnel training system's further improvement and upgrade and forms training products line including four categories of leaders, managers, professional and industry personnel. Meanwhile the data of participation people and the participation period and satisfaction of the training keep continuously increasing.

## 4. Outsourcing

Applicable  Not applicable



## 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 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 <Articles of association> , with the detailed revision as follows ,disclosed on

<http://www.cninfo.com.cn>.

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.

## II. 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.

## III Horizontal competition

Applicable  Not applicable

## IV Annual general meeting and special general meetings convened during the Reporting Period

### 1. General meetings convened during the Reporting Period

| Meeting  | Type                                  | Investor participation ratio | Convened date | Disclosure date | Index to the disclosed information  |
|--|---------------------------------------|------------------------------|---------------|-----------------|---|
| The First Special Shareholders' General Meeting for 2015 | Special Shareholders' General Meeting | 35.75%                       | 2015-01-22    | 2015-01-23      | Announcement on Resolutions Made at the First Special Shareholders' General Meeting for 2015 (2015-004), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> . |
| 2014 Annual Shareholders' General Meeting                | Annual Shareholders' General Meeting  | 35.87%                       | 2015-05-20    | 2015-05-21      | Announcement on Resolutions Made at 2014 Annual Shareholders' General Meeting (2015-033), published on China Securities Journal, Shanghai   |

|   |                                       |        |            |            |  |
|---|---------------------------------------|--------|------------|------------|--|
|   |                                       |        |            |            | Securities News, Securities Times and Hong Kong Ta Kung Pao as well as <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .   |
| The Second Special Shareholders' General Meeting for 2015 | Special Shareholders' General Meeting | 35.48% | 2015-07-06 | 2015-07-07 | Announcement on Resolutions Made at the Second Special Shareholders' General Meeting for 2015 (2015-049), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> . |
| The Third Special Shareholders' General Meeting for 2015  | Special Shareholders' General Meeting | 35.54% | 2015-09-14 | 2015-09-15 | Announcement on Resolutions Made at the Third Special Shareholders' General Meeting for 2015 (2015-070), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .  |
| The Forth Special Shareholders' General Meeting for 2015  | Special Shareholders' General Meeting | 27.09% | 2015-12-25 | 2015-12-26 | Announcement on Resolutions Made at the Forth Special Shareholders' General Meeting for 2015 (2015-088), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .  |

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

Applicable Not-applicable

## V Performance of independent directors in the Reporting Period

### 1. Attendance of independent directors in board meetings and 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 |
| Ji Guoping   | 12                   | 2                          | 10                                    | 0                          | 0               | No   |
| Yu Ning  | 12                   | 2                          | 10                                    | 0                          | 0               | No   |
| Lv Tingjie   | 12                   | 2                          | 10                                    | 0                          | 0               | No   |
| Wang Huacheng  | 9                    | 1                          | 8                                     | 0                          | 0               | No   |
| Geng Jianxin   | 3                    | 1                          | 2                                     | 0                          | 0               | No   |

|   |    |
|---|----|
| Presence of independent directors in general meetings (times) | 20 |
|---|----|

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.

## VI. 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 Strategy 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 Strategy 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 Y2015. 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 2015 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 2015 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 2015 annual audit report on time;

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.

## VII. 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

## 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.

## IX Internal control

### 1. Serious internal control defects found in the Reporting Period

Yes  No

## 2. Self-evaluation report on internal control

|   |  |   |  |
|---|--|---|--|
| Disclosure date of the internal control self-evaluation report                                      | 2016-04-26   |   |  |
| Index to the disclosed internal control self-evaluation report                                      | On 26 April 2016, the Company published 2015 Internal Control Appraisal Report; disclosure website: www.cninfo.com.cn  |   |  |
| Total assets of the evaluated entities as a percentage in the consolidated total assets             |  |   | 97.00%   |
| Operating revenues of the evaluated entities as a percentage in the consolidated operating revenues |  |   | 90.00%   |
| Defect identification standards   |  |   |  |
| Type  | Financial-report related   | Non-financial-report related  |  |
| Nature standard   | The material fault in a financial report includes but not limited to the following types: (1) the enterprise corrects the publicized financial statements; (2) material misstatement is found in the current financial statement, which is not found during internal control.  | Defect included but not limited to the following characteristics: (1) the Corporate governance did not form operation mechanism and execution, a significant decision failed to run; (2) Existing control designed for the board of directors, managers above risk of control; (3) The directors, supervisors and senior management were found fraud; (4) The audit committee and internal audit institutions' supervision of the internal control is invalid |  |
| Quantitative standard   | 1) The internal control of a financial report (company level, consolidated statements at group level) refers to the internal control designed and implemented for objectives in the financial report. The fault in the internal control of a financial report is classified into major fault, important fault and general fault, identified with a standard directly depending on the importance of misstatement in a financial report that may be caused by the fault. The potential misstated amount shall be calculated based on the proportion of faulty sample and the specific identification and quantitative procedures and quantitative criteria at company level are as follows: (1) record misstatement sample (2) confirm potential misstatement rate (3) calculate potential misstated amount (=co-current accumulated amount in corresponding accounting subject × potential misstatement rate) (4) generally, for misstated | 1) Quantitative standard I of defect identification standards of the non-financial report:  |  |
|   |  | <b>Type</b>   | <b>The amount of direct property losses</b>  |
|   |  | Common defect   | RMB100 thousand(including RMB100 thousand)- RMB5 million<br>Or punishment by the government provincial level (including provincial) below but had no negative influence to the disclosure of the |





|  |   |
|--|---|
| Number of serious financial-report-related defects     | 0 |
| Number of serious non-financial-report-related defects | 0 |
| Number of important financial-report-related defects   | 0 |
| Nature standard  | 0 |

### X Auditor's report on internal control

Applicable  Not applicable

| Opinion paragraph 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 December 2015 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations. |   |
| Auditor's report on internal control disclosed or not  | Disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>   |
| Disclosure date  | 2016-04-26  |
| Index to the disclosed auditor's report on internal control  | The Company discloses the Audit Report on Internal Control on 26 April 2016, for details, please refer to <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| Type of the auditor's opinion  | Standard unqualified opinion  |
| Serious non-financial-report-related defects   | No  |

Whether any modified opinions are expressed by the CPAs firm in its auditor's report on the Company's internal control

Yes  No

Whether the auditor's report on the Company's internal control issued by the CPAs firm is consistent with the self-evaluation report of the Board

Yes  No

## Section XI. Financial Report

### I. Audit Report

|                                  |   |
|----------------------------------|---|
| Type of audit opinion            | Standard unqualified audit opinion              |
| Signature date of audit report   | 22 Apr. 2016                                    |
| Name of the audit agency         | KPMG Huazhen Certified Public Accountants (LLP) |
| Reference number of audit report | KPMGHZSZ No. 1601630                            |
| Name of CPA                      | Su Xing, Liu Jingyuan                           |

#### AUDITORS' REPORT

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 2015, 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

Liu Jingyuan

22April 2016

## 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 XI Documents Available for Reference

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

(II) Originals of the Auditor's Report with the seal 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 announcements.

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: 22 Apr 2016**

BOE Technology Group Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR 1 JANUARY 2015 TO 31 DECEMBER 2015  
IF THERE IS ANY CONFLICT OF MEANING BETWEEN THE CHINESE VERSION  
AND ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

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## AUDITORS' REPORT

毕马威华振审字第 1601630 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 2015, 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.

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## AUDITORS' REPORT (continued)

毕马威华振审字第 1601630 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 2015, 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 LLP  
of

Certified Public Accountants  
Registered in the People's Republic  
China

Su Xing

China Beijing

Liu Jingyuan

22 April 2016

BOE Technology Group Company Limited  
 Consolidated balance sheet as at 31 December 2015  
 (Expressed in Renminbi Yuan)

|                                     | Note | 2015                   | 2014                   |
|-------------------------------------|------|------------------------|------------------------|
| Assets                              |      |                        |                        |
| Current assets                      |      |                        |                        |
| Cash at bank and on hand            | V.1  | 38,866,861,836         | 40,172,401,999         |
| Bills receivable                    | V.2  | 362,053,092            | 501,172,383            |
| Accounts receivable                 | V.3  | 8,192,514,361          | 6,615,762,122          |
| Prepayments                         | V.4  | 226,447,504            | 150,734,013            |
| Interest receivable                 |      | 194,518,278            | 275,877,747            |
| Other receivables                   | V.5  | 593,329,847            | 720,716,550            |
| Inventories                         | V.6  | 6,609,406,228          | 4,163,304,029          |
| Other current assets                | V.7  | 8,712,017,517          | 6,085,764,454          |
| Total current assets                |      | <u>63,757,148,663</u>  | <u>58,685,733,297</u>  |
| Non-current assets                  |      |                        |                        |
| Available-for-sale financial assets | V.8  | 454,096,246            | 323,530,493            |
| Long-term equity investments        | V.9  | 1,260,302,959          | 638,819,435            |
| Investment properties               | V.10 | 1,227,099,427          | 1,251,820,763          |
| Fixed assets                        | V.11 | 63,565,099,405         | 49,398,396,189         |
| Construction in progress            | V.12 | 18,645,461,692         | 21,868,641,210         |
| Intangible assets                   | V.13 | 2,679,239,255          | 2,158,510,516          |
| Goodwill                            | V.14 | 197,963,688            | 51,502,898             |
| Long-term deferred expenses         | V.15 | 341,526,213            | 303,984,682            |
| Deferred tax assets                 | V.16 | 117,105,220            | 138,779,625            |
| Other non-current assets            | V.17 | 347,851,674            | 1,420,564,369          |
| Total non-current assets            |      | <u>88,835,745,779</u>  | <u>77,554,550,180</u>  |
| Total assets                        |      | <u>152,592,894,442</u> | <u>136,240,283,477</u> |

The notes on pages 21 to 142 form part of these financial statements.



BOE Technology Group Company Limited  
 Consolidated balance sheet as at 31 December 2015 (continued)  
 (Expressed in Renminbi Yuan)

|  | Note | 2015                  | 2014                  |
|--|------|-----------------------|-----------------------|
| Liabilities and shareholders' equity           |      |                       |                       |
| Current liabilities                            |      |                       |                       |
| Short-term loans                               | V.18 | 5,091,974,830         | 2,158,988,600         |
| Bills payable                                  | V.19 | 343,277,037           | 258,737,884           |
| Accounts payable                               | V.20 | 9,849,935,031         | 6,691,237,683         |
| Advances from customers                        | V.21 | 386,538,903           | 314,712,632           |
| Employee benefits payable                      | V.22 | 1,092,103,138         | 1,151,622,921         |
| Taxes payable                                  | V.23 | 224,415,009           | 318,219,650           |
| Interest payable                               |      | 348,173,849           | 219,407,964           |
| Dividends payable                              | V.24 | 9,651,170             | 8,051,170             |
| Other payables                                 | V.25 | 8,864,929,878         | 7,550,386,025         |
| Non-current liabilities<br>due within one year | V.26 | 2,283,535,113         | 15,000,000            |
| Other current liabilities                      | V.27 | 376,906,959           | 290,588,570           |
| Total current liabilities                      |      | <u>28,871,440,917</u> | <u>18,976,953,099</u> |
| Non-current liabilities                        |      |                       |                       |
| Long-term loans                                | V.28 | 36,341,198,145        | 33,631,104,669        |
| Provisions                                     | V.29 | 16,457,010            | 16,457,010            |
| Deferred income                                | V.30 | 2,406,244,676         | 2,441,846,447         |
| Deferred tax liabilities                       | V.16 | 435,880,215           | 347,949,970           |
| Other non-current liabilities                  | V.31 | 6,170,843,660         | 3,866,566,063         |
| Total non-current liabilities                  |      | <u>45,370,623,706</u> | <u>40,303,924,159</u> |
| Total liabilities                              |      | <u>74,242,064,623</u> | <u>59,280,877,258</u> |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Consolidated balance sheet as at 31 December 2015 (continued)  
 (Expressed in Renminbi Yuan)

|  | Note | 2015                   | 2014                   |
|--|------|------------------------|------------------------|
| Liabilities and shareholders' equity (continued)         |      |                        |                        |
| Shareholders' equity                                     |      |                        |                        |
| Share capital  | V.32 | 35,153,067,743         | 35,289,637,574         |
| Capital reserve  | V.33 | 39,018,900,467         | 39,084,393,441         |
| Less: Treasury shares                                    | V.34 | -                      | 198,004,581            |
| Other comprehensive income                               | V.35 | 90,153,009             | 40,630,611             |
| Surplus reserve  | V.36 | 592,242,059            | 503,668,861            |
| Retained earnings  | V.37 | 2,630,912,286          | 1,434,745,673          |
| Total equity attributable to shareholders of the Company |      | <u>77,485,275,564</u>  | <u>76,155,071,579</u>  |
| Non-controlling interests                                |      | <u>865,554,255</u>     | <u>804,334,640</u>     |
| Total shareholders' equity                               |      | <u>78,350,829,819</u>  | <u>76,959,406,219</u>  |
| Total liabilities and shareholders' equity               |      | <u>152,592,894,442</u> | <u>136,240,283,477</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|  |  |   |                 |
|--|--|---|-----------------|
| Wang Dongsheng<br>Chairman of the Board<br>(Signature and stamp) | Chen Yanshun<br>President<br>(Signature and stamp) | Sun Yun<br>Chief Financial Officer<br>(Signature and stamp) | (Company stamp) |
|--|--|---|-----------------|

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Balance sheet as at 31 December 2015  
 (Expressed in Renminbi Yuan)

|                                     | <i>Note</i>  | <i>2015</i>           | <i>2014</i>           |
|-------------------------------------|--------------|-----------------------|-----------------------|
| Assets                              |              |                       |                       |
| Current assets                      |              |                       |                       |
| Cash at bank and on hand            | <i>XIV.1</i> | 3,327,934,443         | 8,801,283,810         |
| Bills receivable                    |              | -                     | 5,318,912             |
| Accounts receivable                 | <i>XIV.2</i> | 59,397,930            | 59,490,497            |
| Prepayments                         |              | 6,825,464             | 3,995,544             |
| Interest receivable                 |              | 52,437,366            | 131,061,842           |
| Dividends receivable                | <i>XIV.3</i> | 90,941,079            | 88,741,079            |
| Other receivables                   | <i>XIV.4</i> | 1,281,026,259         | 1,050,896,232         |
| Inventories                         |              | 10,846,799            | 5,055,934             |
| Other current assets                | <i>XIV.5</i> | 109,578,393           | 97,212,285            |
| Total current assets                |              | <u>4,938,987,733</u>  | <u>10,243,056,135</u> |
| Non-current assets                  |              |                       |                       |
| Available-for-sale financial assets | <i>XIV.6</i> | 176,683,497           | 166,058,318           |
| Long-term equity investments        | <i>XIV.7</i> | 77,551,596,817        | 67,577,417,145        |
| Investment properties               |              | 169,723,827           | 174,907,073           |
| Fixed assets                        |              | 846,738,969           | 360,386,719           |
| Construction in progress            |              | 160,409,258           | 439,161,911           |
| Intangible assets                   |              | 638,764,378           | 498,655,457           |
| Long-term deferred expenses         |              | 104,917,711           | 107,514,008           |
| Other non-current assets            |              | 2,551,631,765         | 12,851,569            |
| Total non-current assets            |              | <u>82,200,466,222</u> | <u>69,336,952,200</u> |
| Total assets                        |              | <u>87,139,453,955</u> | <u>79,580,008,335</u> |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Balance sheet as at 31 December 2015 (continued)  
 (Expressed in Renminbi Yuan)

|  | <i>Note</i>   | <i>2015</i>    | <i>2014</i>   |
|--|---------------|----------------|---------------|
| Liabilities and shareholders' equity           |               |                |               |
| Current liabilities                            |               |                |               |
| Accounts payable                               |               | 13,975,839     | 23,725,287    |
| Advances from customers                        |               | 3,439,149      | 6,255,398     |
| Employee benefits payable                      | <i>XIV.9</i>  | 111,350,496    | 144,350,801   |
| Taxes payable                                  |               | 34,371,553     | 32,443,336    |
| Interest payable                               |               | 5,091,297      | 217,750       |
| Dividends payable                              |               | 6,451,170      | 6,451,170     |
| Other payables                                 | <i>XIV.10</i> | 7,507,464,657  | 4,678,071,031 |
| Non-current liabilities due<br>within one year |               | 670,000,000    | -             |
| Total current liabilities                      |               | 8,352,144,161  | 4,891,514,773 |
| Non-current liabilities                        |               |                |               |
| Long-term loans                                | <i>XIV.11</i> | 4,140,720,000  | 670,000,000   |
| Deferred income                                | <i>XIV.12</i> | 151,809,223    | 90,395,075    |
| Total non-current liabilities                  |               | 4,292,529,223  | 760,395,075   |
| Total liabilities                              |               | 12,644,673,384 | 5,651,909,848 |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Balance sheet as at 31 December 2015 (continued)  
 (Expressed in Renminbi Yuan)

|  | <i>Note</i>   | <i>2015</i>           | <i>2014</i>           |
|--|---------------|-----------------------|-----------------------|
| Liabilities and shareholders' equity (continued) |               |                       |                       |
| Shareholders' equity                             |               |                       |                       |
| Share capital                                    | <i>V.32</i>   | 35,153,067,743        | 35,289,637,574        |
| Capital reserve                                  | <i>XIV.13</i> | 38,152,869,635        | 38,218,959,047        |
| Less: Treasury shares                            | <i>V.34</i>   | -                     | 198,004,581           |
| Other comprehensive income                       | <i>XIV.14</i> | 109,786,796           | 72,651,355            |
| Surplus reserve                                  | <i>V.36</i>   | 592,242,059           | 503,668,861           |
| Retained earnings                                | <i>XIV.15</i> | 486,814,338           | 41,186,231            |
| Total shareholders' equity                       |               | <u>74,494,780,571</u> | <u>73,928,098,487</u> |
| Total liabilities and shareholders' equity       |               | <u>87,139,453,955</u> | <u>79,580,008,335</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|   |   |  |                 |
|---|---|--|-----------------|
| Wang Dongsheng<br>Chairman of the Board<br><i>(Signature and stamp)</i> | Chen Yanshun<br>President<br><i>(Signature and stamp)</i> | Sun Yun<br>Chief Financial Officer<br><i>(Signature and stamp)</i> | (Company stamp) |
|---|---|--|-----------------|

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Consolidated income statement for the year ended 31 December 2015  
 (Expressed in Renminbi Yuan)

|   | Note | 2015           | 2014           |
|---|------|----------------|----------------|
| I. Operation income                                   | V.38 | 48,623,732,312 | 36,816,316,676 |
| II. Less: Operating costs                             | V.38 | 38,755,090,666 | 28,504,880,729 |
| Business taxes and surcharges                         | V.39 | 275,798,416    | 118,087,384    |
| Selling and distribution expenses                     | V.40 | 1,290,038,686  | 998,114,416    |
| General and administrative expenses                   | V.41 | 4,675,778,199  | 3,876,636,817  |
| Financial expenses/ (net financial income )           | V.42 | 1,496,013,180  | (187,352,947)  |
| Impairment losses                                     | V.43 | 1,364,500,152  | 1,211,771,939  |
| Add: Investment income                                | V.44 | 187,191,686    | 13,447,378     |
| Including: Income from investments in associates      |      | 4,748,739      | 3,569,978      |
| III. Operating profit                                 |      | 953,704,699    | 2,307,625,716  |
| Add: Non-operating income                             | V.45 | 1,082,717,233  | 904,242,732    |
| Including: Gains from disposal of non-current assets  |      | 3,026,374      | 3,369,650      |
| Less: Non-operating expenses                          | V.46 | 23,178,815     | 35,961,283     |
| Including: Losses from disposal of non-current assets |      | 11,376,698     | 18,945,517     |
| IV. Profit before income tax                          |      | 2,013,243,117  | 3,175,907,165  |
| Less: Income tax expense                              | V.47 | 375,133,185    | 459,993,195    |
| V. Net profit for the year                            |      | 1,638,109,932  | 2,715,913,970  |
| Attributable to:                                      |      |                |                |
| Shareholders of the Company                           |      | 1,636,270,488  | 2,562,128,829  |
| Non-controlling interests                             |      | 1,839,444      | 153,785,141    |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Consolidated income statement for the year ended 31 December 2015 (continued)  
 (Expressed in Renminbi Yuan)

|   | Note | 2015                 | 2014                 |
|---|------|----------------------|----------------------|
| VI. Other comprehensive income, net of tax  |      | 49,447,550           | 34,637,336           |
| Other comprehensive income (net of tax) attributable to owners of the Company                             | V.35 | 49,522,398           | 34,562,488           |
| Items that may be reclassified to profit or loss:   |      |                      |                      |
| 1 Share of investee's other comprehensive income to be reclassified to profit or loss under equity method |      | 26,510,264           | -                    |
| 2 Gains or losses arising from changes in fair value of available-for-sale financial assets               |      | 35,188,234           | 29,430,373           |
| 3 Translation differences arising on translation of foreign currency financial statements                 |      | (12,176,100)         | 5,132,115            |
| Other comprehensive income (net of tax) attributable to non-controlling interests                         |      | (74,848)             | 74,848               |
| VII. Total comprehensive income for the year  |      | <u>1,687,557,482</u> | <u>2,750,551,306</u> |
| Attributable to:  |      |                      |                      |
| Shareholders of the Company   |      | 1,685,792,886        | 2,596,691,317        |
| Non-controlling interests   |      | 1,764,596            | 153,859,989          |
| VIII. Earnings per share  |      |                      |                      |
| (1) Basic earnings per share  | V.48 | 0.046                | 0.087                |
| (2) Diluted earnings per share  | V.48 | 0.046                | 0.087                |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|   |                           |                                   |                 |
|---|---------------------------|-----------------------------------|-----------------|
| Wang Dongsheng<br>Chairman of the Board | Chen Yanshun<br>President | SunYun<br>Chief Financial Officer |                 |
| (Signature and stamp)                   | (Signature and stamp)     | (Signature and stamp)             | (Company stamp) |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
Income statement for the year ended 31 December 2015  
*(Expressed in Renminbi Yuan)*

|   | <i>Note</i>   | <i>2015</i>   | <i>2014</i>   |
|---|---------------|---------------|---------------|
| I. Operation income                                   | <i>XIV.16</i> | 1,425,473,680 | 1,131,460,958 |
| II. Less: Operating costs                             |               | 128,651,008   | 123,137,722   |
| Business taxes and surcharges                         | <i>XIV.17</i> | 9,972,879     | 7,092,059     |
| Selling and distribution expenses                     |               | 3,014,862     | 3,215,980     |
| General and administrative expenses                   |               | 1,016,795,024 | 841,780,174   |
| Net financial income                                  | <i>XIV.18</i> | (91,691,634)  | (222,083,739) |
| Impairment (recovery)/losses                          |               | (112,708)     | 91,664        |
| Add: Investment income                                | <i>XIV.19</i> | 459,538,688   | 451,202,028   |
| Including: Income from investments in associates      |               | 4,748,739     | 3,569,978     |
| III. Operating profit                                 |               | 818,382,937   | 829,429,126   |
| Add: Non-operating income                             | <i>XIV.20</i> | 94,708,410    | 33,647,114    |
| Including: Gains from disposal of non-current assets  |               | 103,499       | 74,210        |
| Less: Non-operating expenses                          | <i>XIV.21</i> | 5,010,447     | 7,925,153     |
| Including: Losses from disposal of non-current assets |               | 8,690         | 29,700        |
| IV. Profit before income tax                          |               | 908,080,900   | 855,151,087   |
| Less: Income tax expense                              | <i>XIV.22</i> | 22,348,918    | -             |
| V. Net profit   |               | 885,731,982   | 855,151,087   |

The notes on pages 21 to 142 form part of these financial statements.



BOE Technology Group Company Limited  
Income statement for the year ended 31 December 2015 (continued)  
*(Expressed in Renminbi Yuan)*

|  | <i>Note</i> | <i>2015</i>               | <i>2014</i>               |
|--|-------------|---------------------------|---------------------------|
| VI. Other comprehensive income,<br>net of tax  | XIV.14      | 37,135,441                | 1,446,267                 |
| Items that may be reclassified<br>to profit or loss:   |             |                           |                           |
| 1 Share of other comprehensive<br>income of the<br>equity-accounted investee                         |             | 26,510,264                | -                         |
| 2 Gains or losses arising from<br>changes in fair value of<br>available-for-sale financial<br>assets |             | <u>10,625,177</u>         | <u>1,446,267</u>          |
| VII. Total comprehensive income for the<br>year  |             | <u><u>922,867,423</u></u> | <u><u>856,597,354</u></u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|  |  |  |                 |
|--|--|--|-----------------|
| _____<br>Wang Dongsheng<br>Chairman of the Board<br><i>(Signature and stamp)</i> | _____<br>Chen Yanshun<br>President<br><i>(Signature and stamp)</i> | _____<br>SunYun<br>Chief Financial Officer<br><i>(Signature and stamp)</i> | (Company stamp) |
|--|--|--|-----------------|

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Consolidated cash flow statement for the year ended 31 December 2015  
 (Expressed in Renminbi Yuan)

|   | <i>Note</i>    | <i>2015</i>             | <i>2014</i>             |
|---|----------------|-------------------------|-------------------------|
| I. Cash flows from operating activities:              |                |                         |                         |
| Proceeds from sale of goods and rendering of services |                | 50,577,270,660          | 38,084,816,098          |
| Refund of taxes                                       |                | 3,288,689,442           | 1,319,925,344           |
| Proceeds from other operating activities              |                | 780,349,439             | 505,991,614             |
| Sub-total of cash inflows                             |                | <u>54,646,309,541</u>   | <u>39,910,733,056</u>   |
| Payment for goods and services                        |                | (36,746,483,055)        | (26,369,190,547)        |
| Payment to and for employees                          |                | (5,127,957,029)         | (3,713,371,474)         |
| Payment of various taxes                              |                | (1,094,353,613)         | (1,016,355,588)         |
| Payment for other operating activities                |                | (1,184,130,399)         | (715,989,524)           |
| Sub-total of cash outflows                            |                | <u>(44,152,924,096)</u> | <u>(31,814,907,133)</u> |
| Net cash inflow from operating activities             | <i>V.49(1)</i> | <u>10,493,385,445</u>   | <u>8,095,825,923</u>    |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
 Consolidated cash flow statement for the year ended 31 December 2015  
 (continued)  
 (Expressed in Renminbi Yuan)

|  | Note    | 2015                    | 2014                    |
|--|---------|-------------------------|-------------------------|
| II. Cash flows from investing activities:  |         |                         |                         |
| Proceeds from disposal of investments  |         | 12,515,000,000          | 444,285,709             |
| Investment returns received  |         | 184,586,410             | 15,104,389              |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets |         | 25,777,766              | 28,820,470              |
| Proceeds from government grants related to assets  |         | 223,654,697             | 587,575,723             |
| Proceeds from other investing activities   |         | 808,295,739             | 661,863,569             |
| Sub-total of cash inflows  |         | <u>13,757,314,612</u>   | <u>1,737,649,860</u>    |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets    |         | (18,607,146,447)        | (21,290,003,058)        |
| Payment for acquisition of investments   |         | (14,339,727,658)        | (3,390,171,995)         |
| Net payment for acquisition of subsidiaries  | V.49(2) | (404,844,397)           | (809,412,435)           |
| Net payment for disposal of subsidiaries   |         | -                       | (2,473,518)             |
| Sub-total of cash outflows   |         | <u>(33,351,718,502)</u> | <u>(25,492,061,006)</u> |
| Net cash outflow from investing activities   |         | <u>(19,594,403,890)</u> | <u>(23,754,411,146)</u> |
| III. Cash flows from financing activities:   |         |                         |                         |
| Proceeds from investors  |         | -                       | 30,752,700,690          |
| Proceeds from borrowings   |         | 18,383,259,217          | 23,952,128,073          |
| Net change of cash pledged for borrowing   |         | 316,363,688             | -                       |
| Proceeds from other financing activities   |         | 2,541,849,548           | 91,264,790              |
| Sub-total of cash inflows  |         | <u>21,241,472,453</u>   | <u>54,796,093,553</u>   |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited

Consolidated cash flow statement for the year ended 31 December 2015

(continued)

(Expressed in Renminbi Yuan)

|  | <i>Note</i>    | <i>2015</i>             | <i>2014</i>             |
|--|----------------|-------------------------|-------------------------|
| III. Cash flows from financing activities:<br>(continued)  |                |                         |                         |
| Repayments of borrowings   |                | (11,506,938,478)        | (16,602,350,426)        |
| Payment for dividends or interest<br>Including: Dividends paid to non-<br>controlling<br>shareholders of<br>subsidiaries |                | (1,574,606,575)         | (1,566,024,478)         |
| Net change of cash pledged for<br>borrowing  |                | (200,000)               | (12,721,642)            |
| Payment for other financing activities   |                | -                       | (495,142,854)           |
|  |                | <u>(31,000,000)</u>     | <u>(491,184,581)</u>    |
| Sub-total of cash outflows   |                | <u>(13,112,545,053)</u> | <u>(19,154,702,339)</u> |
| Net cash inflow from financing<br>activities   |                | <u>8,128,927,400</u>    | <u>35,641,391,214</u>   |
| IV. Effect of foreign exchange rate<br>changes on cash and cash<br>equivalents   |                | <u>650,122,102</u>      | <u>46,925,320</u>       |
| V. Net (decrease)/increase in cash and<br>cash equivalents   | <i>V.49(1)</i> | (321,968,943)           | 20,029,731,311          |
| Add: Cash and cash equivalents at the<br>beginning of the year   |                | <u>36,504,707,160</u>   | <u>16,474,975,849</u>   |
| VI. Cash and cash equivalents at the end<br>of the year  | <i>V.49(3)</i> | <u>36,182,738,217</u>   | <u>36,504,707,160</u>   |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|   |                              |                                       |                 |
|---|------------------------------|---------------------------------------|-----------------|
| Wang Dongsheng<br>Chairman of the Board | Chen Yanshun<br>President    | Sun Yun<br>Chief Financial<br>Officer |                 |
| <i>(Signature and stamp)</i>            | <i>(Signature and stamp)</i> | <i>(Signature and stamp)</i>          | (Company stamp) |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
Cash flow statement for the year ended 31 December 2015  
(Expressed in Renminbi Yuan)

|   | <i>Note</i>      | <i>2015</i>            | <i>2014</i>            |
|---|------------------|------------------------|------------------------|
| I. Cash flows from operating activities:              |                  |                        |                        |
| Proceeds from sale of goods and rendering of services |                  | 1,299,166,255          | 1,027,783,751          |
| Proceeds from other operating activities              |                  | <u>1,182,132,246</u>   | <u>87,983,342</u>      |
| Sub-total of cash inflows                             |                  | <u>2,481,298,501</u>   | <u>1,115,767,093</u>   |
| Payment for goods and services                        |                  | (520,099,530)          | (320,988,247)          |
| Payment to and for employees                          |                  | (487,897,643)          | (405,679,550)          |
| Payment of various taxes                              |                  | (41,607,593)           | (16,132,147)           |
| Payment for other operating activities                |                  | <u>(125,664,468)</u>   | <u>(597,477,240)</u>   |
| Sub-total of cash outflows                            |                  | <u>(1,175,269,234)</u> | <u>(1,340,277,184)</u> |
| Net cash inflow from operating activities             | <i>XIV.23(1)</i> | <u>1,306,029,267</u>   | <u>(224,510,091)</u>   |
| II. Cash flows from investing activities:             |                  |                        |                        |
| Investment returns received                           |                  | 454,989,949            | 368,295,118            |
| Net proceeds from disposal of fixed assets            |                  | 1,282,071              | 105,910                |
| Proceeds from other investing activities              |                  | <u>827,665,579</u>     | <u>392,198,808</u>     |
| Sub-total of cash inflows                             |                  | <u>1,283,937,599</u>   | <u>760,599,836</u>     |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
Cash flow statement for the year ended 31 December 2015 (continued)  
*(Expressed in Renminbi Yuan)*

|   | 2015                    | 2014                    |
|---|-------------------------|-------------------------|
| II. Cash flows from investing activities:<br>(continued)                              |                         |                         |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | (315,534,306)           | (507,132,385)           |
| Payment for acquisition of investments  | (9,185,582,156)         | (16,020,284,080)        |
| Net payment for acquisition of subsidiaries   | (759,738,513)           | (6,834,815,100)         |
| Payment for other investing activities  | <u>(3,166,519,191)</u>  | <u>(670,000,000)</u>    |
| Sub-total of cash outflows  | <u>(13,427,374,166)</u> | <u>(24,032,231,565)</u> |
| Net cash outflow from investing activities  | <u>(12,143,436,567)</u> | <u>(23,271,631,729)</u> |
| III. Cash flows from financing activities:  |                         |                         |
| Proceeds from investors   | -                       | 30,752,700,690          |
| Proceeds from borrowings  | 4,692,300,200           | 670,000,000             |
| Proceeds from other financing activities  | <u>3,529,295,099</u>    | <u>-</u>                |
| Sub-total of cash inflows   | <u>8,221,595,299</u>    | <u>31,422,700,690</u>   |
| Repayments of borrowings  | (636,550,000)           | (50,000,000)            |
| Payment for interest  | (391,739,316)           | (299,386,813)           |
| Payment for other financing activities  | <u>(1,700,000,000)</u>  | <u>(599,226,214)</u>    |
| Sub-total of cash outflows  | <u>(2,728,289,316)</u>  | <u>(948,613,027)</u>    |
| Net cash inflow from financing activities   | <u>5,493,305,983</u>    | <u>30,474,087,663</u>   |

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
Cash flow statement for the year ended 31 December 2015 (continued)  
*(Expressed in Renminbi Yuan)*

|  | <i>Note</i>      | <i>2015</i>          | <i>2014</i>          |
|--|------------------|----------------------|----------------------|
| IV. Effect of foreign exchange rate changes on cash and cash equivalents |                  | <u>(5,559,829)</u>   | <u>(8,540,014)</u>   |
| V. Net (decrease)/increase in cash and cash equivalents                  | <i>XIV.23(1)</i> | (5,349,661,146)      | 6,969,405,829        |
| Add: Cash and cash equivalents at the beginning of the year              |                  | <u>8,671,876,589</u> | <u>1,702,470,760</u> |
| VI. Cash and cash equivalents at the end of the year                     | <i>XIV.23(2)</i> | <u>3,322,215,443</u> | <u>8,671,876,589</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|   |   |  |                 |
|---|---|--|-----------------|
| Wang Dongsheng<br>Chairman of the Board<br><i>(Signature and stamp)</i> | Chen Yanshun<br>President<br><i>(Signature and stamp)</i> | Sun Yun<br>Chief Financial Officer<br><i>(Signature and stamp)</i> | (Company stamp) |
|---|---|--|-----------------|

The notes on pages 21 to 142 form part of these financial statements

BOE Technology Group Company Limited  
 Consolidated statement of changes in equity for the year ended 31 December 2015  
 (Expressed in Renminbi Yuan)

|  | Note | Attributable to shareholders of the Company |                       |                      |                            |                    | Non-controlling interests | Total              |                       |
|--|------|---|-----------------------|----------------------|----------------------------|--------------------|---------------------------|--------------------|-----------------------|
|  |      | Share capital                               | Capital reserve       | Less: treasury stock | Other comprehensive income | Surplus reserve    |                           |                    | Retained earnings     |
| I. Balance at the beginning 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        |
| II. Changes in equity for the year                     |      |   |                       |                      |                            |                    |                           |                    |                       |
| 1. Total comprehensive income                          |      | -   | -                     | -                    | 49,522,398                 | -                  | 1,636,270,488             | 1,764,596          | 1,687,557,482         |
| 2. Shareholders' contributions and decrease of capital |      |   |                       |                      |                            |                    |                           |                    |                       |
| (1) Acquisitions of subsidiaries' minorities interests |      | -   | 596,438               | -                    | -                          | -                  | -                         | 61,255,019         | 61,851,457            |
| (2) Repurchase of treasury stock                       |      | -   | -                     | 79,051,194           | -                          | -                  | -                         | -                  | (79,051,194)          |
| (3) Written-off treasury stock                         |      | (136,569,831)                               | (140,485,944)         | (277,055,775)        | -                          | -                  | -                         | -                  | -                     |
| 3. Appropriation of profits                            | V.37 |   |                       |                      |                            |                    |                           |                    |                       |
| (1) Appropriation for surplus reserve                  |      | -   | -                     | -                    | -                          | 88,573,198         | (88,573,198)              | -                  | -                     |
| (2) Distributions to shareholders                      |      | -   | -                     | -                    | -                          | -                  | (351,530,677)             | (1,800,000)        | (353,330,677)         |
| 4. Others  |      | -   | 74,396,532            | -                    | -                          | -                  | -                         | -                  | 74,396,532            |
| III. Balance at the end of the year                    |      | <u>35,153,067,743</u>                       | <u>39,018,900,467</u> | <u>-</u>             | <u>90,153,009</u>          | <u>592,242,059</u> | <u>2,630,912,286</u>      | <u>865,554,255</u> | <u>78,350,829,819</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

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)

The notes on pages 21 to 142 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 |                       |                      |                            |                    |  | Non-controlling interests | Total                 |
|--|------|---|-----------------------|----------------------|----------------------------|--------------------|--|---------------------------|-----------------------|
|  |      | Share capital                               | Capital reserve       | Less: treasury stock | Other comprehensive income | Surplus reserve    | (Accumulated losses) / Retained earnings |                           |                       |
| 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             | 38,154,263,404        |
| II. Changes in equity for the year                     |      |   |                       |                      |                            |                    |  |                           |                       |
| 1. Total comprehensive income                          |      | -   | -                     | -                    | 34,562,488                 | -                  | 2,562,128,829                            | 153,859,989               | 2,750,551,306         |
| 2. Shareholders' contributions and decrease of capital |      |   |                       |                      |                            |                    |  |                           |                       |
| (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                    |      | <u>35,289,637,574</u>                       | <u>39,084,393,441</u> | <u>198,004,581</u>   | <u>40,630,611</u>          | <u>503,668,861</u> | <u>1,434,745,673</u>                     | <u>804,334,640</u>        | <u>76,959,406,219</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|  |  |   |                 |
|--|--|---|-----------------|
| Wang Dongsheng<br>Chairman of the Board<br>(Signature and stamp) | Chen Yanshun<br>President<br>(Signature and stamp) | Sun Yun<br>Chief Financial Officer<br>(Signature and stamp) | (Company stamp) |
|--|--|---|-----------------|

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited  
Statement of changes in equity for the year ended 31 December 2015  
(Expressed in Renminbi Yuan)

|  | Share capital         | Capital reserve       | Less: treasury stock | Other comprehensive income | Surplus reserve    | Retained earnings  | Total                 |
|--|-----------------------|-----------------------|----------------------|----------------------------|--------------------|--------------------|-----------------------|
| I. Balance at the beginning 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        |
| II. Changes in equity for the year                     |                       |                       |                      |                            |                    |                    |                       |
| 1. Total comprehensive income                          | -                     | -                     | -                    | 37,135,441                 | -                  | 885,731,982        | 922,867,423           |
| 2. Shareholders' contributions and decrease of capital |                       |                       |                      |                            |                    |                    |                       |
| (1) Repurchase of treasury stock                       | -                     | -                     | 79,051,194           | -                          | -                  | -                  | (79,051,194)          |
| (2) Written-off treasury stock                         | (136,569,831)         | (140,485,944)         | (277,055,775)        | -                          | -                  | -                  | -                     |
| 3. Appropriation of profits                            |                       |                       |                      |                            |                    |                    |                       |
| (1) Appropriation for surplus reserve                  | -                     | -                     | -                    | -                          | 88,573,198         | (88,573,198)       | -                     |
| (2) Distributions to shareholders                      | -                     | -                     | -                    | -                          | -                  | (351,530,677)      | (351,530,677)         |
| 4. Others  | -                     | 74,396,532            | -                    | -                          | -                  | -                  | 74,396,532            |
| III. Balance at the end of the year                    | <u>35,153,067,743</u> | <u>38,152,869,635</u> | <u>-</u>             | <u>109,786,796</u>         | <u>592,242,059</u> | <u>486,814,338</u> | <u>74,494,780,571</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

|  |  |   |                 |
|--|--|---|-----------------|
| Wang Dongsheng<br>Chairman of the Board<br>(Signature and stamp) | Chen Yanshun<br>President<br>(Signature and stamp) | Sun Yun<br>Chief Financial Officer<br>(Signature and stamp) | (Company stamp) |
|--|--|---|-----------------|

The notes on pages 21 to 142 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)*

|   | <i>Share capital</i>  | <i>Capital reserve</i> | <i>Less: treasury stock</i> | <i>Other comprehensive income</i> | <i>Surplus reserve</i> | <i>(Accumulated losses)/Retained earnings</i> | <i>Total</i>          |
|---|-----------------------|------------------------|-----------------------------|-----------------------------------|------------------------|---|-----------------------|
| 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          | 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     | <u>35,289,637,574</u> | <u>38,218,959,047</u>  | <u>198,004,581</u>          | <u>72,651,355</u>                 | <u>503,668,861</u>     | <u>41,186,231</u>                             | <u>73,928,098,487</u> |

These financial statements were approved by the Board of Directors of the Company on 22 April 2016.

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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)

The notes on pages 21 to 142 form part of these financial statements.

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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 and 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, Smart system business and Healthcare service business. 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 2015, 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 subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party 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.

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 withdrawn 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 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 (or part of it) only when its contractual obligation (or part of it) 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 investment

(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 Group's 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<br/>(years)</i> | <i>Residual value<br/>rate (%)</i> | <i>Depreciation<br/>rate (%)</i> |
|----------------|--|------------------------------------|----------------------------------|
| Buildings      | 25 -40 years                             | 3%-10%                             | 2.3%-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 capitalised and recognised as assets when it is probable that the related economic benefits will flow to Group, 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<br/>(years)</i> | <i>Residual value<br/>rate (%)</i> | <i>Depreciation<br/>rate (%)</i> |
|---------------------|--|------------------------------------|----------------------------------|
| Plant and buildings | 10 - 50 years                            | 3% - 10%                           | 1.8% - 9.7%                      |
| Equipment           | 2 - 20 years                             | 0 - 10%                            | 4.5% - 50%                       |
| Others              | 2 - 10 years                             | 0 - 10%                            | 9% - 50%                         |

Useful lives, estimated net 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 derecognized if it satisfies the following requirements:

- 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 | 5 - 10 years                        |
| Computer software | 3 - 10 years                        |
| Patent and others | 5 - 20 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<br/>(years)</i> |
|--|--|
| Cost of operating lease assets improvement               | 3 - 10 years                           |
| Prepayment for public facilities construction<br>and use | 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 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 composed of assets directly relating to cash-generation. 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.

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 progress of work 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).

## 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)). 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.

In addition, related parties are determined based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

31. Segment reporting

Operating segments are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. 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 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. Reportable segments are identified based on operating segments taking into account of materiality principle.

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 IX 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. When 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.

#### 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%<br>17% |
| Business tax                                       | Based on taxable revenue  | 3% , 5%         |
| City maintenance and construction tax              | Based on business tax and VAT paid, and VAT exemption and offset for the period   | 7% , 5%         |
| Education surcharges and local education surcharge | Based on business tax and VAT paid, and VAT exemption and offset for the period   | 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% (2014: 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         |
| Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)  | 15%                      | High-tech Enterprise Certificate         |
| Ordos Yuansheng Optoelectronics Co., Ltd.( Yuansheng Optoelectronics) | 15%                      | High-tech Enterprise Certificate         |
| Chongqing BOE Optoelectronics Co., Ltd. (Chongqing BOE)               | 15%                      | Encouraged enterprise in Western Regions |
| BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)                   | 15%                      | High-tech Enterprise Certificate         |
| BOE Optical Science and technology Co., Ltd (Optical Technology)      | 15%                      | High-tech Enterprise Certificate         |
| BOE Semi-conductor Co., Ltd. (BOE Semiconductor)                      | 15%                      | High-tech Enterprise Certificate         |
| Beijing BOE Special Display Technology Co., Ltd. (Special Display)    | 15%                      | High-tech Enterprise Certificate         |
| Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)         | 15%                      | High-tech Enterprise Certificate         |
| Beijing Asahi Electron Glass Co., Ltd. (BeiAsahi Glass)               | 15%                      | High-tech Enterprise Certificate         |
| Beijing BOE Energy Technology Co., Ltd. (BOE Energy)                  | 15%                      | High-tech Enterprise Certificate         |
| Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)           | 15%                      | High-tech Enterprise Certificate         |
| Beijing BOE multimedia Technology Co., Ltd. (BOE multimedia)          | 15%                      | High-tech Enterprise Certificate         |

Chongqing BOE Optoelectronics Technology Co., Ltd.(Chongqing BOE) obtained the tax notice (Yu Liang Jiang Di Shui Shui Shui Tong[2015] No.394) released on 4 November 2015 by the tax office of SHUITU Technology Industrial Development Zone under the local tax bureau in Liangjiang New Area, Chongqing. According to the tax notice, Chongqing BOE is recognised as the enterprise located in west areas and encouraged by the government and so qualified to pay corporate income tax at the rate of 15%. Any changes in its qualification for tax reduction or exemption shall be reported to the tax authority within 15 days. Enterprises which no longer meet the tax reduction or exemption criteria shall pay taxes in accordance with laws and tax authorities shall recover tax in arrears if enterprises fail to do so.

V. Notes to the consolidated financial statements

1. Cash at bank and on hand

|                          | 2015              |               |                      | 2014              |               |                      |
|--------------------------|-------------------|---------------|----------------------|-------------------|---------------|----------------------|
|                          | Original currency | Exchange rate | RMB/ RMB equivalents | Original currency | Exchange rate | RMB/ RMB equivalents |
| Cash on hand             |                   |               |                      |                   |               |                      |
| RMB                      |                   |               | 75,913               |                   |               | 148,650              |
| USD                      | 9,416             | 6.4936        | 61,144               | 7,695             | 6.1190        | 47,086               |
| HKD                      | 9,665             | 0.8378        | 8,097                | 9,665             | 0.7889        | 7,625                |
| JPY                      | 53,566            | 0.0539        | 2,887                | 124,694           | 0.0514        | 6,409                |
| Korean Won               | 513,831           | 0.0055        | 2,834                | 513,831           | 0.0056        | 2,878                |
| Other foreign currencies |                   |               | 102,725              |                   |               | 105,738              |
| Sub-total                |                   |               | 253,600              |                   |               | 318,386              |
| Bank deposit             |                   |               |                      |                   |               |                      |
| RMB                      |                   |               | 20,699,085,451       |                   |               | 30,906,381,315       |
| USD                      | 2,378,004,298     | 6.4936        | 15,441,809,024       | 903,450,233       | 6.1190        | 5,528,211,975        |
| HKD                      | 1,215,123         | 0.8378        | 1,018,030            | 1,216,167         | 0.7889        | 959,434              |
| JPY                      | 512,240,885       | 0.0539        | 27,602,245           | 1,157,859,841     | 0.0514        | 59,481,531           |
| Korean Won               | 806,855,564       | 0.0055        | 4,437,706            | 1,162,100,856     | 0.0056        | 6,507,765            |
| Other foreign currencies |                   |               | 8,532,161            |                   |               | 2,846,754            |
| Sub-total                |                   |               | 36,182,484,617       |                   |               | 36,504,388,774       |
| Other monetary funds     |                   |               |                      |                   |               |                      |
| RMB                      |                   |               | 2,386,293,475        |                   |               | 3,008,049,435        |
| USD                      | 43,341,957        | 6.4936        | 281,445,337          | 85,081,023        | 6.1190        | 520,610,776          |
| HKD                      | 14,039,835        | 0.8378        | 11,762,574           | 156,287,492       | 0.7889        | 123,295,202          |
| JPY                      | 85,795,505        | 0.0539        | 4,622,233            | 306,357,527       | 0.0514        | 15,739,426           |
| Sub-total                |                   |               | 2,684,123,619        |                   |               | 3,667,694,839        |
| Total                    |                   |               | 38,866,861,836       |                   |               | 40,172,401,999       |

Including: Total overseas deposits is RMB 540,239,745 (2014: RMB 1,050,839,545).

As at 31 December 2015, the other monetary funds were pledged by the Group amounting to USD 36,550,000 (2014: RMB 748,564,299, USD 49,400,000) for short-term loan, and RMB 211,842,560 (2014: nil) was pledged for long-term loan. The rest of the other monetary funds amounting to RMB 2,234,939,979 (2014: RMB 2,616,851,940) are the deposits in commercial banks as security.

2. Bills receivable

(1) Classification of bills receivable:

| <i>Item</i>                 | <i>2015</i>        | <i>2014</i>        |
|-----------------------------|--------------------|--------------------|
| Bank acceptance bills       | 353,803,012        | 500,308,383        |
| Commercial acceptance bills | 8,250,080          | 864,000            |
| Total                       | <u>362,053,092</u> | <u>501,172,383</u> |

All of the above bills are due within one year.

As at 31 December 2015, the pledged bill of the Group amounted to RMB 4,227,148 (2014: nil).

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

| <i>Item</i>                 | <i>Derecognised amount</i> | <i>Not-derecognised amount</i> |
|-----------------------------|----------------------------|--------------------------------|
| Bank acceptance bills       | 11,707,120                 | 44,696,158                     |
| Commercial acceptance bills | -                          | 2,640,280                      |
| Total                       | <u>11,707,120</u>          | <u>47,336,438</u>              |

For the year ended 31 December 2015, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2014: nil).

3. Accounts receivable

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

| <i>Item</i>                                | <i>2015</i>                 | <i>2014</i>                 |
|--|-----------------------------|-----------------------------|
| Amounts due from related parties           | 98,545,751                  | 105,628,224                 |
| Amounts due from other customers           | <u>8,145,292,525</u>        | <u>6,568,434,196</u>        |
| Sub-total                                  | 8,243,838,276               | 6,674,062,420               |
| Less: provision for bad and doubtful debts | <u>51,323,915</u>           | <u>58,300,298</u>           |
| Total                                      | <u><u>8,192,514,361</u></u> | <u><u>6,615,762,122</u></u> |

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

|  | <i>2015</i>              |                      |                                 | <i>2014</i>              |                      |                                 |
|--|--------------------------|----------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
|  | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> |
| RMB  |                          |                      | 3,315,181,701                   |                          |                      | 2,155,108,524                   |
| USD  | 758,910,996              | 6.4936               | 4,928,064,432                   | 738,359,858              | 6.1190               | 4,518,023,969                   |
| Other foreign currencies                   |                          |                      | <u>592,143</u>                  |                          |                      | <u>929,927</u>                  |
| Sub-total                                  |                          |                      | 8,243,838,276                   |                          |                      | 6,674,062,420                   |
| Less: provision for bad and doubtful debts |                          |                      | <u>51,323,915</u>               |                          |                      | <u>58,300,298</u>               |
| Total                                      |                          |                      | <u><u>8,192,514,361</u></u>     |                          |                      | <u><u>6,615,762,122</u></u>     |

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

|  | <i>2015</i>   | <i>2014</i>   |
|--|---------------|---------------|
| Within 1 year (inclusive)                  | 8,150,955,522 | 6,616,270,407 |
| 1 to 2 years (inclusive)                   | 60,990,488    | 31,073,316    |
| 2 to 3 years (inclusive)                   | 10,843,363    | 20,758,320    |
| Over 3 years                               | 21,048,903    | 5,960,377     |
| Sub-total                                  | 8,243,838,276 | 6,674,062,420 |
| Less: Provision for bad and doubtful loans | 51,323,915    | 58,300,298    |
| Total                                      | 8,192,514,361 | 6,615,762,122 |

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

(4) The Group's accounts receivable by category

| Category  | 2015          |      |                                      |      |                 | 2014          |      |                                      |      |                 |
|---|---------------|------|--------------------------------------|------|-----------------|---------------|------|--------------------------------------|------|-----------------|
|   | Book value    |      | Provision for bad and doubtful debts |      | Carrying amount | Book value    |      | Provision for bad and doubtful debts |      | Carrying amount |
|   | Amount        | (%)  | Amount                               | (%)  |                 | Amount        | (%)  | Amount                               | (%)  |                 |
| Collectively assessed for impairment based on credit risk characteristics * | 8,175,630,706 | 99%  | -                                    | -    | 8,175,630,706   | 6,607,941,006 | 99%  | -                                    | -    | 6,607,941,006   |
| Individually insignificant but assessed individually for impairment         | 68,207,570    | 1%   | 51,323,915                           | 100% | 16,883,655      | 66,121,414    | 1%   | 58,300,298                           | 100% | 7,821,116       |
| Total   | 8,243,838,276 | 100% | 51,323,915                           | 100% | 8,192,514,361   | 6,674,062,420 | 100% | 58,300,298                           | 100% | 6,615,762,122   |

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 (2014: nil).

As at 31 December 2015, 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 (2014: nil).



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

|                                      | 2015       | 2014       |
|--------------------------------------|------------|------------|
| Balance at the beginning of the year | 58,300,298 | 14,361,786 |
| Addition during the year             | 4,323,947  | 52,644,209 |
| Recovery or reversal during the year | 4,535,849  | 5,483,021  |
| Write-off during the year            | 6,764,481  | 3,222,676  |
|                                      | 51,323,915 | 58,300,298 |
| Balance at the end of the year       | 51,323,915 | 58,300,298 |

For the year ended 31 December 2015, the Group had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years (2014: nil).

- (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 3,459,582,145, representing 42% 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:

|                          | 2015        | 2014        |
|--------------------------|-------------|-------------|
| Prepayment for inventory | 112,514,008 | 106,819,088 |
| Others                   | 113,933,496 | 43,914,925  |
|                          | 226,447,504 | 150,734,013 |
| Total                    | 226,447,504 | 150,734,013 |

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

| <i>Ageing</i>             | <u>2015</u>        |                       | <u>2014</u>        |                       |
|---------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                           | <i>Amount</i>      | <i>Percentage (%)</i> | <i>Amount</i>      | <i>Percentage (%)</i> |
| Within 1 year (inclusive) | 222,965,900        | 99%                   | 148,835,790        | 99%                   |
| 1 to 2 years (inclusive)  | 2,911,881          | 1%                    | 1,372,083          | 1%                    |
| 2 to 3 years (inclusive)  | 495,306            | -                     | 285,505            | -                     |
| Over 3 years              | 74,417             | -                     | 240,635            | -                     |
| <b>Total</b>              | <u>226,447,504</u> | <u>100%</u>           | <u>150,734,013</u> | <u>100%</u>           |

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

As at 31 December 2015, the total sum of prepayments due from the top five debtors of the Group amounted to RMB 121,155,174, accounting for 54% of the total.

5. Other receivables

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

| <i>Customer type</i>                       | <i>2015</i>        | <i>2014</i>        |
|--|--------------------|--------------------|
| Amounts due from related parties           | 1,055,976          | 280,456            |
| Amounts due from other customers           | <u>597,101,055</u> | <u>729,254,284</u> |
| Sub-total                                  | 598,157,031        | 729,534,740        |
| Less: Provision for bad and doubtful loans | <u>4,827,184</u>   | <u>8,818,190</u>   |
| <b>Total</b>                               | <u>593,329,847</u> | <u>720,716,550</u> |

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

|  | 2015              |               |                         | 2014              |               |                         |
|--|-------------------|---------------|-------------------------|-------------------|---------------|-------------------------|
|  | Original currency | Exchange rate | RMB/<br>RMB equivalents | Original currency | Exchange rate | RMB/<br>RMB equivalents |
| RMB  |                   |               | 580,194,852             |                   |               | 707,158,692             |
| USD  | 2,159,507         | 6.4936        | 14,022,975              | 232,298           | 6.1190        | 1,421,434               |
| JPY  | 55,049,242        | 0.0539        | 2,967,153               | 57,332,267        | 0.0514        | 2,946,878               |
| Korean Won                                 | 176,736,541       | 0.0055        | 972,051                 | 191,760,593       | 0.0056        | 1,073,859               |
| Other foreign currencies                   |                   |               | -                       |                   |               | 16,933,877              |
| Sub-total                                  |                   |               | 598,157,031             |                   |               | 729,534,740             |
| Less: Provision for bad and doubtful loans |                   |               | 4,827,184               |                   |               | 8,818,190               |
| Total                                      |                   |               | 593,329,847             |                   |               | 720,716,550             |

(3) The ageing analysis of the Group's other receivables is as follows:

|  | 2015        | 2014        |
|--|-------------|-------------|
| Within 1 year (inclusive)                  | 260,559,729 | 415,903,545 |
| 1 to 2 years (inclusive)                   | 32,793,069  | 36,586,516  |
| 2 to 3 years (inclusive)                   | 36,323,681  | 34,254,624  |
| Over 3 years                               | 268,480,552 | 242,790,055 |
| Sub-total                                  | 598,157,031 | 729,534,740 |
| Less: Provision for bad and doubtful loans | 4,827,184   | 8,818,190   |
| Total                                      | 593,329,847 | 720,716,550 |

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

(4) The Group's other receivables by category

| Category  | 2015        |      |                                      |      |                 | 2014        |      |                                      |      |                 |
|---|-------------|------|--------------------------------------|------|-----------------|-------------|------|--------------------------------------|------|-----------------|
|   | Book Value  |      | Provision for bad and doubtful debts |      | Carrying amount | Book Value  |      | Provision for bad and doubtful debts |      | Carrying amount |
|   | Amount      | (%)  | Amount                               | (%)  |                 | Amount      | (%)  | Amount                               | (%)  |                 |
| Collectively assessed for impairment based on credit risk characteristics * | 593,323,066 | 99%  | -                                    | -    | 593,323,066     | 720,716,550 | 99%  | -                                    | -    | 720,716,550     |
| Individually insignificant but assessed individually for impairment         | 4,833,965   | 1%   | 4,827,184                            | 100% | 6,781           | 8,818,190   | 1%   | 8,818,190                            | 100% | -               |
| Total   | 598,157,031 | 100% | 4,827,184                            | 100% | 593,329,847     | 729,534,740 | 100% | 8,818,190                            | 100% | 720,716,550     |

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 2015, 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 (2014: nil).

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

|                                      | 2015      | 2014       |
|--------------------------------------|-----------|------------|
| Balance at the beginning of the year | 8,818,190 | 10,835,625 |
| Addition during the year             | 406,270   | 6,368      |
| Recovery or reversal during the year | -         | 100,000    |
| Write-off during the year            | 4,397,276 | 1,923,803  |
|                                      | 4,827,184 | 8,818,190  |
| Balance at the end of the year       | 4,827,184 | 8,818,190  |

- (6) The Group's other receivable categorised by nature

| <i>Nature of other receivables</i>         | 2015        | 2014        |
|--|-------------|-------------|
| VAT refunds                                | 105,110,154 | 259,218,524 |
| Amount due from equity transfer            | 200,000,000 | 200,000,000 |
| Deposits                                   | 8,822,268   | 29,873,154  |
| Others                                     | 284,224,609 | 240,443,062 |
|  | 598,157,031 | 729,534,740 |
| Sub-total                                  | 598,157,031 | 729,534,740 |
| Less: Provision for bad and doubtful debts | 4,827,184   | 8,818,190   |
|  | 593,329,847 | 720,716,550 |
| Total                                      | 593,329,847 | 720,716,550 |

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

As at 31 December 2015, the total sum of other receivables due from the top five debtors of the Group amounted to RMB 401,785,108, 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:

|                    | 2015                 |                      |                           | 2014                 |                    |                           |
|--------------------|----------------------|----------------------|---------------------------|----------------------|--------------------|---------------------------|
|                    | Book value<br>RMB    | Provision<br>RMB     | Carrying<br>amount<br>RMB | Book value<br>RMB    | Provision<br>RMB   | Carrying<br>amount<br>RMB |
| Raw materials      | 2,140,352,715        | 109,664,234          | 2,030,688,481             | 1,427,203,734        | 105,944,450        | 1,321,259,284             |
| Work in progress   | 729,493,187          | 86,221,585           | 643,271,602               | 590,133,600          | 53,862,025         | 536,271,575               |
| Consumables        | 4,670,195,081        | 838,807,123          | 3,831,387,958             | 2,749,796,228        | 535,694,181        | 2,214,102,047             |
| Reusable materials | 104,891,330          | 833,143              | 104,058,187               | 91,671,123           | -                  | 91,671,123                |
| Total              | <u>7,644,932,313</u> | <u>1,035,526,085</u> | <u>6,609,406,228</u>      | <u>4,858,804,685</u> | <u>695,500,656</u> | <u>4,163,304,029</u>      |

As at 31 December 2015, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2014: nil).

As at 31 December 2015, the Group had no inventory used as collateral (2014: nil).

(2) Provision for impairment of inventories of the Group is analysed as follows:

|                  | Balance at the<br>beginning of the<br>year<br>RMB | Addition during<br>the year<br>RMB | Reduction during the year |                      | Balance at the<br>end of the year<br>RMB |
|------------------|---|------------------------------------|---------------------------|----------------------|--|
|                  |   |                                    | Reversal<br>RMB           | Write-off<br>RMB     |  |
| Raw materials    | 105,944,450                                       | 122,543,155                        | 15,793,533                | 103,029,838          | 109,664,234                              |
| Work in progress | 53,862,025  | 68,583,063                         | 2,559,927                 | 33,663,576           | 86,221,585                               |
| Finished goods   | 535,694,181                                       | 1,222,809,273                      | 33,769,722                | 885,926,609          | 838,807,123                              |
| Consumables      | -   | 833,143                            | -                         | -                    | 833,143                                  |
| Total            | <u>695,500,656</u>                                | <u>1,414,768,634</u>               | <u>52,123,182</u>         | <u>1,022,620,023</u> | <u>1,035,526,085</u>                     |

7. Other current assets

|                            | 2015                 | 2014                 |
|----------------------------|----------------------|----------------------|
| VAT deductible             | 4,940,491,392        | 3,533,043,636        |
| Prepayment of income tax   | 123,348,135          | 17,603,629           |
| Wealth management products | 3,620,970,828        | 2,520,714,295        |
| Others                     | 27,207,162           | 14,402,894           |
| Total                      | <u>8,712,017,517</u> | <u>6,085,764,454</u> |

As at 31 December 2015, 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                                  | 2015        |                          |                 | 2014        |                          |                 |
|---------------------------------------|-------------|--------------------------|-----------------|-------------|--------------------------|-----------------|
|                                       | Book value  | Provision for impairment | Carrying amount | Book value  | Provision for impairment | Carrying amount |
| Available-for-sale equity instruments |             |                          |                 |             |                          |                 |
| - At fair value                       | 455,620,512 | 150,099,655              | 305,520,857     | 416,524,662 | 150,099,655              | 266,425,007     |
| - At cost                             | 148,755,389 | 180,000                  | 148,575,389     | 57,285,486  | 180,000                  | 57,105,486      |
| Total                                 | 604,375,901 | 150,279,655              | 454,096,246     | 473,810,148 | 150,279,655              | 323,530,493     |

(2) Available-for-sale financial assets at fair value at the end of the year:

|  | 2015        |
|--|-------------|
| Cost of equity instruments   | 344,902,961 |
| Fair value   | 305,520,857 |
| Accumulative fair value changes recognised in other comprehensive income | 110,717,551 |
| 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 2015. 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 2015, the accumulated impairment provision of available-for-sale financial assets amounts to RMB 150,099,655 (2014: 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><br><i>Balance at the beginning and the end of the year</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> |  |  |
| 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                                   | 15,625,125                      | 23,308,625                            | -  | 5.48%  |
| Kateeva  | -   | 75,844,778                      | 75,844,778                            | -  | 3.89%  |
| Others   | 180,000                                     | -                               | 180,000                               | 180,000  |  |
| <b>Total</b>   | <b>57,285,486</b>                           | <b>91,469,903</b>               | <b>148,755,389</b>                    | <b>180,000</b>   |  |

9. Long-term equity investments

(1) The Group's long-term equity investments by category:

|                                | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--------------------------------|---------------------------|---------------------------|
| Investments in associates      | 1,597,915,136             | 976,431,612               |
| Less: Provision for impairment | 337,612,177               | 337,612,177               |
| <b>Total</b>                   | <b>1,260,302,959</b>      | <b>638,819,435</b>        |



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(2) Information on Investments in associates:

| <i>Investee</i>  | <i>Balance at the beginning of the year</i> | <i>Additional investment</i> | <i>Investment income recognised under equity method</i> | <i>Other comprehensive income</i> | <i>Declared distribution of cash dividends or profits</i> | <i>Acquisition as subsidiaries</i> | <i>Balance at the end of the year</i> |
|--|---|------------------------------|---|-----------------------------------|---|------------------------------------|---------------------------------------|
| Beijing Nissin Electronics Precision Component Co., Ltd.     | 787,850                                     | -                            | 2,223,295   | -                                 | -   | -                                  | 3,011,145                             |
| Beijing Nittan Electronic Co., Ltd.                          | 26,604,013                                  | -                            | 5,149,981   | -                                 | (2,400,000)   | -                                  | 29,353,994                            |
| Erdos BOE Energy Investment Co., Ltd.                        | 907,483,229                                 | -                            | (6,693)   | -                                 | -   | -                                  | 907,476,536                           |
| Beijing Infi-Hailin Venture Investment Co., Ltd.             | 131,573                                     | -                            | 193,323   | -                                 | -   | -                                  | 324,896                               |
| Beijing Infi-Hailin Venture Investment (Limited Partnership) | 26,731,396                                  | 66,666,600                   | (2,035,732)   | 26,510,264                        | -   | -                                  | 117,872,528                           |
| TPV Display Technology (China) Limited                       | 14,693,551                                  | -                            | 9,021,654   | -                                 | -   | -                                  | 23,715,205                            |
| Hefei BOE Display Technology Co., Ltd.                       | -   | 89,000,000                   | (3,433,125)   | -                                 | -   | -                                  | 85,566,875                            |
| Beijing Xindongneng Investment Fund (Limited Partnership)    | -   | 375,000,000                  | (4,738,478)   | -                                 | -   | -                                  | 370,261,522                           |
| Beijing Xindongneng Investment Management Co., Ltd.          | -   | 2,000,000                    | (78,571)  | -                                 | -   | -                                  | 1,921,429                             |
| Shenzhen Yunyinggu Technology Co., Ltd.                      | -   | 60,000,000                   | (1,588,994)   | -                                 | -   | -                                  | 58,411,006                            |
| Fuzhou BOE Optoelectronics Technology Co., Ltd.              | -   | 9,500,000                    | 42,079  | -                                 | -   | (9,542,079)                        | -                                     |
| Sub-total  | <u>976,431,612</u>                          | <u>602,166,600</u>           | <u>4,748,739</u>  | <u>26,510,264</u>                 | <u>(2,400,000)</u>  | <u>(9,542,079)</u>                 | <u>1,597,915,136</u>                  |
| Less: Provision for impairment                               | <u>337,612,177</u>                          |                              |   |                                   |   |                                    | <u>337,612,177</u>                    |
| Total  | <u>638,819,435</u>                          |                              |   |                                   |   |                                    | <u>1,260,302,959</u>                  |

10. Investment properties

|   | <i>Land use right<br/>RMB</i> | <i>Buildings<br/>RMB</i> | <i>Total<br/>RMB</i> |
|---|-------------------------------|--------------------------|----------------------|
| <b>Cost</b>   |                               |                          |                      |
| Balance at the beginning of the year                  | 659,779,217                   | 838,438,987              | 1,498,218,204        |
| Transfer from construction in progress                | -                             | 15,895,586               | 15,895,586           |
| Balance at the end of the year                        | <u>659,779,217</u>            | <u>854,334,573</u>       | <u>1,514,113,790</u> |
| <b>Less: Accumulated depreciation or amortisation</b> |                               |                          |                      |
| Balance at the beginning of the year                  | 70,316,417                    | 176,081,024              | 246,397,441          |
| Additions during the year                             | 14,028,589                    | 26,588,333               | 40,616,922           |
| Balance at the end of the year                        | <u>84,345,006</u>             | <u>202,669,357</u>       | <u>287,014,363</u>   |
| <b>Carrying amounts</b>                               |                               |                          |                      |
| At the end of the year                                | <u>575,434,211</u>            | <u>651,665,216</u>       | <u>1,227,099,427</u> |
| At the beginning of the year                          | <u>589,462,800</u>            | <u>662,357,963</u>       | <u>1,251,820,763</u> |

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11. Fixed assets

(1) The Group's fixed assets are as follows:

|  | <i>Plant &amp;<br/>buildings<br/>RMB</i> | <i>Equipment<br/>RMB</i> | <i>Others<br/>RMB</i> | <i>Total<br/>RMB</i>  |
|--|--|--------------------------|-----------------------|-----------------------|
| Cost:  |  |                          |                       |                       |
| Balance at the beginning of the year   | 14,182,678,253                           | 57,622,804,472           | 359,349,156           | 72,164,831,881        |
| Additions during the year  |  |                          |                       |                       |
| -Purchases   | 52,890,180                               | 377,995,875              | 276,292,645           | 707,178,700           |
| -Transfer from construction in progress  | 5,369,617,186                            | 15,755,345,842           | 200,064,527           | 21,325,027,555        |
| -Additions due to business combinations involving enterprises not under common control | -  | 16,830,657               | 1,458,044             | 18,288,701            |
| Disposals during the year  | <u>3,786,351</u>                         | <u>152,457,044</u>       | <u>9,850,246</u>      | <u>166,093,641</u>    |
| Balance at the end of the year   | <u>19,601,399,268</u>                    | <u>73,620,519,802</u>    | <u>827,314,126</u>    | <u>94,049,233,196</u> |
| Less: Accumulated depreciation   |  |                          |                       |                       |
| Balance at the beginning of the year   | 1,560,835,053                            | 20,394,357,685           | 147,414,673           | 22,102,607,411        |
| Addition during the year   | 575,337,636                              | 7,133,098,988            | 144,338,350           | 7,852,774,974         |
| Disposals during the year  | <u>2,605,826</u>                         | <u>105,085,267</u>       | <u>9,677,498</u>      | <u>117,368,591</u>    |
| Balance at the end of the year   | <u>2,133,566,863</u>                     | <u>27,422,371,406</u>    | <u>282,075,525</u>    | <u>29,838,013,794</u> |
| Less: Provision for impairment   |  |                          |                       |                       |
| Balance at the beginning of the year   | 1,073,381                                | 662,722,006              | 32,894                | 663,828,281           |
| Addition during the year   | 87,879                                   | 353,993                  | 1,218,460             | 1,660,332             |
| Disposals during the year  | <u>-</u>                                 | <u>19,282,190</u>        | <u>86,426</u>         | <u>19,368,616</u>     |
| Balance at the end of the year   | <u>1,161,260</u>                         | <u>643,793,809</u>       | <u>1,164,928</u>      | <u>646,119,997</u>    |
| Carrying amount  |  |                          |                       |                       |
| At the end of the year   | <u>17,466,671,145</u>                    | <u>45,554,354,587</u>    | <u>544,073,673</u>    | <u>63,565,099,405</u> |
| At the beginning of the year   | <u>12,620,769,819</u>                    | <u>36,565,724,781</u>    | <u>211,901,589</u>    | <u>49,398,396,189</u> |

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(2) Fixed assets acquired under finance leases:

|                   | 2015       |                          |                          |                | 2014       |                          |                          |                |
|-------------------|------------|--------------------------|--------------------------|----------------|------------|--------------------------|--------------------------|----------------|
|                   | Cost       | Accumulated depreciation | Provision for impairment | Net book value | Cost       | Accumulated depreciation | Provision for impairment | Net book value |
| Plant & buildings | 11,291,665 | 3,595,938                | -                        | 7,695,727      | 11,291,665 | 3,342,250                | -                        | 7,949,415      |

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   | 2015                  |                          |                       | 2014                  |                          |                       |
|---|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
|   | Book value            | Provision for impairment | Carrying amount       | Book value            | Provision for impairment | Carrying amount       |
| The 8.5th generation TFT-LCD production of BOE Display                              | 354,593,503           | -                        | 354,593,503           | 553,302,360           | -                        | 553,302,360           |
| The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng          | 3,848,879,771         | -                        | 3,848,879,771         | 3,906,050,826         | -                        | 3,906,050,826         |
| The 5.5th generation LTPS and AM-OLED projects of Yuansheng                         | 10,517,718,706        | -                        | 10,517,718,706        | 9,162,623,595         | -                        | 9,162,623,595         |
| The 8.5th generation TFT-LCD production line of Chongqing BOE                       | 2,634,406,927         | -                        | 2,634,406,927         | 7,103,041,619         | -                        | 7,103,041,619         |
| The 8.5th generation The new semiconductor display device production line of Fuzhou | 460,185,529           | -                        | 460,185,529           | -                     | -                        | -                     |
| Photoelectric expansion P6 project of BOE OT  | 9,622,993             | -                        | 9,622,993             | 40,397,835            | -                        | 40,397,835            |
| Others  | 821,365,719           | 1,311,456                | 820,054,263           | 1,104,536,431         | 1,311,456                | 1,103,224,975         |
| <b>Total</b>  | <b>18,646,773,148</b> | <b>1,311,456</b>         | <b>18,645,461,692</b> | <b>21,869,952,666</b> | <b>1,311,456</b>         | <b>21,868,641,210</b> |

(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>Transfer to Investment properties and others</i> | <i>Balance at the end of the year</i> | <i>Percentage of actual cost to budget (%)</i> | <i>Including accumulated capitalised interest</i> | <i>Interest capitalised in 2015</i> | <i>Interest rate for capitalization in 2015 (%)</i> | <i>Sources of funds</i>                        |
|---|------------------------|---|----------------------------------|---------------------------------|--------------------------------------|---|---------------------------------------|--|---|-------------------------------------|---|--|
| The 8.5th generation TFT-LCD production of BOE Display                              | 29,262,860,000         | 553,302,360                                 | 225,764,784                      | 424,473,641                     | -                                    | -   | 354,593,503                           | 84%  | -   | -                                   | -   | Self-financing and borrowings                  |
| The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng          | 33,897,000,000         | 3,906,050,826                               | 1,458,007,662                    | 1,503,171,726                   | 12,006,991                           | -   | 3,848,879,771                         | 72%  | 3,831,721   | 10,574                              | 2.43%   | Self-financing, borrowings and capital-raising |
| The 5.5th generation LTPS and AM-OLED projects of Yuansheng                         | 20,020,000,000         | 9,162,623,595                               | 1,371,861,662                    | -                               | -                                    | 16,766,551  | 10,517,718,706                        | 54%  | 592,120,833                                       | 226,402,028                         | 4.97%   | Self-financing, borrowings and capital-raising |
| The 8.5th generation TFT-LCD production line of Chongqing BOE                       | 30,000,000,000         | 7,103,041,619                               | 13,472,576,212                   | 17,930,415,329                  | 9,639,316                            | 1,156,259   | 2,634,406,927                         | 69%  | 48,669,769  | 307,012,049                         | 4.48%   | Self-financing, borrowings and capital-raising |
| The 8.5th generation The new semiconductor display device production line of Fuzhou | 26,985,000,000         | -   | 460,185,529                      | -                               | -                                    | -   | 460,185,529                           | 2%   | -   | -                                   | -   | Self-financing and borrowings                  |
| Photoelectric expansion P6 project of BOE OT  | 108,120,000            | 40,397,835                                  | 1,432,000                        | 32,206,842                      | -                                    | -   | 9,622,993                             | 88%  | -   | -                                   | -   | Self-financing                                 |
| Others  | -                      | 1,104,536,431                               | 1,188,882,896                    | 1,434,760,017                   | 6,191,322                            | 31,102,269  | 821,365,719                           |  |   |                                     |   |  |
| <b>Total</b>  | <b>140,272,980,000</b> | <b>21,869,952,666</b>                       | <b>18,178,710,745</b>            | <b>21,325,027,555</b>           | <b>27,837,625</b>                    | <b>49,025,079</b>                                   | <b>18,646,773,148</b>                 |  |   |                                     |   |  |

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13. Intangible assets

|   | <i>Land use rights</i><br>RMB | <i>Technology</i><br><i>rights</i><br>RMB | <i>Software</i><br>RMB | <i>Patent and</i><br><i>others</i><br>RMB | <i>Total</i><br>RMB  |
|---|-------------------------------|---|------------------------|---|----------------------|
| Cost:   |                               |   |                        |   |                      |
| Balance at the beginning of the year  | 1,019,618,912                 | 1,006,133,623                             | 534,171,311            | 520,195,356                               | 3,080,119,202        |
| Additions during the year   |                               |   |                        |   |                      |
| - Purchase  | 48,972,014                    | 1,589,238                                 | 10,977,277             | 229,146,033                               | 290,684,562          |
| - Transfer from construction in progress  | -                             | -   | 27,837,629             | -   | 27,837,629           |
| - Additions due to business combinations involving enterprises not under common control | 231,775,584                   | -   | 410,900                | 210,820,000                               | 443,006,484          |
| Disposal during the year  | -                             | -   | 415,939                | 1,039,806                                 | 1,455,745            |
| Balance at the end of the year  | <u>1,300,366,510</u>          | <u>1,007,722,861</u>                      | <u>572,981,178</u>     | <u>959,121,583</u>                        | <u>3,840,192,132</u> |
| Less: Accumulated amortisation  |                               |   |                        |   |                      |
| Balance at the beginning of the year  | 88,512,122                    | 449,709,106                               | 263,714,367            | 119,201,638                               | 921,137,233          |
| Addition during the year  | 22,509,085                    | 72,116,709                                | 52,319,418             | 92,671,303                                | 239,616,515          |
| Disposal during the year  | -                             | -   | 215,813                | 56,511                                    | 272,324              |
| Balance at the end of the year  | <u>111,021,207</u>            | <u>521,825,815</u>                        | <u>315,817,972</u>     | <u>211,816,430</u>                        | <u>1,160,481,424</u> |
| Less: Provision for impairment  |                               |   |                        |   |                      |
| Balance at the beginning and the end of the year  | -                             | -   | 471,453                | -   | 471,453              |
| Carrying amounts  |                               |   |                        |   |                      |
| At the end of the year  | <u>1,189,345,303</u>          | <u>485,897,046</u>                        | <u>256,691,753</u>     | <u>747,305,153</u>                        | <u>2,679,239,255</u> |
| At the beginning of the year  | <u>931,106,790</u>            | <u>556,424,517</u>                        | <u>269,985,491</u>     | <u>400,993,718</u>                        | <u>2,158,510,516</u> |

14. Goodwill

| <i>The invested entity</i>              | <i>Balance at the beginning of the year</i> | <i>Additions during the year</i> | <i>Balance at the end of the year</i> |
|---|---|----------------------------------|---------------------------------------|
| Book value                              |   |                                  |                                       |
| Yinghe Century Co., Ltd.                | 42,940,434                                  | -                                | 42,940,434                            |
| K-Tronics (Suzhou) technology Co., Ltd. | 8,562,464                                   | -                                | 8,562,464                             |
| BOE OT                                  | 4,423,876                                   | -                                | 4,423,876                             |
| Mingde Investment Co., Ltd.             | -   | 146,460,790                      | 146,460,790                           |
| Sub-total                               | 55,926,774                                  | 146,460,790                      | 202,387,564                           |
| Provision for impairment of Goodwill    | 4,423,876                                   | -                                | 4,423,876                             |
| Carrying amount                         | 51,502,898                                  | 146,460,790                      | 197,963,688                           |

The Group acquired 100% equity of Mingde Investment Co., Ltd. (Mingde Investment) at the acquisition cost of RMB 250,238,513. The excess of the acquisition cost over the fair value of identifiable assets and liabilities of Mingde Investment acquired on a pro rata basis amounts to RMB 146,460,790 and is recognised as goodwill related to Mingde Investment.

As at 31 December 2015, The Group performed an impairment test of the goodwill recognised in the acquisition of Beijing Yinghe Century Co., Ltd. (Yinghe Century), K-Tronics (Suzhou) technology Co., Ltd. (K-Tronics (Suzhou)), and Mingde Investment 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 expense

|   | <i>Balance at the beginning of the year</i> | <i>Additions of the year</i> | <i>Decrease of the year</i> | <i>Balance at the end of the year</i> |
|---|---|------------------------------|-----------------------------|---------------------------------------|
| Prepayment for public facilities construction and use | 159,553,685                                 | -                            | 15,370,224                  | 144,183,461                           |
| Cost of operating lease assets improvement            | 11,954,227                                  | -                            | 1,699,753                   | 10,254,474                            |
| Others  | 132,476,770                                 | 93,895,879                   | 39,284,371                  | 187,088,278                           |
| Total   | 303,984,682                                 | 93,895,879                   | 56,354,348                  | 341,526,213                           |

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16. Deferred tax assets/ deferred tax liabilities

(1) Recognised deferred tax assets and liabilities

|  | 2015   |  | 2014   |  |
|--|--|--|--|--|
|  | <i>Deductible/<br/>(taxable)<br/>temporary<br/>differences<br/>RMB</i> | <i>Deferred tax<br/>Assets/(liabilities)<br/>RMB</i> | <i>Deductible/<br/>(taxable)<br/>temporary<br/>differences<br/>RMB</i> | <i>Deferred tax<br/>Assets/(liabilities)<br/>RMB</i> |
| Deferred tax assets:   |  |  |  |  |
| Provision for impairment   | 153,660,274  | 38,165,517   | 169,685,860  | 42,223,368   |
| Difference of<br>depreciation/ amortisation  | 23,677   | 3,553  | 23,677   | 3,553  |
| Revaluation due to<br>investment of real estate  | 158,772,372  | 39,693,093   | 164,326,226  | 41,081,557   |
| Accumulated losses   | 122,194,824  | 30,548,708   | 185,140,308  | 46,285,077   |
| Others   | 34,656,467   | 8,694,349  | 37,352,612   | 9,186,070  |
| Sub-total  | 469,307,614  | 117,105,220  | 556,528,683  | 138,779,625  |
| Deferred tax liabilities:  |  |  |  |  |
| Revaluation due to business<br>combinations involving<br>enterprises not under<br>common control | (1,141,068,053)  | (285,267,013)  | (950,655,360)  | (237,663,840)  |
| Difference between tax and<br>accounting for<br>depreciation of fixed<br>assets                  | (391,241,676)  | (58,686,251)   | (154,002,972)  | (23,100,446)   |
| Fair value changes of<br>wealth management<br>products   | (21,473,098)   | (3,220,965)  | (20,714,295)   | (3,127,511)  |
| Changes in fair value of<br>available-for- sale<br>financial<br>assets                           | (28,168,564)   | (4,647,813)  | -  | -  |
| Long-term equity<br>investments  | (560,387,820)  | (84,058,173)   | (560,387,820)  | (84,058,173)   |
| Sub-total  | (2,142,339,211)  | (435,880,215)  | (1,685,760,447)  | (347,949,970)  |
| Total  | (1,673,031,597)  | (318,774,995)  | (1,129,231,764)  | (209,170,345)  |



(2) Details of unrecognised deferred tax assets

|                                  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|----------------------------------|---------------------------|---------------------------|
| Deductible temporary differences | 4,004,972,209             | 2,945,109,382             |
| Deductible tax losses            | 1,555,680,596             | 1,137,178,435             |
| <b>Total</b>                     | <b>5,560,652,805</b>      | <b>4,082,287,817</b>      |

As at 31 December 2015, 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>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--------------|---------------------------|---------------------------|
| 2015         | -                         | 276,900,139               |
| 2016         | 99,532,368                | 147,477,751               |
| 2017         | 280,647,569               | 303,999,410               |
| 2018         | 185,377,579               | 179,737,332               |
| 2019         | 231,252,534               | 229,063,803               |
| 2020         | 758,870,546               | -                         |
| <b>Total</b> | <b>1,555,680,596</b>      | <b>1,137,178,435</b>      |

17、 Other non-current assets

|  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Prepayment for projects                | 38,134,743                | 115,232,105               |
| Prepayment for fixed assets            | 225,828,407               | 804,249,999               |
| Deferred VAT for<br>imported equipment | 75,720,270                | 485,986,004               |
| Others                                 | 8,168,254                 | 15,096,261                |
| <b>Total</b>                           | <b>347,851,674</b>        | <b>1,420,564,369</b>      |

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18、 Short-term loans

| 2015             |                  |                      |                                 |  |
|------------------|------------------|----------------------|---------------------------------|--|
|                  | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans       |                  |                      |                                 |  |
| - RMB            |                  |                      | 10,000,000                      | Collateralised   |
| Sub-total        |                  |                      | <u>10,000,000</u>               |  |
| Foreign currency |                  |                      |                                 |  |
| bank loans       |                  |                      |                                 |  |
| - USD            | 34,478,897       | 6.4936               | 223,892,165                     | Pledged  |
| - USD            | 600,000,000      | 6.4936               | 3,896,160,000                   | Guaranteed   |
| - USD            | 145,542,250      | 6.4936               | 945,093,159                     | Credited   |
| - JPY            | 312,374,837      | 0.0539               | 16,829,506                      | Credited   |
| Sub-total        |                  |                      | <u>5,081,974,830</u>            |  |
| Total            |                  |                      | <u>5,091,974,830</u>            |  |
| 2014             |                  |                      |                                 |  |
|                  | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans       |                  |                      |                                 |  |
| - RMB            |                  |                      | 30,000,000                      | Collateralised   |
| - RMB            |                  |                      | 212,625,000                     | Pledged  |
| Sub-total        |                  |                      | <u>242,625,000</u>              |  |
| Foreign currency |                  |                      |                                 |  |
| bank loans       |                  |                      |                                 |  |
| - USD            | 169,602,328      | 6.1190               | 1,037,796,642                   | Credited   |
| - USD            | 136,258,831      | 6.1190               | 833,767,788                     | Pledged  |
| - JPY            | 872,071,200      | 0.0514               | 44,799,170                      | Credited   |
| Sub-total        |                  |                      | <u>1,916,363,600</u>            |  |
| Total            |                  |                      | <u>2,158,988,600</u>            |  |

The interest rate of RMB short-term loans for the Group is 5.62% in 2015 (2014: from 0.32% to 7.50%); the interest rate of USD short-term loans for the Group ranges from 0.47% to 2.87% and from LIBOR+1.55% to LIBOR+2.8% in 2015 (2014: from 0.59% to 3.83%); the interest rate of JPY short-term loans for the Group ranges from 1.08% to 1.68% in 2015 (2014: 2.41%).

As at 31 December 2015, no short-term loan was past due (2014: nil).

19. Bills payable

|                       | <i>2015</i>        | <i>2014</i>        |
|-----------------------|--------------------|--------------------|
|                       | <i>RMB</i>         | <i>RMB</i>         |
| Bank acceptance bills | <u>343,277,037</u> | <u>258,737,884</u> |

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:

|                             | <i>2015</i>                 | <i>2014</i>                 |
|-----------------------------|-----------------------------|-----------------------------|
|                             | <i>RMB</i>                  | <i>RMB</i>                  |
| Payables to related parties | 11,313,820                  | 12,976,023                  |
| Payables to third parties   | <u>9,838,621,211</u>        | <u>6,678,261,660</u>        |
| <b>Total</b>                | <u><b>9,849,935,031</b></u> | <u><b>6,691,237,683</b></u> |

(2) Accounts payable by currency are as follows:

|                            | <i>2015</i>              |                      |                                 | <i>2014</i>              |                      |                                 |
|----------------------------|--------------------------|----------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
|                            | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> |
| - RMB                      |                          |                      | 5,121,366,631                   |                          |                      | 4,333,687,276                   |
| - USD                      | 647,147,839              | 6.4936               | 4,202,299,002                   | 321,040,921              | 6.1190               | 1,964,449,396                   |
| - JPY                      | 9,756,902,307            | 0.0539               | 525,772,543                     | 7,618,698,283            | 0.0514               | 391,559,923                     |
| - Other foreign currencies |                          |                      | <u>496,855</u>                  |                          |                      | <u>1,541,088</u>                |
| <b>Total</b>               |                          |                      | <u><b>9,849,935,031</b></u>     |                          |                      | <u><b>6,691,237,683</b></u>     |

As at 31 December 2015, the Group had no individually significant accounts payable ageing more than one year.

21、 Advances from customers

| <i>Item</i>                  | <i>2015<br/>RMB</i>       | <i>2014<br/>RMB</i>       |
|------------------------------|---------------------------|---------------------------|
| Advance from related parties | 2,700                     | 100,928                   |
| Advance from third parties   | <u>386,536,203</u>        | <u>314,611,704</u>        |
| <b>Total</b>                 | <u><u>386,538,903</u></u> | <u><u>314,712,632</u></u> |

As at 31 December 2015, 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<br/>January 2015</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>December 2015</i> |
|---|-------------|--------------------------------------|------------------------------------|-------------------------------------|--|
| Short-term employee benefits                        | (2)         | 1,101,654,236                        | 5,186,168,369                      | 5,236,595,685                       | 1,051,226,920                          |
| Post-employment benefits-defined contribution plans | (3)         | 34,848,353                           | 442,997,647                        | 452,090,114                         | 25,755,886                             |
| Termination benefits                                |             | <u>15,120,332</u>                    | <u>330,170</u>                     | <u>330,170</u>                      | <u>15,120,332</u>                      |
| <b>Total</b>  |             | <u><u>1,151,622,921</u></u>          | <u><u>5,629,496,186</u></u>        | <u><u>5,689,015,969</u></u>         | <u><u>1,092,103,138</u></u>            |
|   |             | <i>Balance at 1<br/>January 2014</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>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                                |             | <u>15,283,411</u>                    | <u>122,643</u>                     | <u>285,722</u>                      | <u>15,120,332</u>                      |
| <b>Total</b>  |             | <u><u>845,898,437</u></u>            | <u><u>4,669,612,035</u></u>        | <u><u>4,363,887,551</u></u>         | <u><u>1,151,622,921</u></u>            |

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(2) Short-term employee benefits

|  | <i>Balance at 1<br/>January 2015</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>December 2015</i> |
|--|--------------------------------------|------------------------------------|-------------------------------------|--|
| Salaries, bonuses,<br>allowances                         | 888,236,228                          | 4,082,074,752                      | 4,168,013,357                       | 802,297,623                            |
| Staff welfare  | -                                    | 565,464,073                        | 565,464,073                         | -                                      |
| Social insurance   | 34,142,462                           | 217,336,948                        | 216,532,944                         | 34,946,466                             |
| Medical insurance  | 32,329,441                           | 181,343,398                        | 180,414,875                         | 33,257,964                             |
| Work-related injury<br>insurance                         | 606,425                              | 19,812,161                         | 19,733,207                          | 685,379                                |
| Maternity insurance                                      | 1,206,596                            | 16,181,389                         | 16,384,862                          | 1,003,123                              |
| Housing fund   | 11,509,770                           | 190,699,521                        | 183,715,024                         | 18,494,267                             |
| Labour union fee, staff<br>and workers' education<br>fee | 158,223,788                          | 110,895,324                        | 86,403,491                          | 182,715,621                            |
| Staff bonus and welfare fund                             | 7,282,591                            | -                                  | -                                   | 7,282,591                              |
| Other short-term employee<br>benefits                    | 2,259,397                            | 19,697,751                         | 16,466,796                          | 5,490,352                              |
| <b>Total</b>   | <b><u>1,101,654,236</u></b>          | <b><u>5,186,168,369</u></b>        | <b><u>5,236,595,685</u></b>         | <b><u>1,051,226,920</u></b>            |

|  | <i>Balance at 1<br/>January 2014</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>December 2014</i> |
|--|--------------------------------------|------------------------------------|-------------------------------------|--|
| Salaries, bonuses,<br>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<br>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<br>and workers' education<br>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<br>benefits                    | 6,607,380                            | 14,644,751                         | 18,992,734                          | 2,259,397                              |
| <b>Total</b>   | <b><u>815,632,432</u></b>            | <b><u>4,345,599,450</u></b>        | <b><u>4,059,577,646</u></b>         | <b><u>1,101,654,236</u></b>            |

(3) Post-employment benefits- defined contribution plans

|                         | <i>Balance at 1<br/>January 2015</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>December 2015</i> |
|-------------------------|--------------------------------------|------------------------------------|-------------------------------------|--|
| Basic pension insurance | 23,742,078                           | 404,925,571                        | 406,046,134                         | 22,621,515                             |
| Unemployment insurance  | 1,312,546                            | 25,444,758                         | 25,473,219                          | 1,284,085                              |
| Annuity                 | 9,793,729                            | 12,627,318                         | 20,570,761                          | 1,850,286                              |
| <b>Total</b>            | <u>34,848,353</u>                    | <u>442,997,647</u>                 | <u>452,090,114</u>                  | <u>25,755,886</u>                      |

|                         | <i>Balance at 1<br/>January 2014</i> | <i>Accrued during<br/>the year</i> | <i>Decrease<br/>during the year</i> | <i>Balance at 31<br/>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                              |
| <b>Total</b>            | <u>14,982,594</u>                    | <u>323,889,942</u>                 | <u>304,024,183</u>                  | <u>34,848,353</u>                      |

23、 Taxes payable

|  | <i>2015<br/>RMB</i> | <i>2014<br/>RMB</i> |
|--|---------------------|---------------------|
| Value added tax                                      | 6,034,483           | 31,074,915          |
| Business tax   | 2,950,474           | 2,951,913           |
| Corporate income tax                                 | 51,227,464          | 166,876,477         |
| Individual income tax                                | 26,686,375          | 20,207,177          |
| City maintenance<br>and construction tax             | 61,736,456          | 22,602,452          |
| Education surcharge<br>and local education surcharge | 44,106,572          | 16,347,348          |
| Others   | 31,673,185          | 58,159,368          |
| <b>Total</b>   | <u>224,415,009</u>  | <u>318,219,650</u>  |

24、 Dividends payable

As at 31 December 2015, 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>2015</i>          | <i>2014</i>          |
|---------------------------------------|----------------------|----------------------|
|                                       | <i>RMB</i>           | <i>RMB</i>           |
| Projects and equipment                | 6,809,238,439        | 5,419,231,049        |
| Deferred VAT for imported equipment   | 980,993,091          | 914,032,323          |
| Technology licence fee                | 149,873,192          | 152,169,522          |
| Deposits                              | 186,443,738          | 162,396,662          |
| Accrued water and electricity charges | 183,198,773          | 156,822,593          |
| Freight agency charge                 | 80,380,590           | 62,611,588           |
| Agency fee payable                    | 32,624,494           | 15,638,959           |
| Technology royalties                  | 48,675,647           | 45,467,483           |
| Acquisition of shares                 | -                    | 195,206,440          |
| Others                                | 393,501,914          | 426,809,406          |
|                                       | 8,864,929,878        | 7,550,386,025        |
| <b>Total</b>                          | <b>8,864,929,878</b> | <b>7,550,386,025</b> |

Significant other payables ageing more than one year are mainly payables of projects and equipment and acquisition of intangible assets.

(2) The Group's other payables by currency are as follows:

|                          | <i>2015</i>              |                      |                                 | <i>2014</i>              |                      |                                 |
|--------------------------|--------------------------|----------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
|                          | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> |
| RMB                      |                          |                      | 5,338,668,580                   |                          |                      | 5,921,855,897                   |
| USD                      | 375,250,844              | 6.4936               | 2,436,728,856                   | 160,891,426              | 6.1190               | 984,494,633                     |
| JPY                      | 20,113,929,548           | 0.0539               | 1,084,050,962                   | 12,332,277,983           | 0.0514               | 633,879,088                     |
| Other foreign currencies |                          |                      | 5,481,480                       |                          |                      | 10,156,407                      |
| <b>Total</b>             |                          |                      | <b>8,864,929,878</b>            |                          |                      | <b>7,550,386,025</b>            |

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

| 2015         |                  |                      |                                 |  |
|--------------|------------------|----------------------|---------------------------------|--|
|              | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans   |                  |                      |                                 |  |
| - RMB        |                  |                      | 248,330,000                     | Collateralised   |
| - RMB        |                  |                      | 670,000,000                     | Credited   |
| - USD        | 210,238,560      | 6.4936               | <u>1,365,205,113</u>            | Collateralised   |
| <b>Total</b> |                  |                      | <u><u>2,283,535,113</u></u>     |  |
| 2014         |                  |                      |                                 |  |
|              | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans   |                  |                      |                                 |  |
| - RMB        |                  |                      | <u>15,000,000</u>               | Collateralised   |

The interest rate of RMB long-term loans due within one year for the Group ranges from 3.90% to 5.94% in 2015 (2014: 6.55%); the interest rate of USD long-term loans for the Group due within one year ranges from LIBOR+3.2% to LIBOR+4.3% in 2015 (2014: nil).

27、 Other current liabilities

As at 31 December 2014 and 2015, 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

| 2015       |                  |                      |                                 |  |
|------------|------------------|----------------------|---------------------------------|--|
|            | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans |                  |                      |                                 |  |
| - RMB      |                  |                      | 19,755,000                      | Pledged  |
| - RMB      |                  |                      | 3,111,492,712                   | Collateralised   |
| - RMB      |                  |                      | 2,842,000,000                   | Credited   |
| - USD      | 4,450,597,616    | 6.4936               | 28,900,400,677                  | Collateralised   |
| - USD      | 225,999,408      | 6.4936               | <u>1,467,549,756</u>            | Credited   |
| Total      |                  |                      | <u>36,341,198,145</u>           |  |
| 2014       |                  |                      |                                 |  |
|            | <i>Principal</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Credited/<br/>collateralised/<br/>guaranteed/<br/>pledged</i> |
| Bank loans |                  |                      |                                 |  |
| - RMB      |                  |                      | 670,000,000                     | Credited   |
| - RMB      |                  |                      | 17,495,000                      | Pledged  |
| - RMB      |                  |                      | 6,745,784,547                   | Collateralised   |
| - USD      | 137,999,408      | 6.1190               | 844,418,377                     | Credited   |
| - USD      | 4,143,390,545    | 6.1190               | <u>25,353,406,745</u>           | Collateralised   |
| Total      |                  |                      | <u>33,631,104,669</u>           |  |

The interest rate of RMB long-term loans for the Group ranges from 0% to 7.68% in 2015 (2014: from 3.90% to 7.68%); the interest rate of USD long-term loans for the Group ranges from LIBOR+2.7% to LIBOR+4.3% in 2015 (2014: from LIBOR+3% to LIBOR+4.3%).

29、 Provisions

|   |   |
|---|---|
| <i>The invested entity</i>              | <i>Balance at the beginning and the end of the year</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                                 | 2,441,846,447                                       | 551,025,667  | 586,627,438   | 2,406,244,676                                 |
|   | <i>Balance at the beginning of the year<br/>RMB</i> | <i>Additions of grants during the year<br/>RMB</i> | <i>Recognitions as non-operating income<br/>RMB</i> | <i>Balance at the end of the year<br/>RMB</i> |
| Government grants related to assets               |   |  |   |   |
| The 8.5th generation of TFT-LCD production line   | 848,409,935   | 70,488,000   | 156,636,126   | 762,261,809                                   |
| The 6th generation of TFT-LCD production line     | 215,238,096   | -  | 68,571,429  | 146,666,667                                   |
| Subsidies for scientific research and development | 1,312,239,589                                       | 195,016,245  | 207,672,737   | 1,299,583,097                                 |
| Sub-total   | 2,375,887,620                                       | 265,504,245  | 432,880,292   | 2,208,511,573                                 |
| Government grants related to income               |   |  |   |   |
| Subsidies for scientific research and development | 65,958,827  | 285,521,422  | 153,747,146   | 197,733,103                                   |
| Sub-total   | 65,958,827  | 285,521,422  | 153,747,146   | 197,733,103                                   |
| Total   | 2,441,846,447                                       | 551,025,667  | 586,627,438   | 2,406,244,676                                 |

31、 Other non-current liabilities

| <i>Item</i>                                  | <i>Note</i> | <i>2015</i><br><i>RMB</i>   | <i>2014</i><br><i>RMB</i>   |
|--|-------------|-----------------------------|-----------------------------|
| Convertible debt                             | (1)         | 3,595,123,390               | 3,380,580,059               |
| Equity investment with redemption provisions | (2)         | 2,500,000,000               | -                           |
| Deferred VAT for imported equipment          |             | <u>75,720,270</u>           | <u>485,986,004</u>          |
| Total  |             | <u><u>6,170,843,660</u></u> | <u><u>3,866,566,063</u></u> |

(1) Convertible debt

Pursuant 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 categorised as the financial liabilities initially recognised at its fair value and subsequently measured at its amortised costs; 2) the convertible duty should be categorised 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. 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 2015, the Company used effective interest rate method to evaluate the amortised costs to be RMB 3,490,014,026 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.

(2) Equity investment with redemption provisions

Pursuant to the agreement regarding the investment in the new semiconductor display device production line of Fuzhou signed among Fuzhou Government, Fuzhou Construction & China Development Bond Co., LTD (CDB Development Fund) and the company, CDB Development Fund invested RMB 1,700,000,000 in Fuzhou BOE Optoelectronics Technology Co., Ltd (Fuzhou BOE) in December 2015 as paid-in capital. CDB Development Fund has the right to demand the company to repurchase all the equity generated from the investment at the same price as its initial investment and the company should guarantee that CDB Development Fund enjoys an annualized yield at 1.2% of the total investment through dividend distribution. Besides, pursuant to the agreement regarding the further investment of CDB Development Fund in Fuzhou BOE, CDB Development Fund planned to invest another RMB 1,600,000,000 in it. The company had received RMB 800,000,000 out of the total RMB 1,600,000,000 in December, 2015, but had not invested in Fuzhou BOE yet. The company identified all the investment mentioned above as other non-current liabilities.

32、 Share capital

|              | <i>Balance at the<br/>beginning of the<br/>year</i> | <i>Cancelled treasury<br/>shares</i> | <i>Balance at the end<br/>of the year</i> |
|--------------|---|--------------------------------------|---|
| Total shares | <u>35,289,637,574</u>                               | <u>136,569,831</u>                   | <u>35,153,067,743</u>                     |

Since 26 September 2014, the Company repurchased issued public shares through Shenzhen Stock Exchange by its self-owned fund in concentrated bidding manner. As at 13 August 2015, the Company repurchased accumulated 136,569,831 B shares by the payment of 277,055,775 yuan counted in RMB, about 10.2% of the Company's total B shares. The Company has written off 136,569,831 repurchased shares at 18 August 2015.

33、 Capital reserve

|                                     | <i>Note</i> | <i>Balance at the<br/>beginning of the<br/>year<br/>RMB</i> | <i>Additions during<br/>the year<br/>RMB</i> | <i>Reduction during<br/>the year<br/>RMB</i> | <i>Balance at the<br/>end of the year<br/>RMB</i> |
|-------------------------------------|-------------|---|--|--|---|
| Share premiums                      | (1)         | 38,181,665,280  | 74,396,532                                   | 140,485,944                                  | 38,115,575,868                                    |
| Other capital reserves              |             |   |  |  |   |
| - Equity investment provision       |             | 259,913,487   | -  | -  | 259,913,487                                       |
| - Acquisition of minority interests |             | 635,058,992   | 596,438                                      | -  | 635,655,430                                       |
| - Other changes of investees        |             | <u>7,755,682</u>  | <u>-</u>                                     | <u>-</u>                                     | <u>7,755,682</u>                                  |
| Total                               |             | 39,084,393,441  | 74,992,970                                   | 140,485,944                                  | 39,018,900,467                                    |

(1) Share premium

Increase in share premium during current year is the unpayable issuance expense for the private offering in 2014. Decrease in Share premium during the current year is the excess of the consideration paid for repurchase of public shares over the nominal value of the shares repurchased.

34、 Treasury stock

| <i>Project</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> |
|------------------------------------|---|----------------------------------|----------------------------------|---------------------------------------|
| Repurchase of unrestricted B-share | 198,004,581                                 | 79,051,194                       | 277,055,775                      | -                                     |

35、 Other comprehensive income

| <i>Project</i>  | <i>Balance at the beginning of the year attributable to shareholders of the Company</i> | <i>Movements during the year</i> |                         | <i>Balance at the end of the year attributable to shareholders of the Company</i> |
|---|---|----------------------------------|-------------------------|---|
|   |   | <i>Before-tax amount</i>         | <i>Less: income tax</i> |   |
| Other comprehensive income that will be reclassified to profit or loss Including: Available-for-sale financial assets | 89,133,636  | 39,929,501                       | 4,741,267               | 124,321,869   |
| profit or loss in the changes of fair value   |   |                                  |                         |   |
| Share of investee's other comprehensive income to be reclassified to profit or loss under equity method               | -   | 26,510,264                       | -                       | 26,510,264  |
| Translation difference of foreign financial statements  | (48,503,025)  | (12,176,100)                     | -                       | (60,679,125)  |
| Total   | 40,630,611  | 54,263,665                       | 4,741,267               | 90,153,009  |

36、 Surplus reserve

| <i>Project</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> |
|----------------|---|----------------------------------|----------------------------------|---------------------------------------|
|----------------|---|----------------------------------|----------------------------------|---------------------------------------|

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|                               | <i>year</i>        |                   |          |                    |
|-------------------------------|--------------------|-------------------|----------|--------------------|
| Statutory surplus reserve     | 213,997,552        | 88,573,198        | -        | 302,570,750        |
| Discretionary surplus reserve | <u>289,671,309</u> | <u>-</u>          | <u>-</u> | <u>289,671,309</u> |
| Total                         | <u>503,668,861</u> | <u>88,573,198</u> | <u>-</u> | <u>592,242,059</u> |

37、 Retained earnings

| <i>Item</i>   | <i>2015</i>          | <i>2014</i>          |
|---|----------------------|----------------------|
| Retained earnings /(Accumulated losses) at the beginning of the year      | 1,434,745,673        | (1,122,806,908)      |
| Add: net profits for the year attributable to shareholders of the Company | 1,636,270,488        | 2,562,128,829        |
| Less: Appropriation for statutory surplus reserve                         | 88,573,198           | 4,576,248            |
| Ordinary share dividends payable  | <u>351,530,677</u>   | <u>-</u>             |
| Retained earnings at the end of the year                                  | <u>2,630,912,286</u> | <u>1,434,745,673</u> |

As at 31 December 2015, the consolidated retained earnings attributable to the Company included an appropriation of RMB 1,451,832,263 to surplus reserve by the Company's subsidiaries (2014: RMB 1,261,229,147).

Accordign to the third interim Shareholders' Meeting held on 14 September 2015, the Company distributed cash dividends to all shareholders on 4 November 2015, with RMB 0.1 every 10 shares and a total dividend of RMB 351,530,677 distributed.

38、 Operating income and operating costs

|                      | <u>2015</u>                  |                              | <u>2014</u>                  |                              |
|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                      | <i>Operating<br/>income</i>  | <i>Operating cost</i>        | <i>Operating<br/>income</i>  | <i>Operating cost</i>        |
| Principal activities | 46,808,437,681               | 37,383,502,981               | 35,585,859,102               | 27,673,488,060               |
| Other businesses     | <u>1,815,294,631</u>         | <u>1,371,587,685</u>         | <u>1,230,457,574</u>         | <u>831,392,669</u>           |
| Total                | <u><u>48,623,732,312</u></u> | <u><u>38,755,090,666</u></u> | <u><u>36,816,316,676</u></u> | <u><u>28,504,880,729</u></u> |

Details of operating income:

|  | <i>2015<br/>RMB</i>          | <i>2014<br/>RMB</i>          |
|--|------------------------------|------------------------------|
| Operating income from principal activities |                              |                              |
| - Sales of goods                           | 46,808,437,681               | 35,585,859,102               |
| Other operating income                     |                              |                              |
| - Sales of raw materials                   | 899,663,002                  | 476,027,528                  |
| - Rental income of investment properties   | 700,499,244                  | 622,896,452                  |
| - Others                                   | <u>215,132,385</u>           | <u>131,533,594</u>           |
| Total                                      | <u><u>48,623,732,312</u></u> | <u><u>36,816,316,676</u></u> |

Information on income, expenses and profit of principal activities has been included in Note XIII.

39、 Business taxes and surcharges

|  | <i>2015<br/>RMB</i>       | <i>2014<br/>RMB</i>       |
|--|---------------------------|---------------------------|
| Business tax                                   | 32,870,880                | 29,219,518                |
| City maintenance and construction tax          | 135,042,622               | 46,166,530                |
| Education surcharge and local education charge | 96,995,837                | 33,514,562                |
| Others   | <u>10,889,077</u>         | <u>9,186,774</u>          |
| Total  | <u><u>275,798,416</u></u> | <u><u>118,087,384</u></u> |

40、 Selling and distribution expenses

|                     | 2015<br>RMB   | 2014<br>RMB |
|---------------------|---------------|-------------|
| Staff cost          | 274,041,738   | 233,536,474 |
| Logistics           | 240,430,388   | 195,891,813 |
| Warranty provisions | 480,703,981   | 355,154,853 |
| Other expenses      | 294,862,579   | 213,531,276 |
|                     | 1,290,038,686 | 998,114,416 |

41、 General and administrative expenses

|                                  | 2015<br>RMB   | 2014<br>RMB   |
|----------------------------------|---------------|---------------|
| Staff cost                       | 810,284,723   | 780,396,887   |
| Depreciation and amortisation    | 185,533,307   | 213,859,649   |
| Research and development expense | 2,187,548,666 | 1,677,258,186 |
| Repair expense                   | 727,044,555   | 621,127,899   |
| Other expenses                   | 765,366,948   | 583,994,196   |
|                                  | 4,675,778,199 | 3,876,636,817 |

42、 Financial expenses /(net income)

|                                   | 2015<br>RMB   | 2014<br>RMB   |
|-----------------------------------|---------------|---------------|
| Interest expenses from loans      | 1,885,066,434 | 1,676,726,384 |
| Less: Borrowing costs capitalised | 533,424,651   | 841,307,874   |
| Interest income from deposits     | (725,634,009) | (890,184,658) |
| Net exchange losses /(gains)      | 815,250,986   | (165,040,224) |
| Other financial expenses          | 54,754,420    | 32,453,425    |
|                                   | 1,496,013,180 | (187,352,947) |

The interest rate per annum, at which the borrowing costs were capitalised for the current year by the Group, was 2.43% - 4.97% (2014: 3.11% - 5.27%).



43、 Impairment losses

|                              | 2015<br><i>RMB</i> | 2014<br><i>RMB</i> |
|------------------------------|--------------------|--------------------|
| Bad debts                    | 194,368            | 47,067,556         |
| Inventories                  | 1,362,645,452      | 808,323,368        |
| Long-term equity investments | -                  | 337,612,177        |
| Fixed assets                 | 1,660,332          | 18,768,838         |
|                              | 1,364,500,152      | 1,211,771,939      |
| <b>Total</b>                 |                    |                    |

44、 Investment income

|                                      | 2015<br><i>RMB</i> | 2014<br><i>RMB</i> |
|--------------------------------------|--------------------|--------------------|
| Long-term equity investments         |                    |                    |
| net income under equity method       | 4,748,739          | 3,569,978          |
| Losses from disposal of subsidiaries | -                  | (4,190,740)        |
| Investment income from holding       |                    |                    |
| available-for-sale financial assets  | 9,245,239          | 7,790,970          |
| Investment income from wealth        |                    |                    |
| management products on maturity      | 173,197,708        | 6,113,418          |
| Others                               | -                  | 163,752            |
|                                      | 187,191,686        | 13,447,378         |
| <b>Total</b>                         |                    |                    |

45、 Non-operating income

(1) Non-operating income by item is as follows:

|  | 2015<br><i>RMB</i> | 2014<br><i>RMB</i> | <i>Amount<br/>recognised in<br/>extraordinary<br/>gain and loss in<br/>2015</i> |
|--|--------------------|--------------------|---|
| Total gains on disposal of<br>non-current assets | 3,026,374          | 3,369,650          | 3,026,374   |
| Including: Disposal of<br>fixed                  |                    |                    |   |
| assets   | 3,026,374          | 3,369,650          | 3,026,374   |
| Government grants                                | 1,045,101,727      | 830,471,170        | 1,045,101,727   |
| Others   | 34,589,132         | 70,401,912         | 34,589,132  |

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|   |                           |                           |   |
|---|---------------------------|---------------------------|---|
| Total   | <u>1,082,717,233</u>      | <u>904,242,732</u>        | <u>1,082,717,233</u>  |
| (2) Details of government grants                  |                           |                           |   |
| <i>Grant programme</i>                            |                           | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i>   |
| Relate to assets                                  |                           |                           |   |
| The 8.5th generation of TFT-LCD production line   | 156,636,126               |                           | 124,190,478   |
| The 6th generation of TFT-LCD production line     | 68,571,429                |                           | 68,571,428  |
| Subsidies for scientific research and development | <u>207,672,737</u>        |                           | <u>185,690,634</u>  |
| Sub-total   | <u>432,880,292</u>        |                           | <u>378,452,540</u>  |
| Relate to income                                  |                           |                           |   |
| Subsidies for scientific research and development | <u>612,221,435</u>        |                           | <u>452,018,630</u>  |
| Sub-total   | <u>612,221,435</u>        |                           | <u>452,018,630</u>  |
| Total   | <u>1,045,101,727</u>      |                           | <u>830,471,170</u>  |
| 46、 Non-operating expenses                        |                           |                           |   |
| <i>Item</i>                                       | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> | <i>Amount</i><br><i>recognised in</i><br><i>extraordinary</i><br><i>gain and loss in</i><br><i>2015</i> |
| Total loss on disposal of non-current assets      | 11,376,698                | 18,945,517                | 11,376,698  |
| Including: Loss from disposal of fixed assets     | 11,376,698                | 18,945,517                | 11,376,698  |
| Donations   | 4,948,561                 | 251,560                   | 4,948,561   |
| Others  | <u>6,853,556</u>          | <u>16,764,206</u>         | <u>6,853,556</u>  |
| Total   | <u>23,178,815</u>         | <u>35,961,283</u>         | <u>23,178,815</u>   |

47、 Income tax expense

|  | <i>Note</i> | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|-------------|---------------------------|---------------------------|
| Current tax expenses for the period based on tax law and corresponding regulations |             | 325,421,338               | 475,518,122               |
| Deferred taxation adjustments  | (1)         | 49,711,847                | (15,524,927)              |
| <b>Total</b>   |             | <b>375,133,185</b>        | <b>459,993,195</b>        |

(1) The analysis of deferred tax adjustments is set out below:

|   |  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|---|--|---------------------------|---------------------------|
| Origination and reversal of temporary differences |  | 49,711,847                | (15,524,927)              |

(2) Reconciliation between income tax expenses and accounting profit is as follows:

|  |  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|--|---------------------------|---------------------------|
| Profit before taxation                                     |  | 2,013,243,117             | 3,175,907,165             |
| Expected income tax expenses at a tax rate of 15%          |  | 301,986,467               | 476,386,075               |
| Add: Difference in effective tax rate of subsidiaries      |  | 3,843,487                 | (3,569,316)               |
| Tax effect of non- deductible cost, expenses and losses    |  | 37,930,558                | 31,553,766                |
| Tax effect of weighted deduction and tax preference        |  | (203,814,433)             | (130,857,662)             |
| Utilisation of prior year tax losses                       |  | (57,887,723)              | (118,265,113)             |
| Deductible losses of deferred tax assets not recognised    |  | 131,240,811               | 55,842,664                |
| Changes of deductible temporary differences not recognised |  | 161,834,018               | 148,902,781               |
| <b>Income tax expenses for current year</b>                |  | <b>375,133,185</b>        | <b>459,993,195</b>        |

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>2015</i>    | <i>2014</i>    |
|--|----------------|----------------|
|  | <i>RMB</i>     | <i>RMB</i>     |
| Consolidated net profit attributable to ordinary shareholders of the Company | 1,636,270,488  | 2,562,128,829  |
| Weighted average number of ordinary shares outstanding (share)               | 35,255,569,283 | 29,479,074,184 |
| Basic/dilution earnings per share (RMB/share)                                | 0.046          | 0.087          |

The calculation for weighted average of ordinary shares is set out as follows:

|   | <i>2015</i>           | <i>2014</i>           |
|---|-----------------------|-----------------------|
|   | <i>RMB</i>            | <i>RMB</i>            |
| Number of ordinary shares issued at the beginning of the year       | 35,289,637,574        | 13,521,542,341        |
| Weighted average number of ordinary Shares issued in current period | -                     | 15,983,149,377        |
| Effects of repurchasing shares                                      | <u>(34,068,291)</u>   | <u>(25,617,534)</u>   |
| The weighted average of ordinary shares at the end of the year      | <u>35,255,569,283</u> | <u>29,479,074,184</u> |

49、 Notes to cash flow statement

(1) Supplement to cash flow statement

|  | 2015<br>RMB     | 2014<br>RMB     |
|--|-----------------|-----------------|
| a. Reconciliation of net profit to cash flows from operating activities:         |                 |                 |
| Net profit   | 1,638,109,932   | 2,715,913,970   |
| Add: Impairment provisions for assets  | 1,364,500,152   | 1,211,771,939   |
| Depreciation of fixed assets and investment property                             | 7,799,457,709   | 5,523,726,587   |
| Amortisation of intangible assets  | 239,631,840     | 201,846,766     |
| Amortisation of long-term deferred expenses                                      | 56,193,811      | 30,155,694      |
| Gains on disposal of fixed assets, intangible assets, and other long-term assets | (3,026,374)     | (3,369,650)     |
| Losses on scrapping of fixed assets  | 11,376,698      | 18,945,517      |
| Gain from share acquisition  | (163,082)       | (10,168,409)    |
| Financial expenses / (net income)  | 980,021,974     | (63,223,468)    |
| Income arising from investments  | (187,191,686)   | (13,447,378)    |
| Gains from Government grants   | (432,880,292)   | (378,452,540)   |
| Decrease in deferred tax assets  | 21,674,405      | 21,701,047      |
| Increase / (Decrease) in deferred tax liabilities                                | 32,778,710      | (37,225,973)    |
| Increase in gross inventories  | (3,807,241,082) | (1,952,893,404) |
| Increase in operating receivables  | (506,006,281)   | (1,258,008,760) |
| Increase in operating payables   | 3,286,149,011   | 2,088,553,985   |
| Net cash inflow from operating activities  | 10,493,385,445  | 8,095,825,923   |
| b. Change in cash and cash equivalents:  |                 |                 |
| Cash and cash equivalents at the end of the year                                 | 36,182,738,217  | 36,504,707,160  |
| Less: Cash and cash equivalents at the beginning of the year                     | 36,504,707,160  | 16,474,975,849  |
| Net decrease/(increase) in cash and cash equivalents                             | (321,968,943)   | 20,029,731,311  |

(2) Information on acquisition of subsidiaries during the current year:

Information on acquisition of subsidiaries:

|  | <i>2015</i><br><i>RMB</i> |
|--|---------------------------|
| Consideration of acquisition                                 | 759,738,513               |
| Cash and cash equivalents paid for<br>acquiring subsidiaries | 759,738,513               |
| Less: cash and cash equivalents<br>held by subsidiaries      | <u>(354,894,116)</u>      |
| Net payment for acquisition of subsidiaries                  | <u>404,844,397</u>        |

(3) Details of cash and cash equivalents

|   | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|---|---------------------------|---------------------------|
| Cash on hand                                    | 253,600                   | 318,386                   |
| Bank deposits available on demand               | <u>36,182,484,617</u>     | <u>36,504,388,774</u>     |
| Cash and cash equivalents at the end<br>of year | <u>36,182,738,217</u>     | <u>36,504,707,160</u>     |

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

50、 Assets with restricted ownership or right of use

| <i>Item</i>              | <i>Balance at the beginning of the year</i> | <i>Additions during the year</i> | <i>Decrease during the year</i> | <i>Balance at the end of the year</i> | <i>Reason for restriction</i>                     |
|--------------------------|---|----------------------------------|---------------------------------|---------------------------------------|---|
| Cash at bank and on hand | 3,667,694,839                               | 1,854,700,988                    | 2,838,272,208                   | 2,684,123,619                         | Pledged as collateral and margin deposit          |
| Bills receivable         | 93,136,271                                  | 53,462,979                       | 95,035,664                      | 51,563,586                            | Endorsed with resource, pledged for bills payable |
| Accounts receivable      | 147,314,925                                 | -                                | 147,314,925                     | -                                     | Pledged as collateral                             |
| Investment properties    | 176,552,715                                 | -                                | 6,227,416                       | 170,325,299                           | Mortgaged as collateral                           |
| Fixed assets             | 43,024,828,040                              | 14,241,399,593                   | 5,749,644,575                   | 51,516,583,058                        | Mortgaged as collateral                           |
| Construction in progress | 10,679,610,648                              | 2,618,465,226                    | 2,818,231,273                   | 10,479,844,601                        | Mortgaged as collateral                           |
| Intangible assets        | 726,328,007                                 | 28,750,943                       | 86,277,674                      | 668,801,276                           | Mortgaged as collateral                           |
| <b>Total</b>             | <b>58,515,465,445</b>                       | <b>18,796,779,729</b>            | <b>11,741,003,735</b>           | <b>65,571,241,439</b>                 |   |

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

| <i>Name of the subsidiary</i> | <i>Acquisition time of equity investment</i> | <i>Cost of equity investment</i> | <i>Proportion of equity investment (%)</i> | <i>Acquisition method</i> | <i>Acquisition date</i> | <i>Basis of acquisition date determination</i>             | <i>Acquiree-from acquisition date 31 December 2015</i> |                 |                        |
|-------------------------------|--|----------------------------------|--|---------------------------|-------------------------|--|--|-----------------|------------------------|
|                               |  |                                  |  |                           |                         |  | <i>Income</i>  | <i>Net loss</i> | <i>Net cash inflow</i> |
| Fuzhou BOE                    | 31 August 2015                               | 509,542,079                      | 92.64%                                     | Business combination      | 31 August 2015          | Owning all of the acquiree's Board set with actual control | 143,962  | 9,928,732       | (3,133,593)            |
| Mingde Investment             | 31 August 2015                               | 250,238,513                      | 100%                                       | Business combination      | 31 August 2015          | Actual control upto completion of equity transfer          | 17,030,361   | 31,463,784      | 3,926,154              |

Fuzhou BOE was established in Fuzhou on 13 May 2015 and mainly engaged in the investing, researching, manufacturing and promoting TFT-LCD products and accessory products. Before the combination, the parent company and ultimate holding company of Fuzhou BOE was Fuzhou Urban Construction Investment Group Limited.

Mingde Investment was established in Beijing on 31 March 2010 and mainly engaged in project investment and investment management. Before the combination, the parent company and ultimate holding company of Mingde Investment was Chunhua (Tianjin) Equity Investment Partnership (Limited Partnership).

(2) Acquisition cost

The Company invested RMB 9.5 million in May 2015, together with Fuzhou Urban Construction Investment Group Limited to establish Fuzhou BOE, and the shares held by the Company was 19%. In August 2015, the Company increased share capital amounted to RMB 500 million. After the capital increase, the Company took up to 92.64% shares of Fuzhou BOE and consolidate Fuzhou BOE as a subsidiary. The fair value of the investee's identifiable net assets of Fuzhou BOE amounted to RMB 509,705,161 by the consolidation date. The Company realized the amount of the fair value of the investee's identifiable net assets above the acquisition cost as current profit amounted to RMB 163,082.

On 9 December 2015, CDB Development Fund invested RMB 1.7 billion in Fuzhou BOE. After the capital increase by CDB Development Fund, the shares held by the Company dropped to 22.64%. In accordance with the investment agreement between CDB Development Fund and the Company, CDB Development Fund reserved the rights to demand the Company to repurchase the investment mentioned above on specific dates, and the Company must guarantee the investment to be accompanied by annual rate of 1.2% by cash dividends or other means. The Company in this regard recognized this investment as other non-current liabilities (see Note V 31(2)). The board of directors of Fuzhou BOE was appointed by the Company, and CDB Development Fund was not involved in the daily operation of Fuzhou BOE. The Company was still able to exert control to Fuzhou BOE and consolidate it as a subsidiary.

The Company paid RMB 250,238,513 as consideration to acquire Mingde Investment in August 2015 and consolidate it as a subsidiary. 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 Mingde Investment on 31 August 2015 and the appreciated value after evaluation by the management amounted to RMB 103,777,723, and the amount of the acquisition cost above the fair value of the investee's identifiable net assets RMB 146,460,790 was recognized as goodwill.



## 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   |
| Chongqing BOE Optoelectronics Technology Co., Ltd.                    | Chongqing, China            | Chongqing, China        | Investing, researching, manufacturing and promoting TFT-LCD products and accessory products   | RMB 16,226,000,000 | 96.92%   | -        | Business combinations involving enterprises not under common control |
| Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)          | Fuzhou, China               | Fuzhou, China           | Investing, researching, manufacturing and promoting TFT-LCD products and accessory products   | RMB 2,250,000,000  | 22.64%   | -        | Business combinations involving enterprises not under common control |
| 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   |
| 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. (Optical Technology)     | Suzhou, China               | Suzhou, China           | Development, manufacture and sales of backlight and related parts and components for LCD  | RMB 364,068,929    | 91.20%   | -        | 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   |
| 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 BOE Smart Commerce Co., Ltd. (Beijing Smart Commerce)         | 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)        | Hong Kong, 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 |
| Mingde Investment Co., Ltd. (Mingde Investment)                       | Beijing, China              | Beijing, China          | Investment management and project investment  | RMB 510,921,556    | 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> |
|-------------------------------|---|----------------------------------|----------------------------------|---------------------------------------|
| Chengdu BOE                   | 1,830,000,000                               | 1,000,000,000                    | -                                | 2,830,000,000                         |
| Yuansheng Optoelectronics     | 6,104,000,000                               | 800,000,000                      | -                                | 6,904,000,000                         |
| Chongqing BOE                 | 9,826,000,000                               | 6,400,000,000                    | -                                | 16,226,000,000                        |
| Optical Sciene and technology | 337,710,424                                 | 26,358,505                       | -                                | 364,068,929                           |
| Fuzhou BOE                    | -   | 2,250,000,000                    | -                                | 2,250,000,000                         |
| Mingde Investment             | 148,006,000                                 | 362,915,556                      | -                                | 510,921,556                           |

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 interest</i> |
|-------------------------------|------------------------------------|----------------------------------|
| Chongqing BOE                 | 94.91%                             | 96.92%                           |
| Optical Sciene and technology | 90.51%                             | 91.20%                           |

The Company increased share capital to Chongqing BOE in March 2015 amounted to RMB 6,400,000,000. The percentage of shares held by the Company increased from 94.91% to 96.92% after the capital increase.

The Company increased share capital to Optical Sciene and technology in May 2015 amounted to RMB 26,358,505. The percentage of shares held by the Company increased from 90.51% to 91.20% after the capital increase.

(2) Impact from transactions on non-controlling interests and equity attributable to the shareholders of the Company:

|  | <i>Chongqing BOE</i> | <i>Optical Technology</i> |
|--|----------------------|---------------------------|
| Acquisition cost / disposal consideration                              |                      |                           |
| - Cash   | 6,400,000,000        | 26,358,505                |
| Less: share of net assets in subsidiaries based on the shares acquired | <u>6,400,520,305</u> | <u>26,434,638</u>         |
| Difference   | <u>(520,305)</u>     | <u>(76,133)</u>           |
| Including: Adjustment on capital reserve                               | 520,305              | 76,133                    |

3、 Interests in associates

Summarised financial information of the associates are as follows:

|  | 2015          | 2014        |
|--|---------------|-------------|
| Associates:                              |               |             |
| Aggregate carrying amount of investments | 1,260,302,959 | 638,819,435 |
| Aggregate amount of share of             |               |             |
| - Net profit                             | 4,748,739     | 3,569,978   |
| - Other comprehensive income             | 26,510,264    | -           |
| - Total comprehensive income             | 31,259,003    | 3,569,978   |

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.

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 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 30 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 38% and 1% of the total receivables respectively (2014: 40% and 2%). In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Note XII, as at 31 December 2015, 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 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 2015</i> |                      |                       |                      |                       | <i>Book value<br/>Balance sheet</i> |
|--|--|----------------------|-----------------------|----------------------|-----------------------|-------------------------------------|
|  | <i>Within 1 year or<br/>payable<br/>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                               | 5,191,079,555  | -                    | -                     | -                    | 5,191,079,555         | 5,091,974,830                       |
| Bills payable                                  | 343,277,037  | -                    | -                     | -                    | 343,277,037           | 343,277,037                         |
| Accounts payable                               | 9,849,935,031  | -                    | -                     | -                    | 9,849,935,031         | 9,849,935,031                       |
| Interest payable                               | 348,173,849  | -                    | -                     | -                    | 348,173,849           | 348,173,849                         |
| Dividends payable                              | 9,651,170  | -                    | -                     | -                    | 9,651,170             | 9,651,170                           |
| Other payables                                 | 8,864,929,878  | -                    | -                     | -                    | 8,864,929,878         | 8,864,929,878                       |
| Non-current liabilities<br>due within one year | 2,334,938,435  | -                    | -                     | -                    | 2,334,938,435         | 2,283,535,113                       |
| Long-term loans                                | 1,543,202,766  | 5,041,962,653        | 31,062,688,027        | 4,028,762,598        | 41,676,616,044        | 36,341,198,145                      |
| <b>Total</b>                                   | <b>28,485,187,721</b>  | <b>5,041,962,653</b> | <b>31,062,688,027</b> | <b>4,028,762,598</b> | <b>68,618,600,999</b> | <b>63,132,675,053</b>               |

|  | <i>Contract cash flow not discounted in the year of 2014</i> |                      |                       |                       |                       | <i>Book value<br/>Balance sheet</i> |
|--|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|
|  | <i>Within 1 year or<br/>payable<br/>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<br>due within one year | 15,982,500   | -                    | -                     | -                     | 15,982,500            | 15,000,000                          |
| Long-term loans                                | 1,552,445,812  | 2,220,512,908        | 11,116,738,885        | 28,056,887,991        | 42,946,585,596        | 33,631,104,669                      |
| <b>Total</b>                                   | <b>18,465,315,057</b>  | <b>2,220,512,908</b> | <b>11,116,738,885</b> | <b>28,056,887,991</b> | <b>59,859,454,841</b> | <b>50,532,913,995</b>               |

### (3) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

(a) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

| <i>Items</i>                                  | <u>2015</u>               |                       | <u>2014</u>               |                       |
|---|---------------------------|-----------------------|---------------------------|-----------------------|
|   | <u>Real interest rate</u> | <u>Amount</u>         | <u>Real interest rate</u> | <u>Amount</u>         |
| Financial assets                              |                           |                       |                           |                       |
| - Cash at bank and on hand                    | 1.10%~3.10%               | 22,631,183,057        | 1.13%~3.30%               | 23,310,353,086        |
| Financial liabilities                         |                           |                       |                           |                       |
| - Short-term loans                            | 0.72%~5.62%               | (460,163,736)         | 0.59%~7.50%               | (951,890,663)         |
| - Non-current liabilities due within one year | 3.90%                     | (670,000,000)         | 6.55%                     | (15,000,000)          |
| - Long-term loans                             | 0.00%~7.68%               | (2,861,755,000)       | 3.90%~7.68%               | (7,433,279,547)       |
| Total   |                           | <u>18,639,264,321</u> |                           | <u>14,910,182,876</u> |

Variable rate instruments:

| <i>Items</i>                                  | <u>2015</u>               |                         | <u>2014</u>               |                         |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
|   | <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%                     | 16,235,425,179          | 0.35%                     | 16,861,730,527          |
| Financial liabilities                         |                           |                         |                           |                         |
| - Short-term loans                            | 0.47%<br>~LIBOR+2.8%      | (4,631,811,094)         | 0.59%~3.16%               | (1,207,097,937)         |
| - Non-current liabilities due within one year | LIBOR+3.2%<br>~5.94%      | (1,613,535,113)         | -                         | -                       |
| - Long-term loans                             | LIBOR+2.7%<br>~5.94%      | (33,479,443,145)        | LIBOR+3.0%<br>~LIBOR+4.3% | (26,197,825,122)        |
| Total   |                           | <u>(23,489,364,173)</u> |                           | <u>(10,543,192,532)</u> |

(b) Sensitivity analysis

As at 31 December 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates of variable rate instrument, with all other variables held constant, would decrease/increase the Group's net profit and equity by RMB 200.74 million (2014: RMB 81.68 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and 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 foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 3,506,829,240 (2014: net liabilities exposure USD 3,342,052,352), translated into RMB 22,771,925,816 (2014: RMB 20,450,018,340), using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

(b) The following are the exchange rates for Renminbi against US dollar applied by the Group:

|     | <i>Average rate</i> |             | <i>Reporting date mid-spot rate</i> |             |
|-----|---------------------|-------------|-------------------------------------|-------------|
|     | <i>2015</i>         | <i>2014</i> | <i>2015</i>                         | <i>2014</i> |
| USD | 6.3063              | 6.1080      | 6.4936                              | 6.1190      |

Assuming all other risk variables remained constant, a 5% strengthening/weakening of the Renminbi against the US dollar at 31 December would have increased/decreased both the Group's equity and net profit by the amount RMB 943,464,255 (2014: RMB 841,077,948).

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 which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

(5) Other price risks

Other price risks 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).

| Item  | 31 December 2015                     |                                      |                                      | Total         |
|---|--------------------------------------|--------------------------------------|--------------------------------------|---------------|
|   | Level 1<br>Fair value<br>measurement | Level 2<br>Fair value<br>measurement | Level 3<br>Fair value<br>measurement |               |
| Recurring fair value measurements                           |                                      |                                      |                                      |               |
| - Wealth management products                                | -                                    | -                                    | 3,620,970,828                        | 3,620,970,828 |
| - Available-for-sale equity<br>instrument                   | 305,520,857                          | -                                    | -                                    | 305,520,857   |
| Total assets measured at fair value<br>on a recurring basis | 305,520,857                          | -                                    | 3,620,970,828                        | 3,926,491,685 |

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 2015, there were no changes in valuation technique of fair value. As at 31 December 2015, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities except the above fair value of available-for-sale equity instrument and wealth management products.



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 party of the Company</i> |
|---------------------|--|---|---------------------------|------------------------------------|--|--|
| Electronics Holding | No. 12, Jiuxianqiao Road<br>Chaoyang District, Beijing | Operation and management of state-owned assets within authorisation | RMB1,307,370,000          | 0.78%                              | 11.21%                                 | Yes  |

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 |
| Beijing Xindongnneng Investment Management Co., Ltd.     | Associate of the Group and the Company |
| Shenzhen Yunyinggu Technology Co., Ltd.                  | Associate of the Group and the Company |
| Hefei BOE Display Technology Co., Ltd.                   | Associate of the Group and the Company |

4、 Other related parties other than key management personnel

| <i>Related party relationship</i>                            | <i>Related party relationship</i>   |
|--|---|
| Beijing Sevenstar Front 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 Science and Technology 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-hitech Electronics 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 Zhaowei Electronic Group Co., Ltd.                   | Enterprises that are controlled by the Company's ultimate holding company |
| Beijing Zhaowei Technology Development 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 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 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 Electronic City 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   |
| Hong Kong Xinyihua 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 and assets/receiving services received (excluding remuneration of key management personnel)

The Group

| <i>Content of transaction</i> | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|-------------------------------|---------------------------|---------------------------|
| Purchase of goods             | 38,746,827                | 21,615,729                |
| Purchase of assets            | 452,450,778               | 143,564,834               |
| Receiving services            | 2,616,085                 | 5,512,887                 |
| Total                         | 493,813,690               | 170,693,450               |

(1) Purchase of goods/receiving services (excluding remuneration of key management personnel) (continued)

The Company

| <i>Content of transaction</i> | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|-------------------------------|---------------------------|---------------------------|
| Purchase of goods             | 8,773,571                 | 8,517,342                 |
| Receiving services            | 533,558                   | 3,137,765                 |
| <b>Total</b>                  | <b>9,307,129</b>          | <b>11,655,107</b>         |

(2) Sale of goods / rendering of services

The Group

| <i>Content of transaction</i> | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|-------------------------------|---------------------------|---------------------------|
| Sale of goods                 | 285,134,989               | 467,949,826               |
| Rendering of services         | 1,467,988                 | 1,160,684                 |
| <b>Total</b>                  | <b>286,602,977</b>        | <b>469,110,510</b>        |

The Company

| <i>Content of transaction</i> | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|-------------------------------|---------------------------|---------------------------|
| Sale of goods                 | 920,322                   | -                         |
| Rendering of services         | 1,050,089,867             | 963,326,440               |
| <b>Total</b>                  | <b>1,051,010,189</b>      | <b>963,326,440</b>        |

|     |                              |  |  |
|-----|------------------------------|--|--|
| (3) | Leases                       |  |  |
| (a) | As the lessor                |  |  |
|     | The Group                    |  |  |
|     | <u>Type of assets leased</u> | <u>Lease income<br/>recognised in 2015</u> | <u>Lease income<br/>recognised in 2014</u> |
|     | Investment property          | 5,525,862                                  | 2,241,547                                  |
|     | The Company                  |  |  |
|     | <u>Type of assets leased</u> | <u>Lease income<br/>recognised in 2015</u> | <u>Lease income<br/>recognised in 2014</u> |
|     | Investment property          | 16,989,175                                 | 16,776,506                                 |
| (b) | As the lessee                |  |  |
|     | The Group                    |  |  |
|     | <u>Type of assets leased</u> | <u>Lease fee<br/>recognised in 2015</u>    | <u>Lease fee<br/>recognised in 2014</u>    |
|     | Fixed asset                  | 151,033                                    | 266,206                                    |

(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 from                   |                          |                       |                      |
| Subsidiary of the parent     | 500,000,000              | 13/09/2015            | Paid as demand       |
| Subsidiary of the parent     | 400,000,000              | 03/04/2015            | 02/04/2016           |
| Subsidiary of the parent     | 920,000,000              | 30/09/2015            | Paid as demand       |
| Funds to                     |                          |                       |                      |
| Subsidiary of the parent     | 6,000,000                | 25/11/2013            | 24/11/2016           |
| Subsidiary of the parent     | 50,000,000               | 27/03/2015            | 26/03/2016           |
| Subsidiary of the parent     | 10,000,000               | 26/02/2015            | 25/02/2016           |
| Subsidiary of the parent     | 10,000,000               | 13/10/2015            | 13/01/2016           |
| Subsidiary of the parent     | 30,000,000               | 10/06/2015            | 09/06/2016           |
| Subsidiary of the parent     | 762,340,000              | 28/05/2015            | 27/05/2018           |
| Subsidiary of the parent     | 1,511,963,200            | 28/05/2015            | 28/05/2018           |
| Subsidiary of the parent     | 670,000,000              | 29/12/2014            | 29/12/2016           |
| Subsidiary of the parent     | 249,416,800              | 28/05/2015            | 28/05/2018           |

(5) Remuneration of key management personnel

The Group and the Company

| <u>Item</u>                              | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Remuneration of key management personnel | 18.267 thousand           | 20.117 thousand           |

6、 Receivables from and payables to related parties

Receivables from related parties

The Group

| <u>Item</u>              | <u>2015</u>       |   | <u>2014</u>       |   |
|--------------------------|-------------------|---|-------------------|---|
|                          | <i>Book value</i> | <i>Provision for bad and doubtful loans</i> | <i>Book value</i> | <i>Provision for bad and doubtful loans</i> |
| Accounts receivable      | 98,545,751        | 121,741                                     | 105,628,224       | 121,741                                     |
| Prepayments              | 1,080,000         | -   | -                 | -   |
| Other receivables        | 1,055,976         | -   | 280,456           | -   |
| Other non-current assets | 691,736           | -   | -                 | -   |

The Company

| <u>Item</u>              | <u>2015</u>       |   | <u>2014</u>       |   |
|--------------------------|-------------------|---|-------------------|---|
|                          | <i>Book value</i> | <i>Provision for bad and doubtful loans</i> | <i>Book value</i> | <i>Provision for bad and doubtful loans</i> |
| Accounts receivable      | 54,546,968        | 55,623                                      | 54,909,048        | 55,623                                      |
| Prepayments              | 428,772           | -   | 355,357           | -   |
| Dividends receivable     | 90,941,079        | -   | 88,741,079        | -   |
| Other receivables        | 1,250,898,077     | -   | 1,022,749,688     | -   |
| Other non-current assets | 2,523,720,000     | -   | -                 | -   |

Payables to related parties

The Group

| <u>Item</u>            | <u>2015</u> | <u>2014</u> |
|------------------------|-------------|-------------|
|                        | <i>RMB</i>  | <i>RMB</i>  |
| Accounts payable       | 11,313,820  | 12,976,023  |
| Advance from customers | 2,700       | 100,928     |
| Other payables         | 123,842,691 | 43,741,125  |

The Company

| <u>Item</u>            | <u>2015</u>   | <u>2014</u>   |
|------------------------|---------------|---------------|
|                        | <i>RMB</i>    | <i>RMB</i>    |
| Accounts payable       | 1,374,630     | 14,797,095    |
| Advance from customers | 253,215       | 457,426       |
| Other payables         | 6,373,460,758 | 4,327,343,254 |

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 defines capital as shareholders' equity, net of proposed distribution of dividends unrecognised. Such capital does not include related party transaction balances.

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 2014. 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 2015 and 31 December 2014, the Group's debt-to-capital ratios are as follows:

|                       | <u>2015</u> | <u>2014</u> |
|-----------------------|-------------|-------------|
| Debt-to-capital ratio | 48.65%      | 43.51%      |

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

|  | <i>2015</i>    | <i>2014</i>    |
|--|----------------|----------------|
|  | <i>RMB</i>     | <i>RMB</i>     |
| Investment contracts entered into but not performed or performed partially | 5,327,996,929  | 12,480,876,966 |
| Investment contracts authorized but not entered into                       | 60,550,486,510 | 21,630,781,244 |
| Total  | 65,878,483,439 | 34,111,658,210 |

The Company's investment contracts authorized but not entered into mainly included the fixed assets that Chengdu BOE, Chongqing BOE, Fuzhou BOE and Yuansheng Optoelectronics planned to purchase in 2016 and project equipment that the Group planned to purchase in 2016.

| The Company  | <i>2015</i><br><i>RMB</i>    | <i>2014</i><br><i>RMB</i>    |
|--|------------------------------|------------------------------|
| Investment contracts entered into but not performed or partially performed | 36,044,597,742               | 389,628,781                  |
| Investment contracts authorized but not entered into                       | <u>92,652,892</u>            | <u>39,361,411,052</u>        |
| <b>Total</b>   | <u><u>36,137,250,634</u></u> | <u><u>39,751,039,833</u></u> |

The Company's investment contracts entered into but not performed or performed partially mainly included guaranteed investments in Chengdu BOE, Chongqing BOE, Fuzhou 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>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Within 1 year (inclusive)                    | 20,347,968                | 2,476,476                 |
| After 1 year but within 2 years (inclusive)  | 20,499,876                | 1,749,144                 |
| After 2 years but within 3 years (inclusive) | 17,601,350                | 1,847,097                 |
| After 3 years                                | <u>39,958,929</u>         | <u>1,077,473</u>          |
| <b>Total</b>                                 | <u><u>98,408,123</u></u>  | <u><u>7,150,190</u></u>   |

As at 31 December 2015, the Company had no significant operating lease commitments.



2、 Guarantees provided for other enterprises

(1) The Group as the guarantor

As at 31 December 2015, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

As at 31 December 2015, the existing loans of RMB 1,500,000,000 and USD 480,000,000 were collateralized by Yuansheng Optoelectronics with its plant and buildings whose book value amounted to RMB 301,271,817, machinery and equipment amounting to RMB 38,187,208, land use rights amounting to RMB 51,043,548, and construction in progress amounting to RMB 7,791,546,278. Also, these loans were third party jointly and severally guaranteed and pledged by the Company with its 20% shareholding of Erdos BOE Energy Investment Co., Ltd (BOE Energy Investment) 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 2015, the existing loans of USD 1,450,000,000 of Chongqing BOE were collateralized by its machinery and equipment amounting to RMB 12,872,052,992, land use rights amounting to RMB 204,905,521, and construction in progress amounting to RMB 2,333,704,820. Besides, the Company provided third party joint and several liabilities guarantee simultaneously. Meanwhile, the existing long-term guarantee of RMB 1,800,000,000 were provided by the Company with joint and several liabilities guarantee simultaneously.

As at 31 December 2015, the existing loan of USD 1,760,000,000 and long-term guarantee of RMB 560,000,000 of Hefei Xinsheng were collateralized by its plant and buildings amounting to RMB 3,663,715,301, machinery and equipment amounting to RMB 13,197,747,526, and land use right amounting to RMB 128,112,049, and were pledged by its the other monetary funds to RMB 198,000,000. Besides, the Company provided third party joint and several liabilities guarantee simultaneously. Also, Hefei Xinsheng provided additional other monetary fund amounting to RMB 137,000,000 to pledge for the long-term guarantee of RMB 560,000,000.

As at 31 December 2015, the existing loans of RMB 699,580,055 and USD 445,445,630 were collateralized by BOE Display Technology with its plant and buildings whose book value amounted to RMB 4,596,751,875, machinery and equipment amounting to RMB 10,931,857,892, land use rights amounting to RMB 156,420,860, and construction in progress amounting to RMB 354,593,503. Besides, the Company provided third party joint and several liabilities guarantee simultaneously.

As at 31 December 2015, the existing loans of RMB 1,103,992,657 and USD 525,390,545 were collateralized by Hefei BOE with its plant and buildings whose book value amounted to RMB 1,952,914,591, machinery and equipment amounting to RMB 3,936,289,969, and land use rights amounting to RMB 83,860,022. Besides, the Company provided third party joint and several liabilities guarantee simultaneously.

As at 31 December 2015, a short-term loan of USD 600,000,000 was granted by the Fujian Branch of China Development Bank to Fuzhou BOE at an interest rate of 2.38% for the period from 31 December 2015 to 29 December 2016. Besides, the Company provided third party joint and several liabilities guarantee.

### 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) Smart system — 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) Healthcare 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 smart system business, and healthcare 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.

BOE Technology Group Company Limited  
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|   | 2015                 |                     |                           |                |                    |                        | Total           |
|---|----------------------|---------------------|---------------------------|----------------|--------------------|------------------------|-----------------|
|   | <i>Display parts</i> | <i>Smart system</i> | <i>Healthcare service</i> | <i>Others</i>  | <i>Elimination</i> | <i>Remaining items</i> |                 |
| Operating income  | 43,501,436,202       | 8,781,046,730       | 826,323,560               | 1,196,198,355  | (5,681,272,535)    | -                      | 48,623,732,312  |
| Including: external transaction segment                     | 40,426,767,112       | 7,427,772,088       | 769,193,112               | -              | -                  | -                      | 48,623,732,312  |
| transaction   | 3,074,669,090        | 1,353,274,642       | 57,130,448                | 1,196,198,355  | (5,681,272,535)    | -                      | -               |
| Operating expenses  | 42,679,745,815       | 8,866,708,973       | 526,076,913               | 1,025,090,631  | (5,542,625,604)    | 115,030,885            | 47,670,027,613  |
| Operating profits / (losses)                                | 821,690,387          | (85,662,243)        | 300,246,647               | 171,107,724    | (138,646,931)      | (115,030,885)          | 953,704,699     |
| Profits / (losses)  | 1,708,841,419        | 6,943,544           | 306,339,038               | 260,503,802    | (154,353,801)      | (115,030,885)          | 2,013,243,117   |
| Income tax  | 302,208,715          | 1,965,397           | 47,221,692                | 23,737,381     | -                  | -                      | 375,133,185     |
| Net profits / (net losses)                                  | 1,406,632,704        | 4,978,147           | 259,117,346               | 236,766,421    | (154,353,801)      | (115,030,885)          | 1,638,109,932   |
| Total assets  | 166,981,540,531      | 5,689,069,590       | 3,446,685,864             | 87,044,095,970 | (110,685,602,733)  | 117,105,220            | 152,592,894,442 |
| Total liabilities   | 83,288,257,377       | 4,965,158,045       | 570,547,952               | 7,757,459,924  | (27,585,958,890)   | 5,246,600,215          | 74,242,064,623  |
| Other items:  |                      |                     |                           |                |                    |                        |                 |
| - Impairment loss/(recovery or reversal) for current period | 1,340,214,668        | 22,611,445          | (53,232)                  | 1,727,271      | -                  | -                      | 1,364,500,152   |
| - Depreciation and amortisation expense                     | 7,888,127,620        | 94,748,316          | 58,574,720                | 176,948,110    | (123,115,406)      | -                      | 8,095,283,360   |
| - Long-term investment of associates and joint ventures     | -                    | -                   | -                         | 1,260,302,959  | -                  | -                      | 1,260,302,959   |
| - Capital outlay  | 18,994,866,642       | 334,148,623         | 333,561,559               | 525,351,626    | (456,163,379)      | -                      | 19,731,765,071  |
| - Interest in the profit or loss of associates              | -                    | -                   | -                         | 4,748,739      | -                  | -                      | 4,748,739       |
| - Net interest expenses                                     | 1,160,907,008        | 45,631,939          | 3,488,250                 | -              | -                  | 196,369,006            | 1,406,396,203   |

(2) Accounting policy for the measurements of segment profit or loss, assets and liabilities (continued)

|  | 2014                 |                     |                           |                |                    |                        | Total           |
|--|----------------------|---------------------|---------------------------|----------------|--------------------|------------------------|-----------------|
|  | <i>Display parts</i> | <i>Smart system</i> | <i>Healthcare service</i> | <i>Others</i>  | <i>Elimination</i> | <i>Remaining items</i> |                 |
| 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 segment        | 31,154,690,675       | 4,972,280,767       | 689,345,234               | -              | -                  | -                      | 36,816,316,676  |
| 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           | -                    | -                   | -                         | 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 | -                    | -                   | -                         | 3,569,978      | -                  | -                      | 3,569,978       |
| - Net interest expenses                        | 811,003,722          | 30,393,566          | 3,621,033                 | -              | -                  | 22,853,614             | 867,871,935     |

(3) Secondary segment reporting (geographical segments)

- (a) 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>2015</i>                            | <i>2014</i>                  |
|                     | <i>RMB</i>                             | <i>RMB</i>                   |
| PRC mainland        | 21,057,873,677                         | 19,715,034,667               |
| Other Asian regions | 21,339,034,068                         | 13,904,578,889               |
| Europe              | 2,677,131,554                          | 1,017,195,232                |
| America             | 3,430,415,741                          | 1,916,336,657                |
| Other regions       | 119,277,272                            | 263,171,231                  |
| <b>Total</b>        | <b><u>48,623,732,312</u></b>           | <b><u>36,816,316,676</u></b> |

- (b) 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 10,969,549,418 (2014: RMB 8,667,304,357), which was approximately 23% (2014: 24%) of the Group's total operating income.

XIV. Notes of financial statements of the Company

1. Cash at bank and on hand

|                          | 2015              |               |                         | 2014              |               |                         |
|--------------------------|-------------------|---------------|-------------------------|-------------------|---------------|-------------------------|
|                          | Original currency | Exchange rate | RMB/<br>RMB equivalents | Original currency | Exchange rate | RMB/<br>RMB equivalents |
| Cash on hand:            |                   |               |                         |                   |               |                         |
| RMB                      |                   |               | 20,752                  |                   |               | 34,327                  |
| USD                      | 7,525             | 6.4936        | 48,864                  | 7,524             | 6.1190        | 46,039                  |
| HKD                      | 9,665             | 0.8378        | 8,097                   | 9,665             | 0.7889        | 7,625                   |
| JPY                      | 51,325            | 0.0539        | 2,765                   | 51,325            | 0.0514        | 2,638                   |
| Korean Won               | 420,000           | 0.0055        | 2,317                   | 420,000           | 0.0056        | 2,352                   |
| Other foreign currencies |                   |               | 83,047                  |                   |               | 86,409                  |
| Sub-total                |                   |               | 165,842                 |                   |               | 179,390                 |
| Current deposit:         |                   |               |                         |                   |               |                         |
| RMB                      |                   |               | 2,383,205,326           |                   |               | 8,669,367,911           |
| USD                      | 144,423,171       | 6.4936        | 937,826,301             | 224,014           | 6.1190        | 1,370,741               |
| HKD                      | 1,215,056         | 0.8378        | 1,017,974               | 1,215,043         | 0.7889        | 958,547                 |
| JPY                      | -                 | 0.0539        | -                       | 2                 | 0.0514        | -                       |
| Other foreign currencies |                   |               | -                       |                   |               | -                       |
| Sub-total                |                   |               | 3,322,049,601           |                   |               | 8,671,697,199           |
| Other monetary funds:    |                   |               |                         |                   |               |                         |
| RMB                      |                   |               | 5,719,000               |                   |               | 11,060,928              |
| HKD                      | -                 | 0.8378        | -                       | 150,014,315       | 0.7889        | 118,346,293             |
| Sub-total                |                   |               | 5,719,000               |                   |               | 129,407,221             |
| Total                    |                   |               | 3,327,934,443           |                   |               | 8,801,283,810           |

Including: Total overseas deposits is RMB 148,467 (2014: RMB 139,902).

As at 31 December 2015, the other monetary funds of the Company amounting to RMB 5,719,000 were deposits in commercial banks as security.

2. Accounts receivable

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

|  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Amounts due from subsidiaries              | 53,650,969                | 54,088,431                |
| Amounts due from other related parties     | 895,999                   | 820,617                   |
| Amounts due from other customers           | 8,058,313                 | 7,901,508                 |
| Sub-total                                  | 62,605,281                | 62,810,556                |
| Less: Provision for bad and doubtful debts | 3,207,351                 | 3,320,059                 |
| Total                                      | 59,397,930                | 59,490,497                |

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

| <i>Ageing</i>                              | <i>2015</i> | <i>2014</i> |
|--|-------------|-------------|
| Within 1 year (inclusive)                  | 16,111,686  | 17,590,711  |
| 1 to 2 years (inclusive)                   | 2,879,445   | 7,454,369   |
| 2 to 3 years (inclusive)                   | 7,397,684   | 9,646,533   |
| Over 3 years                               | 36,216,466  | 28,118,943  |
| Sub-total                                  | 62,605,281  | 62,810,556  |
| Less: Provision for bad and doubtful debts | 3,207,351   | 3,320,059   |
| Total                                      | 59,397,930  | 59,490,497  |

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



(3) The Company's accounts receivable by category

| Category  | 2015       |      |                                      |      |                 | 2014       |      |                                      |      |                 |
|---|------------|------|--------------------------------------|------|-----------------|------------|------|--------------------------------------|------|-----------------|
|   | 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 * | 35,709,167 | 57%  | -                                    | -    | 35,709,167      | 29,949,896 | 48%  | -                                    | -    | 29,949,896      |
| Individually insignificant but assessed individually for impairment         | 26,896,114 | 43%  | 3,207,351                            | 100% | 23,688,763      | 32,860,660 | 52%  | 3,320,059                            | 100% | 29,540,601      |
| Total   | 62,605,281 | 100% | 3,207,351                            | 100% | 59,397,930      | 62,810,556 | 100% | 3,320,059                            | 100% | 59,490,497      |

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

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

As at 31 December 2015, the Company 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 (2014: nil).

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

|                                      | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--------------------------------------|---------------------------|---------------------------|
| Balance at the beginning of the year | 3,320,059                 | 3,228,395                 |
| Addition during the year             | 9,606                     | 91,664                    |
| Recovery or reversal during the year | 122,314                   | -                         |
|                                      | 3,207,351                 | 3,320,059                 |
| Balance at the end of the year       | 3,207,351                 | 3,320,059                 |

For the year ended 31 December 2015, the Company had no individually significant write-off, reversal 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

|                                | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--------------------------------|---------------------------|---------------------------|
| Yinghe Century                 | 8,204,147                 | 8,204,147                 |
| Chengdu BOE                    | 80,536,932                | 80,536,932                |
| Vacuum Electronics             | 2,200,000                 | -                         |
|                                | 90,941,079                | 88,741,079                |
| Balance at the end of the year | 90,941,079                | 88,741,079                |

4. Other receivables

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

| Customer type                     | 2015<br>RMB                 | 2014<br>RMB                 |
|-----------------------------------|-----------------------------|-----------------------------|
| Amounts due from subsidiaries     | 1,250,457,124               | 1,022,540,669               |
| Amounts due other related parties | 440,953                     | 209,019                     |
| Amounts due from other customers  | 30,128,182                  | 28,146,544                  |
| <b>Total</b>                      | <b><u>1,281,026,259</u></b> | <b><u>1,050,896,232</u></b> |

(2) The Company's other receivables by currency:

|  | 2015              |               |                             | 2014              |               |                             |
|--|-------------------|---------------|-----------------------------|-------------------|---------------|-----------------------------|
|  | Original currency | Exchange rate | RMB/<br>RMB equivalents     | Original currency | Exchange rate | RMB/<br>RMB equivalents     |
| RMB  |                   |               | 1,279,700,545               |                   |               | 1,050,896,232               |
| USD  | 204,157           | 6.4936        | 1,325,714                   | -                 | 6.1190        | -                           |
| Sub-total                                  |                   |               | <u>1,281,026,259</u>        |                   |               | <u>1,050,896,232</u>        |
| Less: Provision for bad and doubtful loans |                   |               | -                           |                   |               | -                           |
| <b>Total</b>                               |                   |               | <b><u>1,281,026,259</u></b> |                   |               | <b><u>1,050,896,232</u></b> |

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

|                           | 2015<br>RMB                 | 2014<br>RMB                 |
|---------------------------|-----------------------------|-----------------------------|
| Within 1 year (inclusive) | 349,515,633                 | 810,910,483                 |
| 1 to 2 years (inclusive)  | 691,769,562                 | 221,835,032                 |
| 2 to 3 years (inclusive)  | 221,832,125                 | 784,822                     |
| Over 3 years              | 17,908,939                  | 17,365,895                  |
| <b>Total</b>              | <b><u>1,281,026,259</u></b> | <b><u>1,050,896,232</u></b> |

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

(4) The Company's other receivables by nature:

|              | <i>2015</i>          | <i>2014</i>          |
|--------------|----------------------|----------------------|
|              | <i>RMB</i>           | <i>RMB</i>           |
| Borrowing    | 777,919,107          | 691,910,521          |
| Rent         | 209,470,610          | 210,031,545          |
| Royalty fee  | 227,819,480          | 97,945,776           |
| Others       | 65,817,062           | 51,008,390           |
| <b>Total</b> | <b>1,281,026,259</b> | <b>1,050,896,232</b> |

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

As at 31 December 2015, other receivables at the end of the year due from the top five debtors of the Company amounted to RMB1,167,422,725 in total, most of which are borrowings and receivables of royalty fee. The aging of these other receivables is mainly within one year. No provision is made for bad and doubtful debts after assessment.

5. Other current assets

|                | <i>2015</i>        | <i>2014</i>       |
|----------------|--------------------|-------------------|
|                | <i>RMB</i>         | <i>RMB</i>        |
| Deductible VAT | 105,819,892        | 91,028,582        |
| Others         | 3,758,501          | 6,183,703         |
| <b>Total</b>   | <b>109,578,393</b> | <b>97,212,285</b> |

6. Available-for-sale financial assets

(1) Available-for-sale financial assets

| <i>Item</i>                           | <i>2015</i>        |                                 |                        | <i>2014</i>        |                                 |                        |
|---------------------------------------|--------------------|---------------------------------|------------------------|--------------------|---------------------------------|------------------------|
|                                       | <i>Book value</i>  | <i>Provision for impairment</i> | <i>Carrying amount</i> | <i>Book value</i>  | <i>Provision for impairment</i> | <i>Carrying amount</i> |
| Available-for-sale equity instruments |                    |                                 |                        |                    |                                 |                        |
| - At fair value                       | 308,095,120        | 150,099,655                     | 157,995,465            | 297,469,941        | 150,099,655                     | 147,370,286            |
| - At cost                             | 124,689,635        | 106,001,603                     | 18,688,032             | 124,689,635        | 106,001,603                     | 18,688,032             |
| <b>Total</b>                          | <b>432,784,755</b> | <b>256,101,258</b>              | <b>176,683,497</b>     | <b>422,159,576</b> | <b>256,101,258</b>              | <b>166,058,318</b>     |

(2) Available-for-sale financial assets at fair value at the end of the year:

|   | 2015        |
|---|-------------|
| Cost of equity instruments  | 224,818,586 |
| Fair value  | 157,995,465 |
| Accumulative fair value changes recognised<br>in other comprehensive income | 83,276,534  |
| Provision for impairment  | 150,099,655 |

As at 31 December 2015, 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 2015, the accumulated allowance for impairment for available-for-sale financial assets is RMB 150,099,655 (2014: 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<br/>impairment<br/>Balance at the<br/>beginning and<br/>the end of the<br/>year</i> | <i>Percentage of<br/>Shareholding<br/>in<br/>investees (%)</i> |
|---|---|---|---|--|--|
|   | <i>Balance at<br/>the beginning<br/>of the year</i> | <i>Increase<br/>during the<br/>year</i> | <i>Balance at<br/>the end<br/>of the year</i> |  |  |
| Teralane Semiconductor<br>Inc   | 11,868,000  | -                                       | 11,868,000                                    | -  | 7.29%  |
| Zhejiang BOE Display<br>Technology Co., Ltd.                                      | 106,391,635   | -                                       | 106,391,635                                   | 105,821,603  | 7.03%  |
| National Engineering<br>Laboratory of Digital<br>Television(Beijing)<br>Co., Ltd. | 6,250,000   | -                                       | 6,250,000                                     | -  | 12.50%   |
| Others  | 180,000   | -                                       | 180,000                                       | 180,000  |  |
| <b>Total</b>  | <u>124,689,635</u>                                  | <u>-</u>                                | <u>124,689,635</u>                            | <u>106,001,603</u>   |  |

7. Long-term equity investments

(1) The Company's long-term equity investments by category:

|                                | <i>2015</i>                  | <i>2014</i>                  |
|--------------------------------|------------------------------|------------------------------|
|                                | <i>RMB</i>                   | <i>RMB</i>                   |
| Investments in subsidiaries    | 76,924,098,231               | 67,571,402,083               |
| Investments in associates      | <u>699,915,136</u>           | <u>78,431,612</u>            |
| Sub-total                      | 77,624,013,367               | 67,649,833,695               |
| Less: Provision for impairment | <u>72,416,550</u>            | <u>72,416,550</u>            |
| Total                          | <u><u>77,551,596,817</u></u> | <u><u>67,577,417,145</u></u> |

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.

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(2) Investments in subsidiaries

| <i>Entity name</i>                      | <i>Balance at the beginning of the year</i> | <i>Additions during the year</i> | <i>Balance at the end of the year</i> | <i>Opening and closing balance provision for bad and doubtful loans</i> |
|---|---|----------------------------------|---------------------------------------|---|
| BOE OT                                  | 4,172,288,084                               | -                                | 4,172,288,084                         | -   |
| Chengdu BOE                             | 1,833,149,991                               | 1,000,000,000                    | 2,833,149,991                         | -   |
| Hefei BOE                               | 9,000,000,000                               | -                                | 9,000,000,000                         | -   |
| BOE Dispaly                             | 17,418,713,599                              | -                                | 17,418,713,599                        | -   |
| Hefei Xinsheng                          | 16,575,150,000                              | -                                | 16,575,150,000                        | -   |
| Yuansheng Optoelectronics               | 6,104,000,000                               | 800,000,000                      | 6,904,000,000                         | -   |
| BOE Vision-electronic                   | 560,000,000                                 | -                                | 560,000,000                           | -   |
| Chongqing BOE                           | 9,339,669,199                               | 6,400,000,000                    | 15,739,669,199                        | -   |
| Vacuum Electronics                      | 19,250,000                                  | -                                | 19,250,000                            | -   |
| Vacuum Technology                       | 32,000,000                                  | -                                | 32,000,000                            | -   |
| Special Dispaly                         | 100,000,000                                 | -                                | 100,000,000                           | 60,000,000  |
| Yinghe Century                          | 333,037,433                                 | -                                | 333,037,433                           | -   |
| Optical Technology                      | 329,961,914                                 | 30,000,000                       | 359,961,914                           | -   |
| BOE Hyundai                             | 31,038,525                                  | -                                | 31,038,525                            | -   |
| BOE Hebei                               | 553,651,020                                 | -                                | 553,651,020                           | -   |
| BOE Multimedia                          | 400,000,000                                 | -                                | 400,000,000                           | -   |
| BOE Energy                              | 50,000,000                                  | -                                | 50,000,000                            | -   |
| BOE Smart Commerce                      | 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                 | 210,894,285                                 | -                                | 210,894,285                           | -   |
| BeiAsahi Glass                          | 30,888,470                                  | -                                | 30,888,470                            | -   |
| Matsushita                              | 424,823,089                                 | -                                | 424,823,089                           | -   |
| Beijing 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                            | 12,416,550  |
| Fuzhou BOE                              | -   | 509,542,079                      | 509,542,079                           | -   |
| Mingde Investment                       | -   | 613,154,069                      | 613,154,069                           | -   |
| <b>Total</b>                            | <b><u>67,571,402,083</u></b>                | <b><u>9,352,696,148</u></b>      | <b><u>76,924,098,231</u></b>          | <b><u>72,416,550</u></b>  |

Please see Note VII.1 for details of the Company's subsidiaries.

(3) Investments in associates:

| <i>Investee</i>   | <i>Balance at the beginning of the year</i> | <i>Movements during the year</i> |   |                                   |   |  | <i>Balance at the end of the year</i> | <i>Balance of provision for impairment at the end of the year</i> |
|---|---|----------------------------------|---|-----------------------------------|---|--|---------------------------------------|---|
|   |   | <i>Additional investment</i>     | <i>Investment income recognised under equity method</i> | <i>Other comprehensive income</i> | <i>Declared distribution of cash dividends or profits</i> | <i>Acquisition as subsidiaries last year</i> |                                       |   |
| Beijing Nissin Electronics Precision Component Co., Ltd.              | 787,850                                     | -                                | 2,223,295   | -                                 | -   | -  | 3,011,145                             | -   |
| Beijing Nittan Electronic Co., Ltd                                    | 26,604,013                                  | -                                | 5,149,981   | -                                 | (2,400,000)   | -  | 29,353,994                            | -   |
| Erdos BOE Energy Investment Co., Ltd.                                 | 9,483,229                                   | -                                | (6,693)   | -                                 | -   | -  | 9,476,536                             | -   |
| Beijing Infi-Hailin Venture Investment Co., Ltd.                      | 131,573                                     | -                                | 193,323   | -                                 | -   | -  | 324,896                               | -   |
| Beijing Infi-Hailin Venture Investment (Limited Partnership)          | 26,731,396                                  | 66,666,600                       | (2,035,732)   | 26,510,264                        | -   | -  | 117,872,528                           | -   |
| TPV Display Technology (China) Hefei BOE Display Technology Co., Ltd. | 14,693,551                                  | -                                | 9,021,654   | -                                 | -   | -  | 23,715,205                            | -   |
| Beijing Xindongneng Investment Fund (Limited Partnership)             | -   | 89,000,000                       | (3,433,125)   | -                                 | -   | -  | 85,566,875                            | -   |
| Beijing Xindongneng Investment Management Co., Ltd.                   | -   | 375,000,000                      | (4,738,478)   | -                                 | -   | -  | 370,261,522                           | -   |
| Shenzhen Yunyinggu Technology Co., Ltd.                               | -   | 2,000,000                        | (78,571)  | -                                 | -   | -  | 1,921,429                             | -   |
| Fuzhou BOE Optoelectronics Technology Co., Ltd.                       | -   | 60,000,000                       | (1,588,994)   | -                                 | -   | -  | 58,411,006                            | -   |
|   | -   | 9,500,000                        | 42,079  | -                                 | -   | (9,542,079)                                  | -                                     | -   |
| <b>Total</b>  | <b>78,431,612</b>                           | <b>602,166,600</b>               | <b>4,748,739</b>  | <b>26,510,264</b>                 | <b>(2,400,000)</b>  | <b>(9,542,079)</b>                           | <b>699,915,136</b>                    | <b>-</b>  |



8. Deferred tax assets

In accordance with the accounting policy set out in Note III.26, as at 31 December 2015, 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 307,333,578 (2014: RMB 336,080,585).

9. Employee benefits payable

(1) Employee benefits payable:

|   | Note | Balance at 1 January 2015 | Accrued during the year | Decrease during the year | Balance at 31 December 2015 |
|---|------|---------------------------|-------------------------|--------------------------|-----------------------------|
| Short-term employee benefits                          | (2)  | 137,019,227               | 419,533,323             | 451,793,891              | 104,758,659                 |
| Post-employment - benefits-defined contribution plans | (3)  | 7,331,574                 | 37,093,316              | 37,833,053               | 6,591,837                   |
| <b>Total</b>  |      | <u>144,350,801</u>        | <u>456,626,639</u>      | <u>489,626,944</u>       | <u>111,350,496</u>          |
|   | Note | Balance at 1 January 2014 | Accrued during the year | Decrease during the year | Balance at 31 December 2014 |
| 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                   |
| <b>Total</b>  |      | <u>132,366,527</u>        | <u>417,230,862</u>      | <u>405,246,588</u>       | <u>144,350,801</u>          |

(2) Short-term employee benefits

|  | Balance at 1 January 2015 | Accrued during the year | Decrease during the year | Balance at 31 December 2015 |
|--|---------------------------|-------------------------|--------------------------|-----------------------------|
| Salaries, bonuses, allowances                      | 107,483,058               | 323,401,216             | 359,054,541              | 71,829,733                  |
| Staff welfare fees                                 | -                         | 40,316,256              | 40,316,256               | -                           |
| Social insurances                                  |                           |                         |                          |                             |
| Medical insurance                                  | 14,710,387                | 16,479,478              | 16,216,830               | 14,973,035                  |
| Work injury insurance premium                      | 195,717                   | 1,646,683               | 1,597,758                | 244,642                     |
| Maternity insurance premium                        | 425,183                   | 1,314,989               | 1,280,740                | 459,432                     |
| Housing fund                                       | 3,734,781                 | 18,878,516              | 18,053,492               | 4,559,805                   |
| Labour union fee, staff and workers' education fee | 10,470,101                | 12,236,232              | 10,014,321               | 12,692,012                  |
| Others   | -                         | 5,259,953               | 5,259,953                | -                           |
| <b>Total</b>                                       | <u>137,019,227</u>        | <u>419,533,323</u>      | <u>451,793,891</u>       | <u>104,758,659</u>          |

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|   | <i>Balance at 1<br/>January 2014</i> | <i>Accrued during<br/>the year</i> | <i>Decrease during<br/>the year</i> | <i>Balance at 31<br/>December 2014</i> |
|---|--------------------------------------|------------------------------------|-------------------------------------|--|
| Salaries, bonuses,<br>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<br>premium                      | 140,214                              | 1,225,089                          | 1,169,586                           | 195,717                                |
| Maternity insurance<br>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<br>workers' education fee | 7,374,142                            | 9,268,057                          | 6,172,098                           | 10,470,101                             |
| Total   | <u>128,597,392</u>                   | <u>389,211,001</u>                 | <u>380,789,166</u>                  | <u>137,019,227</u>                     |

(3) Post-employment benefits- defined contribution plans

|                         | <i>Balance at 1<br/>January 2015</i> | <i>Accrued during<br/>the year</i> | <i>Decrease during<br/>the year</i> | <i>Balance at 31<br/>December 2015</i> |
|-------------------------|--------------------------------------|------------------------------------|-------------------------------------|--|
| Basic pension insurance | 4,663,761                            | 32,824,174                         | 31,750,405                          | 5,737,530                              |
| Unemployment insurance  | 199,977                              | 1,640,658                          | 1,593,378                           | 247,257                                |
| Annuity                 | 2,467,836                            | 2,628,484                          | 4,489,270                           | 607,050                                |
| Total                   | <u>7,331,574</u>                     | <u>37,093,316</u>                  | <u>37,833,053</u>                   | <u>6,591,837</u>                       |

|                         | <i>Balance at 1<br/>January 2014</i> | <i>Accrued during<br/>the year</i> | <i>Decrease during<br/>the year</i> | <i>Balance at 31<br/>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                   | <u>3,769,135</u>                     | <u>28,019,861</u>                  | <u>24,457,422</u>                   | <u>7,331,574</u>                       |

10. Other payables

(1) The Company's other payables are as follows:

|   | <i>2015</i>          | <i>2014</i>          |
|---|----------------------|----------------------|
|   | <i>RMB</i>           | <i>RMB</i>           |
| Projects, equipment and intangible assets | 385,565,764          | 173,853,209          |
| Agency fee payable                        | 26,927,410           | 108,299,121          |
| Advanced disbursement                     | 7,052,279,420        | 4,336,240,793        |
| Technology royalties                      | 5,428,584            | 7,873,670            |
| Others                                    | 37,263,479           | 51,804,238           |
|   | 7,507,464,657        | 4,678,071,031        |
| <b>Total</b>                              | <b>7,507,464,657</b> | <b>4,678,071,031</b> |

(2) Other payables of the Company by currency are as follows:

|              | <i>2015</i>              |                      |                                 | <i>2014</i>              |                      |                                 |
|--------------|--------------------------|----------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
|              | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> | <i>Original currency</i> | <i>Exchange rate</i> | <i>RMB/<br/>RMB equivalents</i> |
| RMB          |                          |                      | 6,097,645,554                   |                          |                      | 4,514,309,032                   |
| USD          | 217,109,015              | 6.4936               | 1,409,819,103                   | 26,535,942               | 6.1190               | 162,373,428                     |
| JPY          | -                        | 0.0539               | -                               | 27,015,000               | 0.0514               | 1,388,571                       |
|              |                          |                      | 7,507,464,657                   |                          |                      | 4,678,071,031                   |
| <b>Total</b> |                          |                      | <b>7,507,464,657</b>            |                          |                      | <b>4,678,071,031</b>            |

11. Long-term loans

As at 31 December 2015, the Company's long-term loans are as credit loans of RMB 2,842,000,000 with interest rate of 0-4.75% and credit loans of USD 200,000,000 with interest rate of 3.34% (2014: credit loans of RMB 670,000,000 with interest rate of 3.90%), the Company had no renewed long-term loans because of overdue loans (2014: nil).

12. Deferred income

| <i>Item</i>  | <i>Balance at the<br/>beginning of the<br/>year</i>         | <i>Additions<br/>during the year</i>         | <i>Reductions<br/>during the year</i>                       | <i>Balance at the<br/>end of the year</i>         |
|--|---|--|---|---|
| Government grant                                     | 90,395,075  | 93,517,899                                   | 32,103,751  | 151,809,223                                       |
|  | <i>Balance at the<br/>beginning of the<br/>year<br/>RMB</i> | <i>Additions<br/>during the year<br/>RMB</i> | <i>Recognitions as<br/>non-operating<br/>income<br/>RMB</i> | <i>Balance at the<br/>end of the year<br/>RMB</i> |
| Government grants related to assets                  |   |  |   |   |
| Subsidies for scientific<br>research and development | 35,603,574  | -  | 10,089,189  | 25,514,385  |
| Sub-total  | 35,603,574  | -  | 10,089,189  | 25,514,385  |
| Government grants related to income                  |   |  |   |   |
| Subsidies for scientific<br>research and development | 54,791,501  | 93,517,899                                   | 22,014,562  | 126,294,838                                       |
| Sub-total  | 54,791,501  | 93,517,899                                   | 22,014,562  | 126,294,838                                       |
| Total  | 90,395,075  | 93,517,899                                   | 32,103,751  | 151,809,223                                       |

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13. Capital reserve

|  | Note     | <i>Balance at the<br/>beginning of the<br/>year<br/>RMB</i> | <i>Additions during<br/>the year<br/>RMB</i> | <i>Reductions during<br/>the year<br/>RMB</i> | <i>Balance at the<br/>end of the year<br/>RMB</i> |
|--|----------|---|--|---|---|
| Share premiums                                       | V. 33(1) | 38,181,665,280  | 74,396,532                                   | 140,485,944                                   | 38,115,575,868                                    |
| Other capital reserves                               |          |   |  |   |   |
| - Provision for equity investment                    |          | 29,538,085  | -  | -   | 29,538,085  |
| - Changes in other comprehensive income of investees |          | 7,755,682   | -  | -   | 7,755,682   |
| <b>Total</b>   |          | <u>38,218,959,047</u>                                       | <u>74,396,532</u>                            | <u>140,485,944</u>                            | <u>38,152,869,635</u>                             |

14. Other comprehensive income

|  | <i>Balance at the<br/>beginning of the<br/>year attributable<br/>to shareholders of<br/>the Company<br/>RMB</i> | <u><i>Movements during the year</i></u> |                                     | <i>Balance at the<br/>end of the year<br/>attributable to<br/>shareholders of<br/>the Company<br/>RMB</i> |
|--|---|---|-------------------------------------|---|
|  |   | <i>Before-tax<br/>amount<br/>RMB</i>    | <i>Less:<br/>Income tax<br/>RMB</i> |   |
| Items that will be reclassified to profit or loss  |   |   |                                     |   |
| Including: Available-for-sale financial assets profit or loss in the changes of fair value | 72,651,355  | 10,625,177                              | -                                   | 83,276,532  |
| Gains or losses arising from changes in fair value of available-for-sale financial assets  | -   | 26,510,264                              | -                                   | 26,510,264  |
| <b>Total</b>   | <u>72,651,355</u>   | <u>37,135,441</u>                       | <u>-</u>                            | <u>109,786,796</u>  |

15. Retained earnings

| <i>Item</i>   | <i>2015<br/>RMB</i> | <i>2014<br/>RMB</i> |
|---|---------------------|---------------------|
| Retained earnings / (accumulated losses) at the beginning of the year     | 41,186,231          | (809,388,608)       |
| Add: net profits for the year attributable to shareholders of the Company | 885,731,982         | 855,151,087         |
| Less: Appropriation for statutory surplus reserve                         | 88,573,198          | 4,576,248           |
| Less: Distribution of cash dividends                                      | <u>351,530,677</u>  | <u>-</u>            |

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|     |   |                      |                      |
|-----|---|----------------------|----------------------|
|     | Retained earnings at the end of the year          | 486,814,338          | 41,186,231           |
| 16. | Operating income                                  |                      |                      |
|     |   | <i>2015</i>          | <i>2014</i>          |
|     |   | <i>RMB</i>           | <i>RMB</i>           |
|     | Rental income of investment properties            | 151,084,598          | 123,565,283          |
|     | Technological development income                  | 1,018,550,576        | 790,316,285          |
|     | Others  | 255,838,506          | 217,579,390          |
|     | Total   | <u>1,425,473,680</u> | <u>1,131,460,958</u> |
| 17. | Business taxes and surcharges                     |                      |                      |
|     |   | <i>2015</i>          | <i>2014</i>          |
|     |   | <i>RMB</i>           | <i>RMB</i>           |
|     | Business tax                                      | 8,898,215            | 6,254,906            |
|     | City maintenance and construction tax             | 626,887              | 488,340              |
|     | Education surcharge and local education surcharge | 447,777              | 348,813              |
|     | Total   | <u>9,972,879</u>     | <u>7,092,059</u>     |
| 18. | Financial net income                              |                      |                      |
|     |   | <i>2015</i>          | <i>2014</i>          |
|     |   | <i>RMB</i>           | <i>RMB</i>           |
|     | Interest expenses from loans                      | 290,278              | 86,369,454           |
|     | Interest income from deposits and receivables     | (112,491,103)        | (310,145,103)        |
|     | Net exchange losses                               | 19,552,729           | 1,523,919            |
|     | Other financial expense                           | 956,462              | 167,991              |
|     | Total   | <u>(91,691,634)</u>  | <u>(222,083,739)</u> |

19. Investment income

|  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Long-term equity investments income under cost method      | 452,043,628               | 444,905,481               |
| Long-term equity investments income under equity method    | 4,748,739                 | 3,569,978                 |
| Investment income from available-for-sale financial assets | 2,746,321                 | 2,726,569                 |
| <b>Total</b>   | <b>459,538,688</b>        | <b>451,202,028</b>        |

20. Non-operating income

(1) Non-operating income by item is as follows:

| <i>Item</i>                             | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> | <i>Amount recognised in extraordinary gain and loss in 2015</i> |
|---|---------------------------|---------------------------|---|
| Gains on disposal of non-current assets | 103,499                   | 74,210                    | 103,499   |
| Including: Disposal of fixed assets     | 103,499                   | 74,210                    | 103,499   |
| Government grants                       | 92,767,653                | 31,650,919                | 92,767,653  |
| Others                                  | 1,837,258                 | 1,921,985                 | 1,837,258   |
| <b>Total</b>                            | <b>94,708,410</b>         | <b>33,647,114</b>         | <b>94,708,410</b>   |

(2) Details of government grants

| <i>Grant programme</i>                            | <i>2015<br/>RMB</i>      | <i>2014<br/>RMB</i>      |
|---|--------------------------|--------------------------|
| Relate to assets                                  |                          |                          |
| Subsidies for scientific research and development | 10,089,189               | 10,089,189               |
| Sub-total   | <u>10,089,189</u>        | <u>10,089,189</u>        |
| Relate to income                                  |                          |                          |
| Subsidies for scientific research and development | 82,678,464               | 21,561,730               |
| Sub-total   | <u>82,678,464</u>        | <u>21,561,730</u>        |
| Total   | <u><u>92,767,653</u></u> | <u><u>31,650,919</u></u> |

21. Non-operating expenses

| <i>Item</i>   | <i>2015<br/>RMB</i>     | <i>2014<br/>RMB</i>     | <i>Amount<br/>recognised in<br/>extraordinary<br/>gain and loss in<br/>2015</i> |
|---|-------------------------|-------------------------|---|
| Losses on disposal of fixed assets<br>Including: loss from disposal | 8,690                   | 29,700                  | 8,690   |
| of  |                         |                         |   |
| fixed assets  | 8,690                   | 29,700                  | 8,690   |
| Loss from debt restructuring  | -                       | 7,600,000               | -   |
| External contribution   | 4,943,561               | 246,560                 | 4,943,561   |
| Others  | 58,196                  | 48,893                  | 58,196  |
| Total   | <u><u>5,010,447</u></u> | <u><u>7,925,153</u></u> | <u><u>5,010,447</u></u>   |



22. Income tax expense

Reconciliation between income tax expenses and accounting profit is as follows:

| <i>Item</i>  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Profit before taxation                                     | 908,080,900               | 855,151,087               |
| Expected income tax expenses<br>at a tax rate of 15%       | 136,212,135               | 128,272,663               |
| Add: Tax effect of non-deductible<br>expenses              | 980,500                   | 1,865,612                 |
| Tax effect of non-taxable income                           | (68,930,803)              | (67,651,333)              |
| Weighted deduction of research<br>and development expenses | (31,508,977)              | (21,068,588)              |
| Utilisation of prior year tax losses                       | (10,091,886)              | (38,832,185)              |
| Deductible temporary difference<br>not recognised          | (4,312,051)               | (2,586,169)               |
|  | <u>22,348,918</u>         | <u>-</u>                  |
| Income tax expenses  | <u>22,348,918</u>         | <u>-</u>                  |

23. Notes to cash flow statement

(1) Supplement to cash flow statement

|   | <i>2015</i><br><i>RMB</i>     | <i>2014</i><br><i>RMB</i>   |
|---|-------------------------------|-----------------------------|
| (a) Reconciliation of net profit to cash flows from operating activities: |                               |                             |
| Net profits   | 885,731,982                   | 855,151,087                 |
| Add: Impairment (reversal) / provisions for assets                        | (112,708)                     | 91,664                      |
| Depreciation of fixed assets and investment property                      | 56,028,074                    | 47,083,780                  |
| Amortisation of intangible assets   | 97,082,752                    | 70,639,405                  |
| Amortisation of long-term deferred expenses                               | 29,020,530                    | 18,101,364                  |
| Amortisation of long-term deferred expenses                               | (103,499)                     | (74,210)                    |
| Losses on scrapping of fixed assets                                       | 8,690                         | 29,700                      |
| Financial net income  | (92,648,096)                  | (222,251,730)               |
| Income arising from investments   | (459,538,688)                 | (451,202,028)               |
| Increase in gross inventories   | (5,790,865)                   | (1,435,796)                 |
| Increase in operating receivables   | (109,509,972)                 | (104,004,349)               |
| Increase / (Decrease) in operating payables                               | <u>905,861,067</u>            | <u>(436,638,978)</u>        |
| Net cash (outflow)/inflow from operating activities                       | <u><u>1,306,029,267</u></u>   | <u><u>(224,510,091)</u></u> |
| (b) Change in cash and cash equivalents                                   |                               |                             |
| Cash and cash equivalents at the end of the year                          | 3,322,215,443                 | 8,671,876,589               |
| Less: Cash and cash equivalents at the beginning of the year              | <u>8,671,876,589</u>          | <u>1,702,470,760</u>        |
| Net (decrease)/increase in cash and cash equivalents                      | <u><u>(5,349,661,146)</u></u> | <u><u>6,969,405,829</u></u> |

(2) Details of cash and cash equivalents

|  | <i>2015</i>   | <i>2014</i>   |
|--|---------------|---------------|
|  | <i>RMB</i>    | <i>RMB</i>    |
| Cash on hand                                 | 165,842       | 179,390       |
| Bank deposits available on hand              | 3,322,049,601 | 8,671,697,199 |
| Closing balance of cash and cash equivalents | 3,322,215,443 | 8,671,876,589 |

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 2015, the other monetary funds amounting to RMB 5,719,000 were the deposits in commercial banks as security with maturity date from 2 January 2016 to 12 July 2016.

At 31 December 2015, the Company pledged its 20% equity of BOE Energy Investment and Haosheng Energy respectively 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 2015

|  | <i>2015</i><br><i>RMB</i> | <i>2014</i><br><i>RMB</i> |
|--|---------------------------|---------------------------|
| Loss from disposal of non-current assets   | (8,350,324)               | (15,575,867)              |
| Government grants recognised through profit or loss  | 1,045,101,727             | 830,471,170               |
| Excess of interest in the fair value of investee's identifiable net assets over investment costs of subsidiaries, associates and joint ventures acquired | 163,802                   | 10,168,409                |
| Investment income from wealth management products  | 173,197,708               | 6,113,418                 |
| Reversal of provisions for bad and doubtful debts assessed on an individual basis  | 4,535,849                 | 5,583,021                 |
| Investment losses from disposal of long-term equity investments of subsidiaries  | -                         | (4,190,740)               |
| Other non-operating net income and expenses  | 22,787,015                | 43,217,737                |
| Less: Effect on taxation   | 185,320,551               | 119,985,837               |
| <b>Total</b>   | <b>1,052,114,506</b>      | <b>755,801,311</b>        |

Attributable to: Extraordinary gains

|                         |          |               |             |
|-------------------------|----------|---------------|-------------|
| affecting net profit of |          |               |             |
| shareholders of         | equity   |               |             |
| the                     |          |               |             |
| Company                 |          | 1,022,455,655 | 734,262,187 |
| Extraordinary           |          |               |             |
| gains                   |          |               |             |
| affecting the           |          |               |             |
| net profit of           | minority |               |             |
| shareholders            |          | 29,658,851    | 21,539,124  |

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>Weighted average</i><br><i>return on net assets</i> | <i>Basic earnings per</i><br><i>share</i> | <i>Diluted earnings</i><br><i>per share</i> |
|---|--|---|---|
| <i>Profit for the reporting period</i>                                | <i>(%)</i>   |   |   |
| Net profit attributable to the Company's ordinary equity shareholders | 2.13%  | 0.046                                     | 0.046                                       |

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|  |       |       |       |
|--|-------|-------|-------|
| Net profit exclusive of<br>extraordinary gains and losses<br>attributable to the Company's<br>ordinary equity shareholders | 0.80% | 0.017 | 0.017 |
|--|-------|-------|-------|

XVII. Post balance sheet date events

1. Approved by the No.(2016)469 permission of CSRC, the company held public offerings of corporate bonds to accredited investors in March 2016. The duration of corporate bonds is 5 years, and issue price is RMB 100 yuan per bond by price enquiry to accredited investors and placement according to the filing. The bond offering has been finished on 22 March 2016 with final coupon rate 3.15% and raising funds amounted to RMB 10 billion. Up to 23 March 2016, the company has obtained all raising funds from the public offering.
2. Approved by the seventh session of the board of directors, the company signed the subscription agreement between Varitronix International Limited (“Varitronix International”) and BOE Technology Group Company Limited on 3 February 2016. The company will subscribe 400 million new stocks of Varitronix International (1.4 billion HKD) with HKD 3.5 per share for 53.82% controlling stake. After the subscription, the company will account for more than 50% among the board of directors. Up to 22 April 2016, the stock split is not completed for this significant external investment.