



ANNUAL REPORT 2025

April 2026

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

Message to Our Shareholders

With another year behind us, we have delivered strong results and made meaningful strides.

Looking back on 2025, the global industrial landscape underwent profound changes, with opportunities and challenges closely intertwined. With the steadfast trust and backing of our shareholders, the entire BOE team has risen to challenges by gaining strength amid transformation and advancing through innovation, driving the Company forward on a stable and sustainable path. On behalf of BOE, I would like to extend our sincerest gratitude to all shareholders and partners.

During the Reporting Period, our core strengths grew even stronger, breakthroughs in emerging fields accelerated, and our strategic industry footprint continued to take solid shape. Specifically, BOE has maintained the world's No. 1 shipment volume across five major LCD mainstream applications and automotive displays, while shipments of flexible OLED devices have also achieved steady growth. The innovation-driven businesses gained strong momentum. Multiple entities, including BOE Varitronix, BOE Energy, and UPTC, have earned top-tier industry qualifications and accolades, further reinforcing their benchmark presence in their respective niche segments. New project deployment has advanced smoothly. The sixth-generation new display production line in Beijing and Phase II of the smart terminal project in Vietnam have successfully entered mass production, while the first product on the 8.6-generation AMOLED production line in Chengdu was lit up ahead of schedule. At the same time, strategic initiatives such as Zhuhai BOE MLED, Beijing BOE Hospital, and Yantai Materials Research Institute have delivered tangible results, laying a solid foundation for the Company's long-term, high-quality growth. These achievements are the result of BOE's continuous exploration and deep commitment to high-quality industrial development.

Over the past year, we **remained committed to strategic guidance** and planned the Company's future from a long-term perspective. Throughout our business journey, we have continuously refined a strategic development system that is uniquely BOE. This system has gradually become scientific and well-grounded with the strategy of "Empower IoT with Display" as the guiding principle for our development, the "Nth Curve" theory as the framework for strategic evolution, the "1+4+N+Ecosystem" architecture as our business development pathway, the "Three Horizontals and Three Verticals" and "Rigorous Backbone with Delegated Branches" mechanisms as operational and management support, and the "Three Minds and Five Spirits" as the cultural foundation. We anchored our direction with a clear strategy and supported business breakthroughs with a well-established system, steadily delivering sustainable growth in the Company's value.

Over the past year, we **remained committed to innovation-driven development**, led industrial upgrading through global technology debuts, and continuously strengthened our core competitiveness. In the display business, the world's first high-PPI under-display camera OLED gaming smartphone display won the "Display of the Year" award at Display Week. UB Cell 4.0 TV products achieved ultra-high color gamut and full viewing angles without color distortion, delivering an exceptional visual experience comparable to OLED quality. In innovative businesses, the MLED business, in collaboration with BOE HC SemiTek, developed the MPD P0.6 double-sided poster display, which won the "Best of Show Awards" at InfoComm 2025 in the United States. The spine surgery expert team at Chengdu BOE Hospital completed the world's first reverse-folding deformity correction surgery. The R&D and pilot production line for glass-based packaging substrates achieved full process integration. Perovskite photovoltaic module efficiency set four new world records.

We firmly advanced the “AI+” strategy. In AI+ manufacturing, we pioneered the industry’s first BOE AI factory, leveraging our self-developed Blue Whale display large model to continuously enhance manufacturing efficiency. In AI+ products, we established a full-chain innovation model spanning “devices–complete products–systems–scenarios”. In AI+ operations, we focused on key areas such as market insights, production planning, and integrated supply, continuously driving quality improvement and efficiency enhancement. BOE is dedicated to building robust product and technology moats through comprehensive innovation practices, continuously strengthening the Company’s sustainable profitability.

Over the past year, we **remained committed to sustainable development**, conveying corporate responsibility and human-centric care through "green + technology". We firmly believe that a great enterprise should not only lead in technology and market scale, but also leverage innovative technologies to safeguard a better life and create sustainable social value. We collaborated with industry chain partners through joint innovation to drive green, low-carbon, and decarbonization efforts throughout the entire lifecycle of the display industry. To date, all 18 of our display manufacturing production lines have been recognized as "National Green Factories", with the benchmark effect of green manufacturing continuing to expand. In April 2025, we launched the display industry’s first sustainability brand, "ONE", embodying "Open, Next, and Earth", and elevating sustainable development from corporate practice to an industry standard. Looking ahead, we will further deepen our sustainable development strategy, guided by the value proposition of "Creating Value for the Future", transforming our innovation-driven DNA into sustained momentum for development, and comprehensively promoting the synergy between corporate growth, environmental benefits, and social value.

Over the past year, we **remained committed to rewarding shareholders** and placed strong emphasis on investor interests. We introduced the *Shareholder Return Plan for the Next Three Years (2025–2027)*, delivering returns through multiple approaches. During the Reporting Period, we distributed total cash dividends of RMB1.87 billion for 2024, representing 35% of net profit attributable to shareholders of the parent company. We also completed A-share repurchases exceeding RMB1.5 billion and cancelled approximately RMB1 billion of treasury A-shares originally intended for equity incentives. Through a multi-layered and integrated approach, we effectively enhanced shareholder returns and conveyed confidence in the Company’s growth. BOE’s long-term development would not be possible without the strong support and partnership of our shareholders. Looking ahead, we will continue to refine our long-term return mechanism, enhancing shareholder returns in a consistent, stable, and predictable manner, and increasing the Company’s long-term investment value. We sincerely look forward to continuing to move forward alongside our shareholders and sharing the achievements of the Company’s high-quality development.

Past achievements mark only the prologue, and the journey ahead calls for even greater endeavor. In 2026, BOE will hold fast to its purpose and rise to its mission. Driven by "Empower IoT with Display" and propelled by the "Nth Curve", we will press forward on technology innovation, ecosystem building, green development, and global footprint expansion with determination and resolve. With stronger conviction, more pragmatic actions, and a more open mindset, we will forge ahead toward our goal of "To Be the Most Respected Company on Earth".



Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”) as well as the directors and senior management of BOE Technology Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Mr. Chen Yanshun, the Company’s legal representative, Mr. Feng Qiang, Chairman of the Executive Committee, Ms. Yang Xiaoping, Chief Financial Officer, and Ms. Xu Yaxiao, head of the financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Any plans for the future and other forward-looking statements mentioned in this Report shall NOT be considered as absolute promises of the Company to investors. Investors, among others, shall be sufficiently aware of the risk and shall differentiate between plans and forecasts and promises.

The Board has approved a final dividend plan for the Reporting Period. Based on 37,044,328,064 shares, a cash dividend of RMB0.56 (tax inclusive) per 10 shares is to be distributed to all the shareholders, with no bonus issue from either profit or capital reserves.

This Report and its summary have been prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

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Documents Available for Reference

(I) The financial statements signed and sealed by the Company's legal representative, Chairman of the Executive Committee, Chief Financial Officer and head of the financial department (equivalent to financial manager); and

(II) The originals of all the documents and announcements that the Company disclosed on www.cninfo.com.cn during the Reporting Period.

All the above mentioned documents are available at the Board Secretary's Office of the Company.

Chairman of the Board (signature): Mr. Chen Yanshun

Date of the Board's approval of this Report: 30 March 2026

Definitions

Term	Definition
“BOE”, the “Company”, the “Group” or “we”	BOE Technology Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
BOE HC	BOE HC Semitek Corporation
BOE Varitronix, Varitronix	BOE Varitronix Limited
BOE Energy, Energy Technology	BOE Energy Technology Co., Ltd.
Suzhou Sensor	Suzhou BOE Sensor Technology Co., Ltd.
UPTC	UPTC (Beijing) Technology Co., Ltd.
Zhongxiangying	Beijing Zhongxiangying Technology Co., Ltd.
Ewin Technology	Ewin Technology Co., Ltd.
The cninfo website	http://www.cninfo.com.cn/
CSRC	The China Securities Regulatory Commission
SZSE, the Stock Exchange	The Shenzhen Stock Exchange
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 Compliance in Operation of Main Board Listed Companies	Guideline No. 1 of the Shenzhen Stock Exchange Regarding Self-disciplinary Activities and Regulation of Listed Companies—Compliance in Operation of Main Board Listed Companies
The Stock Listing Rules	The Stock Listing Rules of the Shenzhen Stock Exchange
The Articles of Association	The Articles of Association of BOE Technology Group Co., Ltd.
The Rules of Procedure for the Board of Directors	The Rules of Procedure for the Board of Directors of BOE Technology Group Co., Ltd.
The Rules for Independent Directors	The Rules for Independent Directors of BOE Technology Group Co., Ltd.
The Rules of Procedure for the Supervisory Committee	The Rules of Procedure for the Supervisory Committee of BOE Technology Group Co., Ltd.
The Methods for the Administration of Information Disclosure	The Methods for the Administration of Information Disclosure of BOE Technology Group Co., Ltd.
InfoComm USA	A professional audiovisual show
2.8K	2.8K resolution (2880 × 1800 pixels)
2D	Two Dimensions
2D/3D	Switching between 2D and 3D display modes
3060 dual-carbon	China’s carbon peaking target before 2030 and carbon neutrality target before 2060
3D	Three Dimensions
4K	4K resolution (3840 × 2160 pixels)
5A	5A certificate
8K	8K resolution (7680 × 4320 pixels)
AI	Artificial Intelligence
AMOLED	Active-matrix Organic Light Emitting Diode
BD Cell	BOE Dual Cell technology
BES	BOE Smart Energy Operation System
Best of Show Awards	Awards granted by InfoComm USA
BIPV	Building Integrated Photovoltaics
BOE-α	A super cinema project jointly developed by BOE and Shanghai Film Group
BT2020	ITU-R BT.2020, standardized methods for image parameters of television systems
BYH Ultra/V1	Two series of splicable display screens launched by BOE
Car-NK	Chimeric Antigen Receptor-Natural Killer
CCF	China Computer Federation
CES	International Consumer Electronics Show
CHPI	Clock-embedded High-speed Point-to-point Interface
COB	Chip (Mini LED) On PCB
COG	Chip (Mini LED) On Glass
DLR	Dynamic Local Refresh
Dual Gate	A dual-gate circuit design scheme that reduces the number of source driver chips
ESG	Environmental, Social and Governance

FPXD	Flat Panel X-Ray Detector
FOB	Flexible Printed Circuit on Board
GaN	Gallium Nitride
GOA	Gate on Array
HDR	High Dynamic Range Imaging
HERO	Smart cockpit innovation scenarios covering Healthiness, Entertainment, Relaxation and Office
Hz	Hertz (the core unit of monitor refresh rate, referring to the number of times the screen refreshes its image per second)
IFI	IFI Claims
IGZTO	Indium Gallium Zinc Tin Oxide
Innovation Awards	Awards granted by CES
IoT	Internet of Things
IP	Intellectual Property
IT	Information Technology
LCD	Liquid Crystal Display
LED	Light-emitting Diode
LTPS	Low Temperature Poly-Silicon
M-BOX	A modular digital immersive exhibition jointly created by Hunan Museum and Ewin Technology
MEMS	Micro-Electro-Mechanical System
Mini LED	Sub-millimeter LED
Mini/Micro LED	Sub-millimeter/Micro LED
MLED	Mini/Micro LED
MLED (Mini/Micro LED)	Sub-millimeter/Micro LED
MNT	Monitor
MoonHalo	Ambient backlight (moon halo)
MPD	Micro-Pixel Device
NB	Notebook
nit	nit (the core physical unit for measuring the brightness of display devices, defined by standard as 1 candela per square meter)
NK	Natural Killer
OC	Open Cell
OLED	Organic Light Emitting Diode
Oxide	Oxide thin film transistor technology
P0.6	Pitch of 0.6mm
PC	Personal Computer
PCB	Printed Circuit Board
PCT	Patent Cooperation Treaty
PFAS Free	Per-and Polyfluoroalkyl Substances Free
PLC	Programmable Logic Controller
Proximity Sensor	A type of sensor
RGB Sensor	A type of sensor
SMD	Surface Mount Technology
TADF	Thermally Activated Delayed Fluorescence
Tandem	Tandem technology
TFT-LCD	Thin Film Transistor Liquid Crystal Display
TPC	Tablet Personal Computer
TÜV Rheinland Reflection-Free	A certificate
TV	Television
UB Cell	Natural and realistic display as Ultra Black, Ultra Bright, Ultra Brilliant
UBP	Universal Business Park
Ultra	A high-end small-pitch direct-view product
X-ray	A type of radiation

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	BOE-A, BOE-B	Stock code	000725, 200725
Previous stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	京东方科技集团股份有限公司		
Abbr.	京东方		
Company name in English (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. (if any)	BOE		
Legal representative	Chen Yanshun		
Registered address	10 Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China		
Zip code	100015		
Past changes of registered address	N/A		
Office address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China		
Zip code	100176		
Company website	www.boe.com		
Email address	ir@boe.com.cn		

II Contact Information

Item	Board Secretary	Securities Representative
Name	Guo Hong	Luo Wenjie
Office Address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China
Tel.	010-60965555	010-60965555
Fax	010-64366264	010-64366264
E-mail address	guohong@boe.com.cn	luowenjie@boe.com.cn

III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	http://www.szse.cn
Media and website where this Report is disclosed	China Securities Journal, Shanghai Securities News, Securities Times, http://www.cninfo.com.cn/
Place where this Report is lodged	Board Secretary's Office

IV Changes to Company Registered Information

Unified social credit code	911100001011016602
Change to principal activity of the Company since going public (if any)	No change
Every change of controlling shareholder since incorporation (if any)	No change

V Other Information

The independent audit firm hired by the Company:

Name	Ernst & Young Hua Ming LLP
Office address	16/F, Ernst & Young Building, Tower E3, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing, China
Accountants writing signatures	Xie Feng, and Wang Jing

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable ☒ Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable ☒ Not applicable

VI Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

Item	2025	2024	2025-on-2024 change (%)	2023
Operating revenue (RMB)	204,590,222,888.00	198,380,605,661.00	3.13%	174,543,445,895.00
Net profit attributable to the listed company's shareholders (RMB)	5,856,966,754.00	5,323,248,974.00	10.03%	2,547,435,360.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	4,230,339,525.00	3,837,124,867.00	10.25%	-632,561,344.00
Net cash generated from/used in operating activities (RMB)	48,824,555,674.00	47,737,577,379.00	2.28%	38,301,826,884.00
Basic earnings per share (RMB/share)	0.16	0.14	14.29%	0.06
Diluted earnings per share (RMB/share)	0.16	0.14	14.29%	0.06
Weighted average return on equity (%)	4.39%	4.05%	0.34%	1.89%
Item	31 December 2025	31 December 2024	Change of 31 December 2025 on 31 December 2024 (%)	31 December 2023
Total assets (RMB)	436,378,322,803.00	429,978,221,541.00	1.49%	419,187,099,795.00
Equity attributable to the listed company's shareholders (RMB)	134,478,628,806.00	132,937,555,308.00	1.16%	129,428,307,067.00

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

☐ Yes ☒ No

Indicate by tick mark whether the lowest of the Company's audited gross profit, net profit, and net profit before exceptional gains and losses for the Reporting Period is negative.

☐ Yes ☒ No

VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

☐ Applicable ☒ Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

☐ Applicable ☒ Not applicable

No difference for the Reporting Period.

VIII Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Operating revenue	50,598,933,939.00	50,679,248,196.00	53,269,817,390.00	50,042,223,363.00
Net profit attributable to the listed company's shareholders	1,613,999,380.00	1,632,886,399.00	1,354,611,315.00	1,255,469,660.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses	1,351,864,713.00	930,371,818.00	896,919,685.00	1,051,183,309.00
Net cash generated from/used in operating activities	13,743,795,736.00	8,992,511,350.00	14,038,311,177.00	12,049,937,411.00

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

☐ Yes ☒ No

IX Exceptional Gains and Losses

☒ Applicable ☐ Not applicable

Unit: RMB

Item	2025	2024	2023	Note
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Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	467,024,249.00	150,314,680.00	-18,043,310.00	N/A
Government grants recognized in current profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	1,156,541,377.00	1,220,722,012.00	3,793,619,228.00	N/A
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	490,447,697.00	571,124,492.00	360,708,461.00	N/A
Capital occupation charges on a non-financial enterprise that are charged to current profit or loss	0.00	0.00	0.00	N/A
Gain or loss on assets entrusted to other entities for investment or management	0.00	0.00	0.00	N/A
Gain or loss on loan entrustments	0.00	0.00	0.00	N/A
Asset losses due to acts of God such as natural disasters	0.00	0.00	0.00	N/A
Reversed portions of impairment allowances for receivables which are tested individually for impairment	6,137,798.00	6,099,046.00	43,996,519.00	N/A
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	242,086,567.00	0.00	0.00	N/A
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	0.00	0.00	0.00	N/A
Gain or loss on non-monetary asset swaps	0.00	0.00	0.00	N/A
Gain or loss on debt restructuring	0.00	0.00	0.00	N/A
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements	0.00	0.00	0.00	N/A
One-time effect on current profit or loss due to adjustments in tax, accounting and other laws and regulations	0.00	0.00	0.00	N/A
One-time share-based payments recognized due to cancellation and modification of equity incentive plans	0.00	0.00	0.00	N/A
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments	0.00	0.00	0.00	N/A
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method	0.00	0.00	0.00	N/A

Income from transactions with distinctly unfair prices	0.00	0.00	0.00	N/A
Gain or loss on contingencies that are unrelated to the Company's normal business operations	0.00	0.00	0.00	N/A
Income from charges on entrusted management	0.00	0.00	0.00	N/A
Non-operating income and expense other than the above	28,513,604.00	153,063,492.00	333,923,695.00	N/A
Other gains and losses that meet the definition of exceptional gain/loss	0.00	0.00	0.00	N/A
Less: Income tax effects	450,136,684.00	208,616,605.00	227,580,473.00	N/A
Non-controlling interests effects (net of tax)	313,987,379.00	406,583,010.00	1,106,627,416.00	N/A
Total	1,626,627,229.00	1,486,124,107.00	3,179,996,704.00	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement

No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

Part III Management Discussion and Analysis

I Principal Operations of the Company in the Reporting Period

(I) About the Company

In constant pursuit of excellence, BOE Technology Group Co., Ltd. is an innovative IoT company dedicated to providing intelligent interface products and professional services for information interaction and human health.

With “To Be the Most Respected Company on Earth” as its vision and, BOE always keeps in mind the mission of “Change Life with BOE Display Everywhere”, upholds the core values of “Integrity & Reliability, Dedication to Customers, Being People-oriented, Openness and Innovation”, as well as adheres to the business philosophy of “Doing the Right Thing, Innovation and Progress Seeking”. It has been continuously strengthening the construction of its industrial ecosystem and enhancing its value creation capabilities. Upon decades of relentless efforts, BOE has grown into a world leader in the display industry and a global innovative company in the IoT sector. Adhering to a “market-oriented, international, and professional” development approach, it has built a significant number of intelligent manufacturing bases in Beijing, Hefei, Chengdu, Chongqing, Fuzhou, Mianyang, Wuhan, Kunming, Ordos, Nanjing, etc., with subsidiaries across many countries and regions including the United States, Germany, Japan, South Korea, Singapore, India, Brazil, and the United Arab Emirates, as well as a business network that covers major regions of the world, such as Europe, Americas, Asia, and Africa. BOE aims to provide customers with better products and more thoughtful service experience with its well-established global network and a diverse product and service system.

To adapt to an IoT era, BOE has put forward the development strategy of “Empower IoT with Display” in its IoT transformation. Taking into account market conditions and business characteristics, BOE has put in place a business development architecture of “1+4+N+Ecosystem” to ensure the execution and implementation of its strategies. Specifically:

“1” represents display, which is the core capacity and quality resources accumulated by BOE, as well as the source and origin of the development strategy of “Empower IoT with Display”.

“4” refers to IoT Innovation, Sensor, MLED, and Smart Engineering Medicine. These are the high-potential tracks chosen by BOE based on its core strengths and value chain extension, representing the development directions of the development strategy of “Empower IoT with Display”.

“N” refers to the subdivided application scenarios of IoT that are continuously explored and cultivated by BOE, as well as the specific focus of the development strategy of “Empower IoT with Display”.

“Ecosystem” is an enabling platform for the collaborative development of BOE’s innovative ecosystem and an important guarantee for the development strategy of “Empower IoT with Display”.

(II) About the Company’s principal operations

1. The Display Devices business

The Display Devices business offers integrated design and manufacturing services for devices, and is committed to providing interface devices applying TFT-LCD, AMOLED and other technologies, focusing on providing customers with high-quality display devices for smartphones, tablet PCs, laptops, monitors, TVs, vehicles, etc.

2. The IoT Innovation business

The IoT Innovation business offers integrated design and manufacturing services for system solutions, and provides customers with competitive smart terminal products for tablets, laptops, monitors, TVs, low-power devices, IoT, 3D display, etc. By integrating AI and big data capabilities, BOE provides innovative IoT products and services that combine software and hardware.

3. The Sensor business

The Sensor business offers integrated design and manufacturing solutions, focuses on FPXD, smart display windows, industrial

sensors, MEMS, and glass packaging substrates, and provides customers with products and services including back plates for flat panel X-ray detectors (FPXD), intelligent PDLC windows and PDLC system solutions, consumer electronics and industrial application solutions, and advanced packaging substrates, among others.

4. The MLED business

The MLED business provides LED solutions with integrated R&D, manufacturing and marketing services. Focused on devices and solutions, this business renders LED backlight products with high quality and reliability for TVs, monitors, notebooks, vehicles, etc., as well as Mini/Micro-LED display products with high brightness, high reliability and high contrast for segment markets of outdoor, commercial, transparent, specialized and other displays.

5. The Smart Engineering Medicine business

The Smart Engineering Medicine business adopts a professional service model to provide products, services and solutions in relation to medical care, smart nursing, medical-engineering integration, etc. Meanwhile, this business is committed to providing a closed loop of through-life health services with health management as the core, medical terminals as the traction, and digital hospitals and recreational communities as the support. It connects testing equipment, healthcare workers and customers through the smart health management ecosystem where customers enjoy professional health services including prevention, treatment, therapy and nursing.

6. The “N” business

With a specific focus on the "N" business, the Company provides hardware and software integrated system solutions for different segments, including intelligent car networking, smart energy, industrial IoT, UHD display, etc., which can provide customers with multi-functional and smart new experience under IoT scenarios.

In terms of intelligent car networking, BOE focuses on the intelligent cockpit "HERO" innovative application scenarios, joins hands with global partners to provide new experience of intelligent cockpit scenarios, and promotes the continuous upgrading of full-scenario intelligent solutions, representing a new leading ecosystem of innovative and intelligent travel.

In terms of the smart energy business, BOE focuses on zero-carbon integrated energy services. With BES as the empowering platform, it revolves around various aspects of "source-grid-load-storage-carbon." It offers a zero-carbon implementation path of "source decarbonization, process decarbonization, end negative carbon, and intelligent carbon management," providing customers with comprehensive energy services and utilization, and zero-carbon solutions.

In terms of the industrial IoT business, BOE is committed to providing industrial software, intelligent manufacturing solutions for the pan-semiconductor industry. Leveraging over three decades of industry experience, BOE offers pan-semiconductor industrial software, industrial AI, smart factory services, and other products and services, continuously driving high-quality development across the industry.

The UHD display business adheres to the "UHD × digitalization" strategy, continuously promoting the wide application of UHD technology in fields such as smart government and enterprise services, finance, transportation, industrial parks, and visual arts. It is committed to embedding UHD into more scenarios, providing a better experience, achieving higher efficiency, and creating more value. It has independently designed and built the world's first 8K+5G+22.2 UHD 3D sound broadcasting vehicle, representing a pioneering breakthrough in the domestic 8K UHD complete production and broadcasting system.

II Industry Overview for the Reporting Period

In 2025, global geopolitical tensions continued to persist, and the regionalization characteristics of the industrial chain were becoming increasingly prominent. Although global trade continued to show a growth trend, the overall economic growth rate was slowing, and structural differentiation was significant. Global emerging markets and developing economies became the main growth engines. On the industry side, the dual-mainstream technology landscape further deepened. Leveraging its cost and performance advantages, LCD remained dominant in medium- and large-size applications such as TV, MNT, and NB, with steady market scale and continuous product specification upgrades. OLED penetration in smartphone applications continued to increase and expanded into innovative application scenarios such as automotive displays, wearables, and medical displays. Competition in

the small-size segment remained intense, display device prices declined, and products continued to penetrate the lower-end market. In addition, the global AI boom has led to a continuous rise in storage chip prices, increasing the uncertainty risk of sales across various application terminals.

In a complex environment, opportunities and challenges coexisted. On the one hand, on the supply side, production utilization was flexibly adjusted in line with market demand, while on the demand side, the trend toward larger TV sizes continued. Coupled with policy support such as “consumer goods trade-in programs”, the supply-demand relationship in the industry further improved. On the other hand, the industry’s competitive landscape continued to be reshaped, with the focus gradually shifting from competition in scale and market share to competition in product innovation capabilities featuring high profitability, advanced technology, and high added value, thereby driving the continued upgrading of the industry. The “15th Five-Year Plan” has established “building a modern industrial system” and “accelerating high-level scientific and technological self-reliance and self-strengthening” as major deployments for economic and social development. It aims to vigorously develop advanced manufacturing industry clusters, strengthen the primary position of enterprises in technological innovation, and encourage enterprises to enhance original innovation and tackle key core technologies, pointing the way for the future development of the industry. Under the support of policies such as the “AI+” initiative, segmented markets like industrial internet, smart engineering medicine, smart vehicle connectivity, and smart energy are expected to achieve rapid growth and gradually form an intelligent industrial ecosystem featuring universal interconnectivity.

At the same time, the “15th Five-Year Plan” clearly outlines the expansion of high-level opening-up, effectively improving the overseas comprehensive service system, and guiding the reasonable and orderly cross-border layout of the industrial chain. The motivation for enterprises to go abroad has shifted from passive “survival” to proactive “victory”. In the future, efforts will focus on strategic layout, localized operations, and long-term value growth to continuously enhance global operational capabilities and further expand overseas market space.

III Core Competitiveness Analysis

1. Building a corporate value creation system of sustainable growth with clear strategy

The Company relies on its three core advantages accumulated over years of deep industry cultivation, i.e., display technology, glass-based processing, and large-scale integrated intelligent manufacturing. By focusing on horizontal expansion of the technology chain and vertical extension of the value chain, we continuously explore and incubate emerging fields, gradually forming and perfecting the “1+4+N+Ecosystem” business development structure. In 2021, the Company, focusing on its strategic transformation towards the Internet of Things, proposed the “Empower IoT with Display” strategy to adapt to the development of the times and established it as a phased guideline. Based on a profound summary of our development history and an in-depth reflection on industry development patterns, the Company refined the evolution trajectory of the “N Growth Curves” for enterprise development and creatively proposed the strategic elevation theory of the “Nth Curve” in 2024.

Currently, the Company has developed a scientific development system that integrates the “Nth Curve” theory of dimensional elevation, the core strategy of “Empower IoT with Display”, the “1+4+N+Ecosystem” business structure, the “three offices and three managements” operational management mechanism, and the cultural core of “Three Virtues and Five Spirits”. This system guides the Company through cycles to achieve long-term sustainable growth.

2. Strengthening industry-leading market advantage under ecological diversity

The Company adheres to a “market-oriented, international, and professional” development approach, and has established long-term and stable strategic partnerships with many well-known enterprises both domestically and internationally. We have gradually built a business network covering major regions globally, including Europe, America, Asia, and Africa, providing high-quality products and services to our customers.

The Company has continued to consolidate its leading advantage, with shipments of LCD panels for the five major mainstream applications ranking first globally for several consecutive years, and shipments of flexible OLED devices maintaining growth. Meanwhile, the Company has continued to strengthen the construction of its industrial ecosystem. In 2025, the new 6th generation

display device production line in Beijing and the second phase of the smart terminal project in Vietnam achieved mass production. The first product from the 8.6th generation AMOLED production line in Chengdu was released ahead of schedule. The Beijing Fangshan Life Science Industrial Base was successfully opened, and the main structure of the Beijing BOE Hospital was topped out. The first materials research institute project commenced in Yantai, and the process line for the research and industrialization test line of glass-based packing substrates was completed.

In addition, we continuously strengthened the market competitiveness of our innovative business and achieved multiple industry qualifications and honors in 2025. In the sensor business, the X-ray flat panel detector backplane products obtained the Beijing “Three New” (New Technology, New Product, and New Service) certification. Smart Engineering and Medicine was successfully approved to establish two key laboratories in Beijing. BOE Varitronix was honored with the 2025 “Golden Kunpeng” Best New Quality Productive Forces Listed Company Award. BOE Energy Technology obtained three top-tier industry certifications, including the Grade 5A certificate for comprehensive capabilities of energy-saving service companies, and its License for Installation, Repair, and Testing of Power Facilities was upgraded to Class II. UPTC was recognized as a seventh batch Specialized, Refined, Distinctive, and Innovative “Little Giant” enterprise. The UBP Park and the Life Science Industrial Base under the technology services segment were both awarded the titles of Zhongguancun Characteristic Industrial Park and High-Quality Science and Technology Park. The perovskite photovoltaic BIPV zero-carbon cabin full-scenario demonstration project received one of the first Photoelectric Building Evaluation Label Certificates.

3. Forging excellent technological leadership abilities on an innovation-driven basis

The Company consistently adheres to innovation-driven principles, committed to leading industry development with cutting-edge technology. In terms of products and technologies, the 18" naked-eye 3D notebook integrated proprietary AI technologies such as eye-tracking and dynamic interleaving, delivering an immersive sensory experience for users. The automotive sliding and rolling flexible OLED product, capable of freely switching display sizes between 31.6" and 17.6", won the CES 2025 Innovation Awards. The BOE Blue Whale Display Large Model received the CCF Science and Technology Progress Award, becoming the first systematic large-model application achievement in the display manufacturing field to receive this honor.

The Company adheres to the global patent strategy of “quality first, quantity and quality in parallel”, continuously strengthening the construction of the IP offense and defense system. By the end of 2025, the total number of patent applications by the Company had exceeded 100,000. Among the annual new patent applications, invention patents accounted for over 90%, and overseas patents exceeded 33%, covering multiple countries and regions such as the United States, Europe, Japan, and South Korea, and spanning various fields including flexible OLED, sensor, AI, and big data. The Company has entered the global TOP20 in the IFI U.S. patent authorization ranking for eight consecutive years. In addition, it has been selected for five straight years and remained among the Top 100 Global Innovators by Clarivate Analytics. At the same time, the Company has continuously enhanced its global industrial discourse power and rule-making authority. By the end of 2025, the Company has led and participated in the formulation and revision of a total of 469 domestic and international technical standards, and multiple standards achieved historic breakthroughs in international standardization work for China in specific fields.

4. Building an efficient corporate operational system with lean management

The Company has been strengthening its lean management and governance capabilities, adhering to precise resource investment to form an agile front office, an intensive middle office, and an efficient back office. We have vertically established an organizational operation support mechanism that integrates strategic management, process management, and performance management. We have continuously enhanced the interaction between the front, middle, and back offices, and consistently deepened the “three offices and three managements” platform-based organizational design. Relying on a business management model of “rigorous core governance and delegated authority for branches”, the Company established a scientific and efficient hierarchical authorization mechanism, defining the boundaries of operational authority for segmented businesses. Through an empowerment-oriented process management system, we fully support the business in building market-oriented agile response capabilities.

In addition, the Company is focusing on three major areas: production and manufacturing, product innovation, and business operations. Guided by the principle of “business-oriented, technology-driven”, we are comprehensively empowering industrial upgrading through the “AI+ strategy”. Specifically, in the “AI+ manufacturing” field, the Company enabled intelligent

transformation across core areas such as planning, production, quality, and environmental management, and focused on building AI-powered factories with the highest efficiency, lowest cost, and optimal quality. In the “AI+ products” field, the Company established an AI-driven innovation pathway covering material research, simulation design, process innovation, intelligent algorithms, and end-user scenario development, providing more scenario-based and intelligent solutions. Regarding “AI+ operations”, the Company built a more intelligent enterprise decision-making center through a series of vertical-domain intelligent agents spanning market insights, production planning, supply chain, and operational management.

5. Inheriting the responsibility and mission as a technology enterprise under green guidance

The Company continuously fulfills its social responsibilities by deeply integrating sustainable concepts into the entire value chain of low-carbon development. Through six pathways—“green management, green products, green manufacturing, green recycling, green investment, and green actions”—we promote the harmonious coexistence of industry and nature through our practices. Currently, the Company’s 18 display device production lines have all been awarded the title of “National-level Green Factory”. Among them, Wuhan BOE 10.5th generation TFT-LCD production line, as the Company’s first chlorine-free factory, was selected in 2025 as one of the first pilot-level smart factories nationwide. From technology innovation driving emission reduction to the replication of low-carbon models across the industry, BOE has continuously promoted the upgrading of the industry towards high-end, intelligent, and green development with “green + technology”.

In April 2025, the Company officially launched the display industry’s first sustainability brand “ONE”, embodying the concepts of “Open, Next, and Earth” to redefine the responsibility boundaries of technology enterprises. This initiative elevates sustainable development from corporate practice to industry standard, advancing the Company’s transformation from a “leader in technological innovation” to a “builder of a sustainable ecosystem”.

IV Core Business Analysis

1. Overview

1. The Display Devices business

The Company’s leading position was further consolidated, and its product and technology capabilities were comprehensively strengthened. During the Reporting Period, revenue reached approximately RMB166,417 million representing a year-on-year increase of approximately 0.86%. The shipment volume of the five major mainstream LCD products and automotive application panels remained the highest globally, and the shipment volume of flexible OLED devices continued to grow. Specifically, in high-end LCD solutions, UB Cell technology drove comprehensive upgrades across TV products. Black Crystal and Black Diamond products achieved full-series mass production covering sizes from 55" to 110". Green, low-carbon and circular polarization eye-friendly display technologies achieved zero-to-one breakthroughs, setting a new benchmark for healthy displays. The Company globally launched intelligent cockpit projects such as the BD Cell irregular triple-display and integrated remote large-screen solutions, continuously advancing innovation in automotive display form factors. In the OLED field, the Company globally launched the “Tandem+TADF” wide color gamut technology and collaborated with customers to develop the ultra-wide color gamut Linglong Display, leading new trends in bar-type smartphones with exceptional image quality. The first planar OLED 14" 2.8K notebook product achieved mass production and was successfully introduced to multiple brand customers.

2. The IoT Innovation business

Mainstream terminals achieved high-quality development, with innovative scenarios flourishing. During the Reporting Period, revenue reached approximately RMB38,949 million, representing a year-on-year growth of approximately 15.14%. In mainstream terminal segments, revenue from overseas core TV terminal customers doubled year-on-year. The MNT segment achieved breakthroughs in mid- to high-end product series with multiple strategic customers. The TPC segment pushed the limits of thin and light design, achieving the thinnest LCD-based tablet product in the industry. In innovative terminal segments, the Company launched the LIGHT (Low-carbon, Integration, GreenView, Hi-View, Top Design) capability framework. Throughout the year, shipment volumes ranked among the leading positions across multiple segmented markets, including whiteboards, indoor signage,

projectors, POS devices, and electronic shelf labels, continuously illuminating the development of both the Company and its partners through “LIGHT”.

3. The Sensor business

The Company steadily expanded its business layout and achieved remarkable progress in market development. During the Reporting Period, revenue reached approximately RMB587 million, representing a year-on-year increase of approximately 52.00%. FPXD product sales increased significantly year-on-year. The key project “High Mobility IGZTO Detector Development” of the Ministry of Science and Technology completed product release. The smart dimming products of smart screens were successfully launched on schedule in high-end flagship vehicle models of key customers, with multiple new customer design-ins secured. Suzhou Sensor’s high-precision laser displacement sensors were fully introduced into leading customers in the laser measurement industry, and programmable logic controller (PLC) products achieved mass production. The first self-developed MEMS micro differential pressure airflow sensor passed customer certification.

4. The MLED business

The industrial chain continued to improve, and business performance was developing positively. During the Reporting Period, revenue reached approximately RMB9,316 million, representing a year-on-year increase of about 9.81%. In the direct display business, Ultra products were successfully deployed in flagship store projects of key customers. In collaboration with BOE HC Semitek, the MPD P0.6 double-sided poster display product was jointly developed and received the “Best of Show Awards” at InfoComm 2025 in the United States. In partnership with Shanghai Film Group (SFG), the Company carried out in-depth cooperation in immersive experiences and smart display terminals, creating the SFG BOE- α Super Cinema benchmark project and leading the digital transformation of the film industry. The backlight device business continued to strengthen its product competitiveness and has achieved readiness for mass production of new MNT products for leading brand customers.

5. The Smart Engineering Medicine business

The brand reputation has been comprehensively enhanced, and the integration of medicine and engineering has achieved remarkable results. During the Reporting Period, revenue reached approximately RMB1,902 million, representing a year-on-year increase of about 3.40%. The volume of digital hospital services increased significantly. Chengdu BOE Hospital successfully completed the on-site evaluation for Grade III Class A accreditation. Its spinal surgery expert team performed the world’s first reverse folding scoliosis correction surgery, and the Department of Cardiovascular Medicine was approved as a 2025 provincial key clinical specialty construction project. Hefei BOE Hospital successfully carried out an artificial heart implantation surgery and obtained trial operation qualification for its reproductive center for in vitro fertilization (IVF). Suzhou BOE Hospital obtained dual certification from China Chest Pain Centers and China Atrial Fibrillation Center. The Chengdu Elderly Care Community has reached a new high in the scale of long-term resident customers, obtained the “Long-term Care Insurance” qualification, and received multiple honors including the Jingrui Science and Technology Award. The medical engineering products focused on the prevention and control of myopia in adolescents, creating a panoramic reading and writing desk product that has won unanimous market praise. The regenerative medicine cardiac patch has completed the enrollment of all patients for Phase I clinical trials. Simultaneously, we were advancing the development pipelines for uterine patches, NK/Car-NK immune cells, and others. The cerebrovascular disease secondary prevention intelligent management system has been approved for a Class II registration certificate.

6. The “N” business

Innovation in the market progressed at multiple levels, and professional capabilities were steadily enhanced. BOE Varitronix accelerated its expansion into the high-end market, with LTPS shipments increasing significantly year-on-year, and its overseas strategy effectively drove growth in both revenue and shipment volumes in Europe and the United States. BOE Energy Technology continued to expand the scale of investment and construction in new energy power stations and energy storage projects, both achieving sustained year-on-year growth. Breakthroughs were also made in wind power and virtual power plant businesses. BOE HC Semitek continued to secure mass production projects with leading industry customers. Its Micro LED products achieved stable mass production and delivery, while GaN devices were successfully introduced to customers alongside technological upgrades. UPTC achieved a commercial breakthrough in full-time, full-scenario live streaming with its “ULive Ultra

Live” solution. The stage productions Su Di Chun Xiao and Lin Zexu set new records for 4K-level second-site coverage and nationwide coordinated scale, respectively, covering 31 provinces, hundreds of cinemas, and 20 theaters. Both technological coordination complexity and commercialization maturity remained industry-leading. Zhongxiangying’s proprietary core products continued to achieve breakthroughs in key industries such as wafers, packaging and testing, photomasks, automotive manufacturing, and new energy. Its overseas market expansion reached a milestone with the first breakthrough order secured. The technology services UBP Park’s “Future Display Industrial Park” was officially inaugurated, while the Zero-Second Innovation Space was recognized as a Beijing Small and Micro Enterprise Entrepreneurship and Innovation Demonstration Base. Ewin Technology continued to enhance its operational capabilities, cumulatively serving more than one million students. It developed multiple benchmark projects, including the touring exhibition series “See the Forbidden City Here”, and launched several “small but refined” scenario-based products such as the Dali Intangible Cultural Heritage Digital Treasure Box and the One Day · Mawangdui Museum Box M-BOX.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

Item	2025		2024		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	204,590,222,888.00	100%	198,380,605,661.00	100%	3.13%
By operating division					
Display Devices business	166,417,015,418.00	81.34%	165,003,592,549.00	83.18%	0.86%
IoT Innovation business	38,949,236,781.00	19.04%	33,828,880,608.00	17.05%	15.14%
Sensor business	587,444,558.00	0.29%	386,471,446.00	0.19%	52.00%
MLED business	9,316,052,632.00	4.55%	8,483,421,034.00	4.28%	9.81%
Smart Engineering Medicine business	1,902,021,967.00	0.93%	1,839,415,166.00	0.93%	3.40%
Others and offset	-12,581,548,468.00	-6.15%	-11,161,175,142.00	-5.63%	12.73%
By product category					
Display Devices business	166,417,015,418.00	81.34%	165,003,592,549.00	83.18%	0.86%
IoT Innovation business	38,949,236,781.00	19.04%	33,828,880,608.00	17.05%	15.14%
Sensor business	587,444,558.00	0.29%	386,471,446.00	0.19%	52.00%
MLED business	9,316,052,632.00	4.55%	8,483,421,034.00	4.28%	9.81%
Smart Engineering Medicine business	1,902,021,967.00	0.93%	1,839,415,166.00	0.93%	3.40%
Others and offset	-12,581,548,468.00	-6.15%	-11,161,175,142.00	-5.63%	12.73%
By operating segment					
Mainland China	102,754,305,370.00	50.22%	99,522,213,629.00	50.17%	3.25%
Other regions	101,835,917,518.00	49.78%	98,858,392,032.00	49.83%	3.01%
By sales model					
Direct sales	204,590,222,888.00	100.00%	198,380,605,661.00	100.00%	3.13%

(2) Operating Division, Product Category, Operating Segment or Marketing Model Contributing over 10% of Operating Revenue or Operating Profit

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Display Devices business	166,417,015,418.00	144,918,410,654.00	12.92%	0.86%	0.67%	0.16%
IoT Innovation business	38,949,236,781.00	34,398,776,981.00	11.68%	15.14%	13.72%	1.09%
By product category						
Display Devices business	166,417,015,418.00	144,918,410,654.00	12.92%	0.86%	0.67%	0.16%
IoT Innovation business	38,949,236,781.00	34,398,776,981.00	11.68%	15.14%	13.72%	1.09%
By operating segment						
Mainland China	102,754,305,370.00	87,631,988,655.00	14.72%	3.25%	4.68%	-1.17%
Other regions	101,835,917,518.00	84,970,055,356.00	16.56%	3.01%	0.54%	2.05%
By sales model						
Direct sales	204,590,222,888.00	172,602,044,011.00	15.64%	3.13%	2.60%	0.44%

Core 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

Operating division	Item	Unit	2025	2024	Change (%)
TFT-LCD	Sales volume	K m²	90,032.00	83,132.00	8.30%
	Output	K m²	90,998.00	83,328.00	9.20%
	Inventory	K m²	6,851.00	5,886.00	16.41%
AMOLED	Sales volume	K m²	2,264.00	2,093.00	8.17%
	Output	K m²	2,302.00	2,115.00	8.84%
	Inventory	K m²	201.00	163.00	23.21%

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

☐ Applicable ☒ Not applicable**(4) Execution Progress of Major Signed Sales and Purchase Contracts in the Reporting Period**☐ Applicable ☒ Not applicable**(5) Breakdown of Cost of Sales**

By operating division and product category

Unit: RMB

By operating division	Item	2025		2024		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Display Devices business	Materials, labor costs, depreciation, etc.	144,918,410,654.00	83.96%	143,955,472,188.00	85.57%	0.67%
IoT Innovation business	Materials, labor costs, depreciation, etc.	34,398,776,981.00	19.93%	30,247,926,452.00	17.98%	13.72%
Sensor business	Materials, labor costs, depreciation, etc.	429,092,455.00	0.25%	304,425,278.00	0.18%	40.95%
MLED business	Materials, labor costs, depreciation, etc.	8,755,995,359.00	5.07%	7,993,316,575.00	4.75%	9.54%
Smart Engineering Medicine business	Materials, labor costs, depreciation, etc.	1,918,849,507.00	1.11%	1,899,758,297.00	1.13%	1.00%
Others and offset	Materials, labor costs, depreciation, etc.	-17,819,080,945.00	-10.32%	-16,178,949,217.00	-9.61%	10.14%

Unit: RMB

By product category	Item	2025		2024		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Display Devices business	Materials, labor costs, depreciation, etc.	144,918,410,654.00	83.96%	143,955,472,188.00	85.57%	0.67%
IoT Innovation business	Materials, labor costs, depreciation, etc.	34,398,776,981.00	19.93%	30,247,926,452.00	17.98%	13.72%
Sensor business	Materials, labor costs, depreciation, etc.	429,092,455.00	0.25%	304,425,278.00	0.18%	40.95%
MLED business	Materials, labor costs, depreciation, etc.	8,755,995,359.00	5.07%	7,993,316,575.00	4.75%	9.54%
Smart Engineering Medicine business	Materials, labor costs, depreciation, etc.	1,918,849,507.00	1.11%	1,899,758,297.00	1.13%	1.00%
Others and offset	Materials, labor costs, depreciation, etc.	-17,819,080,945.00	-10.32%	-16,178,949,217.00	-9.61%	10.14%

Note:

The major cost of sales items such as materials, labor costs and depreciation are considered as business secrets. In order to avoid the leakage of these secrets, which could result in damage to the interests of the Company and its investors, cost of sales is only presented with respect to the industry segment to which the Company belongs in the table above.

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

☒ Yes ☐ No

The changes in the scope of consolidated financial statements for the Reporting Period had no significant impact on segment data.

(7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

☐ Applicable ☒ Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	74,047,425,003.00
Total sales to top five customers as % of total sales of the Reporting Period (%)	36.19%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	27,361,878,462.00	13.37%
2	Customer B	16,755,937,612.00	8.19%
3	Customer C	11,309,121,913.00	5.53%
4	Customer D	10,072,687,129.00	4.92%
5	Customer E	8,547,799,887.00	4.18%
Total	--	74,047,425,003.00	36.19%

Other information about major customers:

☐ Applicable ☒ Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	26,447,234,903.00
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	18.52%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	6,755,813,875.00	4.73%
2	Supplier B	6,194,465,846.00	4.34%
3	Supplier C	5,726,137,591.00	4.01%
4	Supplier D	3,974,413,165.00	2.78%
5	Supplier E	3,796,404,426.00	2.66%
Total	--	26,447,234,903.00	18.52%

Other information about major suppliers:

☐ Applicable ☒ Not applicable

Indicate by tick mark whether the Company's trading revenue accounted for more than 10% of its total operating revenue during the Reporting Period.

☐ Applicable ☒ Not applicable

3. Expense

Unit: RMB

Item	2025	2024	Change (%)	Main reason for any significant change
Selling expense	2,172,622,919.00	1,995,294,652.00	8.89%	N/A
Administrative expense	5,896,341,836.00	6,218,672,130.00	-5.18%	N/A
Finance costs	1,836,646,802.00	1,224,387,370.00	50.01%	Increased net exchange loss during the Reporting Period
R&D expense	13,836,670,878.00	13,123,309,231.00	5.44%	N/A

4. R&D Investments

☒ Applicable ☐ Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
UB Cell Series Upgrade	To produce LCDs with an image quality comparable to that of OLEDs and a cost lower than that of OLEDs and enhance BOE's competitiveness in high-end products.	In progress	Mass production of UB Cell 4.0 Pro products.	Achieve a platform-based leap in technological capability; already introduced into high-end TV products; become a mainstream technology for display products and a strategic leader for product upgrading.
Oxide Technology Upgrade	To further utilize the advantages of high mobility and low leakage current of oxides, develop new device structures, create advanced and reliable oxide process capability, and achieve overall improvement of product performance.	In progress	Complete development of migration rate 20 extreme narrow channel technology; Complete development of Oxide Dual Gate 1Hz technology.	Provide strong support for enhancing product competitiveness and create green and sustainable products with low-power technology.
Natural Light Display Technology	Natural light display technology aims to restore displays to a more natural state and create healthy display experiences. At the same time, formulate natural light display standards and continuously improve visual health research, as well as standards and certification systems for leading technologies, form an integrated healthy display framework of "technology innovation and standard implementation", and rapidly enhance BOE's influence in healthy displays.	In progress	Steadily advance multiple eye-friendly technologies; Formulate certifications/standards, etc.	The first release of the natural light display technology system will assist BOE in collaborating with global ecological partners to build a comprehensive, full-chain healthy display ecosystem, solidify its leading position in the industry, promote a profound transformation of display technology from "clear visibility" to "comfortable and healthy viewing", and create green and sustainable products with health eye-friendly technology.
Field Sequential Technology	Introduce new field sequential technology with BOE's	In progress	Complete development of field sequence	Use low-power technology to create green and sustainable

	existing resources to enhance image quality and reduce power consumption, and provide new technological paths for commercial display, automotive, TV, and e-sports application scenarios.		technology.	products, enhance product competitiveness and market advantage, and provide stable technical support for BOE's future development.
CHPI Product Promotion	Promote the application of CHPI and ultra-low power driving technology in TV, MNT, and NB products.	In progress	Import NB/MNT CHPI products on schedule.	Support the construction of the screen-chip-complete machine industry chain, create technical barriers, develop green and sustainable products with low-power technology, and form product performance and cost advantages.
Low Carbon and Environmental Protection	Achieve carbon emission reduction and enhance product competitiveness through the introduction of PFAS Free, recyclable low-volatility materials, and low-temperature processes.	In progress	Complete validation of low-temperature 3.0 process; Expand product applications for PFAS Free and recyclable low-volatility materials.	Build a green low-carbon display technology platform, and create green and sustainable products using low-carbon and environmentally friendly technologies.
Wide Color Gamut Tandem Technology	Use new light-emitting devices to reduce power consumption and extend lifespan while achieving the BT2020 color gamut.	Product mass production achieved	Significantly improve brightness under both normal mode and high-brightness mode; Double service life; Significantly reduce power consumption; Achieve 95% BT2020 color gamut.	As a proprietary technology of BOE, it demonstrates BOE's product competitiveness and serves as a benchmark for display performance and visual health, creating new market opportunities for OLED products in the integration of imaging and display.
Extreme Narrow Border Technology	Reduce the borders on all four sides of the display screen.	Technology development completed	Significantly reduce the numerical values of the display's four-side borders.	As a platform-based technology, it can be integrated into different application-specific products, continuously enhancing the competitiveness of BOE OLED products.
Automotive Switchable Privacy Display Technology	Achieve light and viewing angle control through differentiated pixel and circuit design.	In progress	Achieve automotive switchable privacy display, invisible to the driver, visible to the front passenger.	Create sustainable products with privacy protection technology, lead the trend of intelligent automotive applications, and enhance the competitiveness of automotive products.
NB High Refresh Rate Technology	Meet the technical requirements of the gaming notebook market, expand the OLED NB product series, and enhance market competitiveness; Deploy 240 Hz driving technology and GOA circuits.	In progress	Be compatible with both low and high refresh rates, and support a high refresh rate of 240 Hz.	Enter the gaming notebook market, expand the OLED NB product series, and enhance BOE's customer influence.

Direct Display COB Project	Develop COB products with different pixel pitches under various MLED product series to enhance the product line.	Mass production of BYH Ultra /V1 series achieved	Complete large board design and process verification, achieve a single board module of 14.5", reduce seams, and enhance picture consistency; Achieve excellent display effects by improving specifications such as brightness, contrast ratio, and color gamut; Self-develop packaging technology, achieve ultra-low power consumption, and provide users with a cool screen experience.	Comprehensively create the superior display effect of MLED products with focus on three core technologies: premium optics, sophisticated thermology and minimalist structure. Continuously improve the three major product platforms for indoor, outdoor, and innovative applications, and empower the MLED industry to explore limitless scenarios.
Automotive MLED Backlight Products	Complete mass production of MLED automotive products with high partitioning, high brightness, and ultra-high contrast.	Mass production of ultra-thin automotive backlight products achieved	Enhance the automotive LCD's display effect through local dimming, achieve ultra-high contrast and ultra-high brightness product specifications. The backlight brightness can reach 12,000 nits and it supports HDR display, providing drivers with a delicate and realistic visual experience.	Significantly enhance product lifespan and performance, and provide a durable and excellent visual window for smart cockpits.
Mini LED Smart TV	Develop a series of high-end smart TV products featuring Mini LED, high color gamut, high picture quality, and Grade 1 energy efficiency.	The product client has been launched.	Achieve integration of AI smart voice and AI camera, and 4K OC supports 144 Hz functionality; Support Mini LED local dimming and meet Grade 1 energy efficiency requirements.	Achieve breakthroughs in Mini LED products in both domestic and overseas markets, enhance BOE's high-end product competitiveness, and achieve profit growth.
28.2" Programming Display	Develop a multifunctional high-end display and provide users with a convenient and efficient programming experience as well as a healthy usage experience.	Mass production	Achieve MoonHalo smart halo, and support customizable lighting effects; Develop Smart Dimming 2.0 based on RGB Sensor; Achieve the Proximity Sensor function; Obtain TÜV Rheinland Reflection-Free certification. Certified as Reflection-Free	Reconstruct user interaction forms, provide an immersive programming experience, and make further technical reserves for BOE's high-end display development.
Paper-like Eye-friendly Screen Tablet	Develop a tablet product with learning functions, paper-like eye-friendly, ultra-thin, and	The product client has	Complete the introduction of new structural materials, and reduce cost	Using eye-friendly technology to create green and sustainable products sets

	ultra-light features.	been launched.	and weight; Complete PCB layer and price reduction, and achieve cost reduction and efficiency improvement.	a benchmark for cost reduction and efficiency improvement, paving the way for BOE to undertake new projects.
18" Naked-eye 3D NB	Complete the independent development of a 2D/3D switchable naked-eye 3D display NB product.	The product client has been launched.	Achieve 2D/3D switchable naked-eye 3D display with lossless 2D images, combined with self-developed eye-tracking and interleaving algorithms, and achieve crosstalk $\leq 2\%$, a 50° high-degree-of-freedom 3D display viewing angle, and a naked-eye 3D display with almost no perceptible delay.	Being at the industry-leading level, this product will effectively enhance BOE's market influence in the 3D display field and lay a solid foundation for expanding the high-end customer base.
High-performance Light Control Solution	Apply solar power and wireless transmission technology, we develop the smart window solution product that powered by green energy and without wiring requirements.	Mass production	Develop a smart window solution product that powered by green energy and without wiring requirements and achieve energy-saving through solar and dimming functions.	Create green and sustainable products using low-carbon and privacy protection technologies to support overseas expansion and enhance customer experience.
Industrial Sensor 3D Optical Inspection	Based on spectral confocal technology and integrated with algorithms, form an automatic detection solution for FOB indentation quality.	Under machine testing	Develop an automatic indentation detection solution to enhance production efficiency and quality.	Enhance product market competitiveness and influence.
MEMS Sensor	Develop silicon-based and glass-based pressure MEMS chip and device products.	Mass production	Develop multi-form pressure sensors with mass delivery capability.	Deploy MEMS pressure sensor products and explore high-growth markets such as consumer, medical, and automotive.
Glass-based packaging substrates	Develop large-size, high-performance glass-based packaging substrates.	In progress	Clarify the glass-based substrate technical route and produce samples; Solve key technical problems and improve product reliability.	Develop glass substrate technology to help upgrade packaging technology.
BOE Blue Whale Display Large Model	Based on BOE's 30 years of accumulated industry knowledge, develop a series of large models for the display industry, deliver leading digital and intelligence solutions to the continuous development of the three major business sectors: production and manufacturing, product innovation, and operational management.	The implementation of multiple projects supported	Complete the release of the BOE Blue Whale Display Large Model, which features full-modality capabilities, multi-scenario adaptability, high precision, and strong reasoning capabilities, complete the establishment of high-quality datasets, a high-performance intelligent	Become the core technological engine for the implementation of BOE's AI+ strategy. On the production side, promote the construction of AI factories, and continuously improve production efficiency and product quality; on the product side, establish an AI-driven full-chain innovation pathway; and on the operational side, promote

			computing platform, and a full-chain AI security system; encompass a display industrial large model for operation and manufacturing, a display interface large model for product innovation, and a display operational large model for enterprise operation; effectively support the implementation of multiple industry-leading cases.	enterprise management toward data-driven and intelligent decision-making upgrading. In the future, BOE will continue to lead the rapid incubation and large-scale implementation of intelligent agent clusters, achieving mutual empowerment of enterprise development and industrial upgrading.
BOE AI Factory	Build a new factory paradigm driven by next-generation AI technology, shaping an AI-native production and manufacturing system across all elements, and achieving more superior performance in comprehensive operational efficiency.	Multiple factories have been implemented	Complete the release of AI factories; successfully implement the first batch of AI factory projects, and achieve comprehensive improvements in operation and manufacturing quality and efficiency in a number of leading AI+ innovative application systems deployed across scenarios such as production planning, material supply, production and manufacturing, quality management, energy optimization, and environmental safety.	Effectively enhance manufacturing quality and efficiency, continuously leverage the power of AI to drive the implementation of BOE achievements and value creation, and become a key enabler for BOE to propel the intelligent manufacturing leap in the display industry.
Smart All-in-One C100 Product Project	Complete an AI-powered, highly efficient, and collaborative smart all-in-one product to enhance user experience and core competitiveness in smart office solutions.	Mass production	Complete 65/75/86/98/110-inch 4K product development; be equipped with the BOE Blue Whale Display Large Model and mainstream large models; launch the first cross-device collaborative BOE office intelligent agent, and complete the development of AI large model meeting minutes, device operation Q&A app; complete voice-controlled screen function development for smart pen; complete natural handwriting 3.0 app, BOE Share app development, supporting 4K screen sharing and BYOM function.	C100 series products integrate AI multimodal interaction and large model technology, launching several industry-leading applications. Focusing on “work efficiency, user experience, information security, and design aesthetics”, such products form the core competitiveness of AI-enabled work scenarios and effectively achieve market breakthroughs.
Perovskite	Leverage the unique	In	Achieve the	Establish a perovskite

Photovoltaic Technology	technological advantages of perovskite photovoltaic technology, and focus on developing product implementation solutions for innovative markets.	progress	productization and implementation of innovative perovskite photovoltaic scenarios.	photovoltaic product matrix, incubate new business growth points, and contribute to sustainable development.
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Particulars about R&D personnel:

Item	2025	2024	Change (%)
Number of R&D personnel	24,263	22,745	6.67%
R&D personnel as % of total employees	22.08%	22.95%	-0.87%
Educational background of R&D personnel			
Bachelor's degree	14,156	13,593	4.14%
Master's degree	8,107	7,202	12.57%
Age structure of R&D personnel			
Below 30	8,742	8,526	2.53%
30~40	12,374	11,592	6.75%

Particulars about R&D investments:

Item	2025	2024	Change (%)
R&D investments (RMB)	13,983,061,575.00	13,205,274,107.00	5.89%
R&D investments as % of operating revenue	6.83%	6.66%	0.17%
Capitalized R&D investments (RMB)	146,390,697.00	81,964,876.00	78.60%
Capitalized R&D investments as % of total R&D investments	1.05%	0.62%	0.43%

Reasons for any significant change to the composition of R&D personnel and the impact:

☐ Applicable ☒ Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

☐ Applicable ☒ Not applicable

Reasons for any sharp variation in the percentage of capitalized R&D investments and rationale:

☐ Applicable ☒ Not applicable

5. Cash Flows

Unit: RMB

Item	2025	2024	Change (%)
Subtotal of cash generated from operating activities	234,845,511,034.00	219,215,758,074.00	7.13%
Subtotal of cash used in operating activities	186,020,955,360.00	171,478,180,695.00	8.48%
Net cash generated from/used in operating activities	48,824,555,674.00	47,737,577,379.00	2.28%
Subtotal of cash generated from investing activities	39,483,947,973.00	62,629,563,802.00	-36.96%
Subtotal of cash used in investing activities	80,412,309,507.00	95,279,196,948.00	-15.60%
Net cash generated from/used in investing	-40,928,361,534.00	-32,649,633,146.00	-25.36%

activities			
Subtotal of cash generated from financing activities	63,692,453,650.00	51,846,047,908.00	22.85%
Subtotal of cash used in financing activities	74,917,784,783.00	57,363,426,898.00	30.60%
Net cash generated from/used in financing activities	-11,225,331,133.00	-5,517,378,990.00	-103.45%
Net increase in cash and cash equivalents	-3,793,956,734.00	9,912,270,763.00	-138.28%

Explanation of why any of the data above varies significantly:

☒ Applicable ☐ Not applicable

Net cash generated from operating activities increased 2.28% year on year, primarily driven by the increased sales during the Reporting Period.

Net cash generated from investing activities decreased 25.36% year on year, primarily driven by the increase in cash paid for the acquisition and construction of long-term assets during the Reporting Period.

Net cash generated from financing activities decreased 103.45% year on year, primarily driven by the increase in cash paid for purchase minority shareholders' equity of subsidiaries during the Reporting Period.

Net increase in cash and cash equivalents decreased 138.28% year on year, primarily driven by the increase in cash paid for acquisition and construction of long-term assets and purchase minority shareholders' equity of subsidiaries during the Reporting Period.

Reason for any big difference between the net cash generated from/used in operating activities and the net profit for this Reporting Period

☐ Applicable ☒ Not applicable

V Analysis of Non-Core Businesses

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	As % of total profit	Main source/reason	Recurrent or not
Return on investment	653,966,677.00	9.30%	Income from the disposal of long-term equity investments in the Reporting Period	No
Gain/loss on changes in fair value	431,722,966.00	6.14%	N/A	No
Asset impairments	-4,005,541,287.00	-56.94%	Inventory valuation allowances established based on market conditions	No
Non-operating income	314,980,839.00	4.48%	N/A	No
Non-operating expense	63,639,776.00	0.90%	N/A	No

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

Item	31 December 2025		1 January 2025		Change in percentage (%)	Main reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Monetary assets	72,222,940,175.00	16.55%	74,252,625,215.00	17.27%	-0.72%	N/A
Accounts receivable	32,293,002,623.00	7.40%	36,338,199,204.00	8.45%	-1.05%	N/A
Contract assets	393,081,902.00	0.09%	150,871,486.00	0.04%	0.05%	N/A
Inventories	27,748,526,136.00	6.36%	23,313,464,392.00	5.42%	0.94%	N/A
Investment property	2,146,616,904.00	0.49%	1,751,189,740.00	0.41%	0.08%	N/A
Long-term equity investments	18,636,209,565.00	4.27%	13,533,271,302.00	3.15%	1.12%	Investments in new associates in the Reporting Period
Fixed assets	186,299,299,142.00	42.69%	204,904,419,511.00	47.65%	-4.96%	N/A
Construction in progress	52,943,124,120.00	12.13%	30,159,016,097.00	7.01%	5.12%	Increased investment in new constructions in the Reporting Period
Right-of-use assets	807,290,109.00	0.18%	754,408,280.00	0.18%	0.00%	N/A
Short-term borrowings	3,655,021,437.00	0.84%	1,563,317,166.00	0.36%	0.48%	N/A
Contract liabilities	2,223,451,538.00	0.51%	2,083,836,158.00	0.48%	0.03%	N/A
Long-term borrowings	101,576,573,473.00	23.28%	100,932,391,740.00	23.47%	-0.19%	N/A
Lease liabilities	687,762,666.00	0.16%	631,418,986.00	0.15%	0.01%	N/A

Indicate by tick mark whether overseas assets account for a larger proportion of total assets.

☐ Applicable ☒ Not applicable

2. Assets and Liabilities at Fair Value

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	3,116,435,963.00	436,901,252.00	0.00	0.00	11,059,718,618.00	12,942,507,103.00	0.00	1,670,548,730.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Investments in other debt obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Investments in other equity instruments	441,371,815.00	0.00	-123,936,943.00	0.00	0.00	14,356,472.00	0.00	536,217,192.00
5. Other non-current financial assets	2,735,680,042.00	-5,178,286.00	0.00	0.00	143,553,247.00	0.00	0.00	2,874,055,003.00
Subtotal of financial assets	6,293,487,820.00	431,722,966.00	-123,936,943.00	0.00	11,203,271,865.00	12,956,863,575.00	0.00	5,080,820,925.00
Investment property	0.00	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	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivable financing	472,537,400.00	0.00	0.00	0.00	0.00	0.00	113,134,949.00	585,672,349.00
Total of the above	6,766,025,220.00	431,722,966.00	-123,936,943.00	0.00	11,203,271,865.00	12,956,863,575.00	113,134,949.00	5,666,493,274.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Contents of other changes: N/A

Significant changes to the measurement attributes of the major assets in the Reporting Period:

☐ Yes ☒ No

3. Restricted Asset Rights as at the Period-End

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary assets	911,821,466.00	Mainly security deposits, and amounts put in pledge for the issuance of notes payable
Notes receivable	391,939,462.00	Endorsed and transferred with right of recourse, and those put in pledge for the issuance of notes payable
Fixed assets	96,417,684,719.00	As collateral for loan
Intangible assets	1,581,562,962.00	As collateral for loan
Construction in progress	16,333,097,942.00	As collateral for loan
Investment property	127,541,800.00	As collateral for loan
Accounts receivable	467,691,850.00	As pledge for loan
Total	116,231,340,201.00	--

VII Investments Made

1. Total Investment Amount

☒ Applicable ☐ Not applicable

Investments made in this Reporting Period (RMB)	Investments made in the prior year (RMB)	Change (%)
6,522,967,735.00	1,343,958,901.00	385.35%

2. Significant Equity Investments Acquired in the Reporting Period

☐ Applicable ☒ Not applicable

3. Significant Non-Equity Investments of which the Acquisition Was Uncompleted 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	Beginning carrying value	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Purchased in this Reporting Period	Sold in this Reporting Period	Profit/loss in this Reporting Period	Ending carrying value	Accounting title	Funding source
Domestic/overseas stock	002841.SZ	CVTE	299,999,939.00	Fair value method	163,511,485.00	12,049,613.00	0.00	0.00	0.00	15,062,016.00	175,561,098.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	688720.SH	ASEM	21,030,376.00	Fair value method	42,340,316.00	24,698,061.00	0.00	0.00	14,233,600.00	24,698,061.00	52,804,777.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	301611.SZ	Kematek	10,740,456.00	Fair value method	110,916,387.00	46,395,141.00	0.00	0.00	42,214,116.00	46,609,427.00	115,097,412.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	688545.SH	SINOPHOS	49,999,989.00	Fair value method	0.00	106,710,144.00	0.00	49,999,989.00	0.00	107,566,308.00	156,710,133.00	Held-for-trading	Self-funded

												financial assets	
Domestic/overseas stock	603175.SH	Dynamic Electronics	19,999,997.00	Fair value method	0.00	49,038,517.00	0.00	19,999,997.00	0.00	49,038,517.00	69,038,514.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	688809.SH	Maxone	44,783,718.00	Fair value method	0.00	70,166,807.00	0.00	44,783,718.00	0.00	70,166,807.00	114,950,525.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	001369.SZ	Shuangxin	99,999,999.00	Fair value method	0.00	125,644,699.00	0.00	99,999,999.00	0.00	125,644,699.00	225,644,698.00	Held-for-trading financial assets	Self-funded
Domestic/overseas stock	600658.SH	BEZ	90,160,428.00	Fair value method	60,213,131.00	0.00	-14,687,806.00	0.00	0.00	0.00	75,472,622.00	Other equity instrument investment	Self-funded
Domestic/overseas stock	01963.HK	Bank of Chongqing	120,084,375.00	Fair value method	141,851,349.00	0.00	58,551,357.00	0.00	0.00	10,493,762.00	178,635,732.00	Other equity instrument investment	Self-funded
Domestic/overseas stock	01518.HK	New Century Healthcare	140,848,850.00	Fair value method	19,855,500.00	0.00	-128,067,005.00	0.00	0.00	431,501.00	12,781,845.00	Other equity instrument investment	Self-funded
Domestic/overseas stock	09660.HK	Horizon Robotics-W	24,553,418.00	Fair value method	35,638,388.00	0.00	41,654,723.00	0.00	12,610,162.00	0.00	66,208,141.00	Other equity instrument	Self-funded

												nt investm ent	
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			922,201,545.00	--	574,326,556.00	434,702,982.00	-42,548,731.00	214,783,703.00	69,057,878.00	449,711,098.00	1,242,905,497.00	--	--

(2) Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VIII 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

IX 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 profit

Unit: RMB

Name	Relationship with the Company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	R&D, Production, and sales of semi-conductor display device, complete machine, and relevant products; import and export business and technology consulting of goods.	3,845,200,000.00	43,861,755,683.00	35,735,216,944.00	15,986,642,745.00	3,823,391,410.00	3,207,816,772.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	9,750,000,000.00	28,782,104,404.00	19,109,822,143.00	26,167,340,185.00	1,917,021,046.00	1,727,433,238.00
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	17,600,000,000.00	28,308,092,936.00	25,016,026,361.00	11,419,363,143.00	2,308,963,118.00	2,040,523,173.00

Subsidiaries obtained or disposed in this Reporting Period

☒ Applicable ☐ Not applicable

Name of subsidiary	How the subsidiary was acquired or disposed of	Effects on the overall operations and performance
Six companies including Beijing BOE Materials Technology Co., Ltd.	Incorporated with investment	No significant effects
BOE Technology UK Limited	De-registered	No significant effects

Information about major majority- and minority-owned subsidiaries:

N/A

X Structured Bodies Controlled by the Company

☐ Applicable ☒ Not applicable

XI Prospects

Looking ahead to 2026, the global economic structural differentiation and regional restructuring of industrial chains remain significant. The focus of industry competition is gradually shifting towards comprehensive innovation in technology, products, and ecosystems centered on value creation. At the same time, the new wave of technological revolution led by AI is deeply integrating into various industries, accelerating the digital and intelligent transformation process of traditional industries.

Based on the new era's development opportunities and challenges, the Company will consistently align its corporate strategy with the times, proactively create a full-scenario industrial ecosystem of "Empower IoT with Display", and persist in high-level technological innovation. We will continue to build a modern industrial development system and actively integrate into the global market, continuously consolidating our global leading position in the display industry. Meanwhile, our various innovative businesses will keep developing flagship products to enhance the global influence of the IoT innovation industry, thus laying a solid foundation for the Company's high-quality growth.

1. "1+4+N+Ecosystem" business development structure

Display Devices business: The Company will continuously optimize product structure and lead high-quality development of the industry. In the LCD business, the Company will consolidate its capacity advantages in high-generation production lines and accelerate the transformation of low-generation lines toward innovative applications, achieving industry-leading overall operational efficiency. For OLED business, it will on expanding high-yield customers, penetrating diversified markets, and advancing product development and volume growth in IT and automotive applications.

IoT Innovation business: The Company will focus on enhancing the integration of software and hardware and system design capabilities, striving to build an industrial ecosystem that deeply integrates display technology with IoT applications. By integrating core display panel resources and strengthening the synergy between components and terminals, it aims to achieve breakthroughs in mainstream terminal businesses. At the same time, BOE will actively explore opportunities in innovative terminal markets, accelerate product differentiation and diversified customer expansion, and strengthen value creation.

Sensor business: The Company will focus on breakthroughs in two key areas: glass-based packaging substrates and industrial sensors. It will build full-stack vertically integrated capabilities from component innovation to solution integration, providing advanced products and high-quality services covering smart hardware and scenario-based applications. Businesses such as smart screens and FPXD will further integrate resources, and accelerate customer acquisition and market expansion.

MLED business: The Company will focus on expanding scale and product categories to comprehensively enhance business capabilities. In the direct display business, the Company will target three major product platforms—indoor, outdoor, and innovative applications—while building highly competitive product lines based on COB, COG, and SMD technologies. In the backlight business, it will strengthen the integrated service chain of "LED → backlight strip/light board → backlight source → complete device", offering diversified product forms to meet the needs of different customers and application scenarios.

Smart Engineering Medicine business: With seniors and adolescents as core customers, BOE will delve deeply into customer demands and pain points. Using engineering medicine as a guide, we will build a tiered service system. Through integrated software and hardware solutions and professional health management tools, we will extend high-quality medical resources and professional continuous services to communities and families.

"N" business: Relying on the "1+4" capabilities layout, the Company will reach the demand side and market side, continue to deepen advantageous tracks, and accelerate the landing of scaled application scenarios. At the same time, it will adhere to the

“three principles” of business development, strengthen frontier technology incubation, and help the Company enter a new era of high-quality and high-speed growth.

“Ecosystem”: The Company will adhere to the concept of “in-depth cooperation, collaborative development and value co-creation”, fully integrate key resources in the upstream and downstream of the industrial chain, continuously enhance overall value creation capabilities, and work together to build an open and win-win industrial ecosystem.

2. Improvement in digital and intelligent capabilities

With the goal of building “one digital and visual BOE”, the Company will implement a series of digital transformation initiatives with precision and depth, creating an intelligent decision-making hub. At the same time, BOE will continuously reinforce its platform capabilities foundation represented by AI technologies, deepen the implementation of its AI+ strategy, and promote the deep integration of AI technologies with operation and manufacturing, product innovation, and business operation, thereby comprehensively enhancing the Company’s operational and management efficiency.

3. Sustainable development

The Company will formulate a practical corporate sustainability strategy guided by the national “3060 dual-carbon” strategy. Through the six strategic pillars of “Open Innovation, Environmental Sustainability, Win-Win Ecosystem, People-Oriented Development, Integrity-based Operation, and Value Creation for the Future”, we aim to integrate technological innovation, ESG, and value creation into a closed loop, comprehensively promoting the symbiotic and mutually beneficial development of the Company with environmental benefits and social value.

4. Globalization

high-quality development of global business with a “market-oriented, international, and professional” mindset. From the market-oriented perspective, the Company will continuously improve its modern corporate governance system by comprehensively considering industry characteristics, business attributes, and development strategies in management and talent utilization. In terms of the international aspect, it will optimize its global industrial layout and participate in global resource allocation across broader scopes, wider fields, and deeper levels. In terms of the professional mindset, it will establish mechanisms and compliance risk control systems tailored to efficient corporate operations, continuously enhancing the professionalism and capabilities of its talent teams, and providing strong support for the Company’s high-quality development.

XII Communications with the Investment Community such as Researches, Inquiries and Interviews

☒ Applicable ☐ Not applicable

Date	Place	Way of communication	Type of the communication party	Communication party	Main discussions and materials provided by the Company	Index to the relevant information
7 January 2025	BOE Core Competence Tower	On-site visit	Institution	China Asset Management, Guolian Securities	Main discussions: Answered questions from investors.	www.cninfo.com.cn
21 January 2025	BOE Core Competence Tower	On-site visit	Institution	E Fund Management, China Universal Asset Management, Guosen Securities		
23 January 2025	Conference call	By phone	Institution	CPIC, Industrial Securities		
23 January 2025	BOE Technology Innovation Center	On-site visit	Institution	New China Asset		
13 February 2025	Wuhan BOE Optoelectronics	On-site visit	Institution	Guosen Securities and 9 other institutions		

	Technology Co., Ltd.					
18 February 2025	BOE Core Competence Tower	On-site visit	Institution	Orient Securities		
19 February 2025	Conference call	By phone	Institution	Fullgoal Fund, Guolian Minsheng Securities		
13 March 2025	BOE Core Competence Tower	On-site visit	Institution	Yinhua Fund, Guolian Minsheng Securities		
22 April 2025	http://rs.p5w.net/	Other	Other	Investors attending BOE's 2024 Annual Results Online Briefing	Main discussions: Answered questions from investors.	
22 April 2025	Conference call	By phone	Institution	Aspex Management (HK) Limited and 140 other institutions	Main discussions: 1. Industry and market overview; 2. The Company's operating results; 3. Performance interpretation; 4. Shareholder returns; 5. Answered questions from investors.	
21 May 2025	BOE Core Competence Tower	On-site visit	Institution	China Securities, Ping An Asset Management, China Life Asset Management, China RE Asset, China Everwin Asset, Anything Investment		
26 May 2025	BOE Core Competence Tower	On-site visit	Institution	ICBC Credit Suisse Asset Management, Tianfeng Securities		
3 June 2025	BOE Technology Innovation Center	On-site visit	Institution	Harvest Fund		
10 June 2025	BOE Technology Innovation Center	On-site visit	Institution	Foresight Fund, Huatai Securities		
27 June 2025	BOE Core Competence Tower	On-site visit	Institution	GIC	Main discussions: Answered questions from investors.	
16 July 2025	Conference call	By phone	Institution	China Universal, Changjiang Securities		
17 July 2025	Conference call	By phone	Institution	Guotai Asset Management, GF Securities		
18 July 2025	BOE Core Competence Tower	On-site visit	Institution	Tianhong Asset Management, Cinda Securities		
24 July 2025	BOE Core Competence Tower	On-site visit	Institution	UBS Asset Management, CITIC Securities		
29 July 2025	Conference call	By phone	Institution	Throughline Capital		
7 August 2025	BOE Technology Innovation Center	On-site visit	Institution	China Securities		
8 August 2025	Conference call	By phone	Institution	Hansen Fund, SDIC Securities		

11 September 2025	https://ir.p5w.net	Other	Other	Investors participating in the Company's performance briefing	Main discussions: 1. An overview of the Company's operating performance in the first half of the year; 2. On-site Q&A session; 3. Online Q&A session with investors.
28 September 2025	BOE Core Competence Tower	On-site visit	Institution	Western Securities	Main discussions: Answered questions from investors.
29 September 2025	Conference call	By phone	Institution	Tiger Pacific Capital LP	
31 October 2025	Conference call	By phone	Institution	IncTar Cap, 108 institutions in total	Main discussions: 1. Industry and market overview; 2. The Company's operating results; 3. Answered questions from investors.
31 October 2025	BOE Core Competence Tower	On-site visit	Institution	Shenzhen Hongchou Investment Co., Ltd.	Main discussions: Answered questions from investors.
4 November 2025	BOE Core Competence Tower	On-site visit	Institution	UBS, Cephei Capital Management, Taosheng Asset Management, Xinwei Asset, CITIC Securities	
20 November 2025	Conference call	By phone	Institution	Hwabao WP Fund, Shenyin & Wanguo Securities	
21 November 2025	BOE Core Competence Tower	On-site visit	Institution	China Life Asset Management, Zhongtai Securities	
27 November 2025	Hefei BOE Solar Technology Co., Ltd.	On-site visit	Institution	Guosheng Power and New Energy, 12 institutions in total	
2 December 2025	BOE Core Competence Tower	On-site visit	Institution	Guolian Fund	
5 December 2025	BOE Core Competence Tower	On-site visit	Institution	Maxwealth Fund, Changjiang Securities	
9 December 2025	BOE Core Competence Tower	On-site visit	Institution	Harvest Fund, Penghua Fund, JT Asset Management, Sealand Securities	
18 December 2025	BOE Core Competence Tower	On-site visit	Institution	Rabbit Fund, Northeast Securities	

XIII Formulation and Implementation of Market Value Management Rules and Valuation Enhancement Plan

Indicate whether the Company has formulated market value management rules.

☒ Yes ☐ No

Indicate whether the Company has disclosed a valuation enhancement plan.

☐ Yes ☒ No

In order to effectively strengthen investment value and enhance investor returns, in accordance with the Company Law, the Securities Law, Regulatory Guideline No. 10 for Listed Companies—Market Value Management, and other applicable laws and regulations, the Company has formulated the Market Value Management Rules, which was reviewed and approved at the Fourth Meeting of the 11th Board of Directors of the Company on 18 April 2025.

XIV Implementation of the Action Plan for “Dual Enhancement of Quality and Profitability”

Indicate whether the Company has disclosed its Action Plan for “Dual Enhancement of Quality and Profitability”.

☒ Yes ☐ No

1. Adhere to “Strategic Guidance”

BOE is committed to providing intelligent interface products and professional services for information interaction and human health. Based on its IoT strategic transformation, the Company has proposed the “Empower IoT with Display” strategy to adapt to the development of the times, and established a “1+4+N+Ecosystem” business development structure to comprehensively promote the execution and implementation of the strategy. Among these, “1” refers to the display business, in which the Company will focus on high-quality development, enhanced internal capabilities and lean management, ensuring that its industry position will remain firmly among the global leaders. “4” represents high-potential business sectors, where the Company will continuously enhance core capability building and resource reuse, significantly improving its overall market competitiveness. “N” points to the diversified segmented business scenarios, where the Company will continue to explore advantageous sectors, with several industry benchmarks that are “specialized, sophisticated, distinctive, and innovative” already created.

In the future, the Company will consistently adhere to the “Nth Curve” theory as a guide, firmly implement the “Empower IoT with Display” development strategy, and follow the “Three Principles” of business expansion. Relying on three core advantages, we will continuously improve the “1+4+N+Ecosystem” business development structure. While consolidating our leading position in display, we will accelerate the exploration of innovative businesses, promote the maximization of resource reuse, and achieve high-quality business growth, providing good returns to our shareholders.

2. Uphold “Innovation as the Primary Driver”

The Company consistently prioritizes technology and innovation and comprehensively strengthens its technological competitive advantage through intensive R&D investment. In 2021, the Company’s R&D investment exceeded RMB10 billion for the first time, and from 2021 to 2025, we have consistently invested more than RMB12 billion annually, making us a leader in R&D investment in the global display field. In addition, the Company has continued to strengthen its high-quality patent portfolio. As of the end of 2025, the total number of patent applications exceeded 100,000. Among the newly filed patent applications during the year, more than 90% were invention patents, and over 33% were overseas patents, covering multiple countries and regions including the United States, Europe, Japan, and South Korea, and spanning diverse fields such as flexible OLED, sensors, AI, and big data. The Company has entered the global TOP20 in the IFI U.S. patent authorization ranking for eight consecutive years. In addition, it has been selected for five straight years and remained among the Top 100 Global Innovators by Clarivate Analytics. The Company actively responds to the development requirements of new quality productivity by constructs three core technology pillars—display, IoT innovation, and sensor devices. With the core objective of overcoming significant technical challenges in the industry, we have formulated development strategies for key source directions, planned the technology ecosystem network, and completed the top-level design of collaborative innovation with upstream and downstream partners, as well as industry-university-research cooperation. We have already achieved the implementation of several collaborative results.

Moving forward, the Company will persistently uphold “innovation as the primary driver”, dynamically matching technological capabilities with market demands, and leveraging technological iterations to facilitate the implementation of diversified ecological scenarios. At the same time, we will continuously strengthen resource investment and the efficiency of industry-university-

research integration, deepen industry-university-research cooperation, and persistently tackle core technologies to lay a foundation for building industry-leading technological and innovation capabilities.

3. Maintain “Ethical and Top-Quality Corporate Governance”

To thoroughly implement the newly revised Company Law of the People's Republic of China, promote the optimization of corporate governance mechanisms, and improve the Company's internal systems, during the Reporting Period, the Company revised nearly 30 governance systems, including the Articles of Association and its annexes, the Composition and Rules of Procedure of the Risk Control and Audit Committee of the Board of Directors, and the Composition and Rules of Procedure of the Nomination, Remuneration and Appraisal Committee of the Board of Directors, and newly formulated the Management Measures for the Departure of Directors, in accordance with the latest laws, regulations and normative documents. Additionally, it adjusted the internal supervisory bodies to further enhance operational compliance.

The Company continues to advance governance improvement in various areas, continuously strengthening the performance of directors and senior management, and actively organizing them to participate in special training. By holding special meetings for independent directors and organizing on-site visits and research for independent directors, the Company gives full play to independent directors and provides support for their performance of duties.

During the Reporting Period, the Company's governance was sound and its operational compliance level was high. Moving forward, it will abide by the principles of “integrity, standardization, transparency, and responsibility”, regulate itself and continuously improve the level of governance.

4. Conduct transparent and efficient information disclosure

So far, the Company has achieved 10 straight years of Grade A ratings for information disclosure by the Shenzhen Stock Exchange. Upholding strict adherence to legal and regulatory requirements, the Company abides by the “accuracy, completeness, and truthfulness” principle in disclosing information, catering to investor needs and actively fulfilling social responsibilities. Having published a social responsibility report (sustainability report) for 16 straight years, the Company bolsters information disclosure transparency. Moving forward, it will further enhance disclosure quality, effectively communicate corporate value, and strive to provide a sound basis for investors’ valuation judgments and interest protection.

5. Contribute to “Coexistence and Win-Win with Investors”

The Company persists in showing gratitude to shareholders for their long-standing support through consistent share repurchases and cash dividends as a way to fulfill its obligations as a public company.

In order to establish and improve the shareholder return mechanism, actively pay back to investors, and effectively protect the legitimate rights and interests of investors, the Company has formulated the Shareholder Return Plan for the Next Three Years (2025-2027) in accordance with relevant rules and the requirements of the Articles of Association, taking into account the Company's actual situation. In 2025, the Company implemented the 2024 final dividend payout of approximately RMB1.87 billion in cash; and it carried out an A-stock repurchase plan of over RMB1.5 billion, and all repurchased shares have been retired, reducing the Company's registered capital.

The Company persists in a proactive, professional, and diverse approach to investor relations management, and continuously make innovations in the way it communicates with investors. For institutional investors, it maintains close ties with the market through institutional investor visits, securities firms’ investment conferences, reverse roadshows for institutional investors, 2025 BOE Investor Day, among other means. For small and medium-sized investors, the Company capitalizes on various platforms, including Shareholders’ Meetings, online result presentations, Shenzhen Stock Exchange’s platform at irm.cninfo.com.cn, investor hotline, and IR email address, to engage actively and respond to queries, gather feedback, and facilitate rights exercise.

Moving forward, the Company will continue to implement the Shareholder Return Plan for the Next Three Years (2025-2027). Adhering to the “investor-centric” philosophy, it will continuously improve investor returns, fulfill the responsibilities and obligations as a public company, and jointly promote the healthy development of the capital market.

Part IV Environmental, Social and Governance Information

I General 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 Stock Listing Rules of the Shenzhen Stock Exchange, Guidelines of the Main-Board for the Standardized Operation of Companies, 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 directors 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, concurrently adjusted the structure of the internal oversight bodies, and continued to promote the Company's governance in many ways. Actively arranged the Company's directors and senior executives to join special training organized by the Securities regulatory bureau of Beijing, and organized on-site research for independent directors. The Company kept regularly self-inspection of the related party fund transaction, external guarantee as well as the shareholding and its changes of the directors, supervisors and senior executives, and strengthened the communication of the investors through the Shenzhen Stock Exchange Investors Interactive Platform.

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 General Meetings of Shareholders

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 general meetings of shareholders 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 general meetings of shareholders, 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 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 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 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 Articles of Association and Rules of Procedure for the Board of Directors. There were three special committees under the Board of Directors, namely, the Strategic Committee, the Nomination, Remuneration and Appraisal Committee and the Risk Control and Audit Committee. The Company also formulated rules of procedure for all the said special committees so that they could perform better.

(4) About Information Disclosure and Transparency

According to the Company Law, the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines of the Main-Board for the Standardized Operation of Companies, the 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 highly values investor relations and has set up a specialized investor relations team to consistently execute investor relations functions with proactive, professional, and diverse strategies.

For institutional investors, the Company maintains effective communication channels with diverse types, ensuring persistent market visibility. It offers top-notch service through institutional surveys, brokerage strategy sessions, organized roadshows for institutions, and organized Investor Day.

In terms of serving small and medium-sized investors, the Company consistently prioritizes their service and upholds equal treatment. It maintains active interaction and communication with medium and small investors by means of shareholder meetings, online performance presentations, the Shenzhen Stock Exchange's platform, investor hotlines and investor mailboxes, answers their questions, heeds their suggestions, and facilitates the exercise of their rights. The Company actively innovated the format of its online briefing on the results. For the 2025 interim results, the online briefing was conducted simultaneously through an online text-and-graphic live stream and offline interactions, enabling investors to more intuitively access management's responses to matters of general concern, promoting the open, transparent, efficient and consistent communication between the Company, investors and analyst of securities, and making them known more about the development strategy, operation conditions and technical achievements of the Company.

Meanwhile, the Company has joined hands with a third-party professional IR service agency to conduct investor relations activities via the digital platform, which makes the communication become more convenient between the investor and the Company and ensures the compliance and fairness of the investor relations activities.

In terms of investor protection, the Company actively responds to the call of the Securities and Futures Commission, the Stock Exchange and the China Association for Public Companies, and carries out investor protection awareness campaigns through channels such as its corporate website, with a focus on listing rules and risk identification, promoting wise investment decisions, and embodying the social responsibility of listed corporations.

In terms of shareholder returns, with a view to establishing and refining the Company's shareholder return mechanism, actively rewarding investors, effectively protecting the legitimate rights and interests of the investing public, and guiding investors to embrace a long-term investment philosophy, the Company announces in April 2025 the Three-Year (2025–2027) Shareholder Return Plan. The Plan provides that the annual cash dividend distributed each year over the next three years shall be no less than 35% of the net profit attributable to the owners of the Company as the parent for that year; the annual amount of funds used for share repurchases with the purpose of cancellation shall be no less than RMB1.5 billion (share repurchases for equity incentive purposes or other uses will be separately arranged); and where conditions permit, interim profit distributions may be made. Through a combination of measures including increasing the cash dividend payout ratio and implementing share repurchases for cancellation, the Company aims to deliver consistent, stable and predictable shareholder returns.

2. Corporate governance systems of the Company revised during the Reporting Period

During the Reporting Period, the Company revised certain corporate governance systems according to its development needs. The relevant systems have been disclosed on the Cninfo website. Please refer to the table below for specific revisions:

Disclosure date	System name	New/Revision
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15 January 2025	Articles of Association	Revision
15 January 2025	Rules of Procedure for the Board of Directors	Revision
15 January 2025	Shareholders' Meeting Rules of Procedure	Revision
15 January 2025	Board of Directors' Strategic Committee Composition and Rules of Procedure	Revision
15 January 2025	Board of Directors' Nomination & Remuneration & Appraisal Committee Composition and Rules of Procedure	Revision
15 January 2025	Executive Committee Chairman's Working Guidelines	Revision
15 January 2025	Executive Committee Composition and Rules of Procedure	Revision
15 January 2025	Administrative Rules for Professional Managers	Revision
28 August 2025	Board of Directors' Nomination & Remuneration & Appraisal Committee Composition and Rules of Procedure	Revision
28 August 2025	Composition and Rules of Procedure of the Risk Control and Audit Committee of the Board of Directors	Revision
28 August 2025	Rules for Independent Directors	Revision
28 August 2025	Executive Committee Composition and Rules of Procedure	Revision
28 August 2025	Working Rules for the Chairman of the Executive Committee	Revision
28 August 2025	Working Rules for the Company Secretary	Revision
28 August 2025	Administrative Rules for the Holding of and Changes in the Company's Shares by Directors and Senior Management	Revision
28 August 2025	Administrative Rules for Investor Relations	Revision
28 August 2025	Administrative Rules for Information Disclosure	Revision
28 August 2025	Registration and Management System for Persons with Access to Inside Information	Revision
28 August 2025	Internal Reporting System for Material Information	Revision
28 August 2025	Management System for External Users of Information	Revision
28 August 2025	Accountability System for Material Errors in the Disclosure of Information in the Annual Report	Revision
28 August 2025	Administrative Rules for Related-party Transactions	Revision
28 August 2025	Administrative Rules for External Guarantees	Revision
28 August 2025	Administrative Rules for Derivatives Trading	Revision
28 August 2025	Administrative Rules for the Raised Funds	Revision
28 August 2025	Management System for Wealth Management and Structured Deposit Business	Revision
28 August 2025	Administrative Rules for Fund Transactions with Related Parties	Revision
28 August 2025	External Investment Management Measures	Revision
28 August 2025	Administrative Rules for Internal Control	Revision
28 August 2025	Internal Audit System	Revision
28 August 2025	Accounting Firm Selection Management Measures	Revision
28 August 2025	Administrative Rules for Resignation of Directors	New
17 September 2025	Articles of Association	Revision
17 September 2025	Rules of Procedure for Shareholders' Meeting	Revision
17 September 2025	Rules of Procedure for the Board of Directors	Revision
31 October 2025	Administrative Rules for Professional Managers	Revision

Indicate by tick mark whether there is any material in-compliance with laws, administrative regulations and the regulatory documents issued by the CSRC governing the governance of listed companies.

☐ Yes ☒ No

No such cases in the Reporting Period.

II The Company's Independence from Its Controlling Shareholder and Actual Controller in Business, Personnel, Asset, Organization and Financial Affairs

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. The Chairman of the Executive Committee and 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 Directors and Senior Management

1. Basic Information

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change in shareholding
Chen Yanshun	Male	60	Chairman of the Board	Incumbent	28 June 2019	13 January 2028	2,900,000	0	0	0	2,900,000	N/A
			Chief Strategic Planner	Incumbent	14 January 2025	13 January 2028						
			Chairman of the Executive Committee	Former	20 May 2016	14 January 2025						
Feng Qiang	Male	49	Vice Chairman of the Board	Incumbent	27 May 2024	13 January 2028	975,700	0	0	0	975,700	N/A
			Chairman of the Executive Committee, and Chief Executive Officer (CEO)	Incumbent	14 January 2025	13 January 2028						
			Vice Chairman of the Executive Committee	Former	24 July 2024	14 January 2025						
Wang Xiping	Male	47	Vice Chairman of the Board	Incumbent	30 October 2025	13 January 2028	852,400	0	0	0	852,400	N/A
			Vice Chairman of the Executive Committee, and Chief Operating Officer (COO)	Incumbent	14 January 2025	13 January 2028						
			Member of the Executive Committee, and Executive Vice President	Former	28 April 2022	14 January 2025						
Feng	Female	53	Director	Incumbent	17 November	13 January 2028	1,360,000	0	0	0	1,360,000	N/A

Liqiong					2025							
			Member of the Executive Committee, and Executive Vice President	Incumbent	28 June 2019	13 January 2028						
			Chief Counsel	Incumbent	22 August 2007	13 January 2028						
Guo Chuan	Male	57	Director	Incumbent	15 November 2024	13 January 2028	0	0	0	0	0	N/A
Ye Feng	Male	60	Director	Incumbent	14 December 2021	13 January 2028	0	0	0	0	0	N/A
Jin Chunyan	Female	49	Director	Incumbent	14 January 2025	13 January 2028	0	0	0	0	0	N/A
Tang Shoulian	Male	73	Independent director	Incumbent	30 May 2020	13 January 2028	0	0	0	0	0	N/A
Zhang Xinmin	Male	63	Independent director	Incumbent	18 May 2021	13 January 2028	0	0	0	0	0	N/A
Guo He	Male	63	Independent director	Incumbent	28 April 2022	13 January 2028	0	0	0	0	0	N/A
Wang Duoxiang	Male	56	Independent director	Incumbent	28 April 2022	13 January 2028	0	0	0	0	0	N/A
Li Yang	Male	40	Employee Director	Incumbent	22 September 2025	13 January 2028	0	0	0	0	0	N/A
Yang Xiaoping	Female	46	Member of the Executive Committee, and Executive Vice President	Incumbent	31 March 2023	13 January 2028	742,300	0	0	0	742,300	N/A
			Chief Financial Officer (CFO)	Incumbent	28 April 2022	13 January 2028						
Liu Zhiqiang	Male	44	Member of the Executive Committee, and Senior Vice President	Incumbent	24 July 2024	13 January 2028	247,500	0	0	0	247,500	N/A
Liu Jing	Male	45	Member of the Executive Committee	Incumbent	29 October 2024	13 January 2028	425,920	0	0	0	425,920	N/A

			Senior Vice President	Incumbent	14 January 2025	13 January 2028						
			Vice President	Former	29 October 2024	14 January 2025						
Yun Xiangnan	Male	43	Member of the Executive Committee	Incumbent	29 October 2024	13 January 2028	518,500	0	0	0	518,500	N/A
			Senior Vice President	Incumbent	14 January 2025	13 January 2028						
			Vice President	Former	29 October 2024	14 January 2025						
Jiang Xingqun	Male	48	Member of the Executive Committee, and Senior Vice President	Incumbent	14 January 2025	13 January 2028	724,200	0	0	0	724,200	N/A
Qi Zheng	Male	43	Member of the Executive Committee, and Senior Vice President	Incumbent	14 January 2025	13 January 2028	741,600	0	0	0	741,600	N/A
Yue Zhanqiu	Male	58	Senior Vice President, and Chief Audit Officer	Incumbent	28 April 2023	13 January 2028	553,440	0	0	0	553,440	N/A
Guo Hong	Female	36	Vice President, and Board Secretary	Incumbent	14 January 2025	13 January 2028	428,500	0	0	0	428,500	N/A
Gao Wenbao	Male	50	Vice Chairman of the Board	Former	14 January 2025	10 October 2025	1,860,700	0	0	0	1,860,700	N/A
			President, and Vice Chairman of the Executive Committee	Former	28 April 2022	14 January 2025						
Sun Yun	Female	56	Member of the Executive Committee, and Executive Vice President	Former	26 December 2014	14 January 2025	1,989,481	0	0	0	N/A	N/A
Guo	Male	48	Senior Vice	Former	31 March 2023	9 July 2025	0	0	0	0	0	N/A

Huaping			President, and Chief Culture Officer									
Liu Hongfeng	Male	47	Vice President	Former	20 May 2016	14 January 2025	1,024,500	0	0	0	N/A	N/A
			Board Secretary	Former	10 July 2013	14 January 2025						
Total	--	--	--	--	--	--	15,344,741	0	0	0	12,330,760	--

Note: On 14 January 2025, the First Extraordinary General Meeting of Shareholders in 2025 elected Ms. Jin Chunyan as a director of the 11th Board of Directors. The Board of Directors appointed Mr. Jiang Xingqun, Mr. Qi Zheng and Ms. Guo Hong as senior management of the Company. On 22 September 2025, the Workers Congress of the Company elected Mr. Li Yang as an employee director of the 11th Board of Directors. For the above individuals, the number of shares held at the time of their appointment is used as the beginning shareholding for these individuals.

Indicate by tick mark whether any director or senior management left before the expiry of their office terms during the Reporting Period.

☒ Yes ☐ No

1. On 9 July 2025, the Board of Directors of the Company received a written resignation from Mr. Guo Huaping, a senior management member. Due to work changes, Mr. Guo Huaping applied to resign from his positions as Senior Vice President and Chief Culture Officer of the Company. Following his resignation, he no longer holds any position in the Company or its subsidiaries.

2. On 10 October 2025, the Company received a written resignation report from Mr. Gao Wenbao, the Vice Chairman of the Board. For personal reasons, Mr. Gao Wenbao applied to resign from his positions as a Director, Vice Chairman of the Board and member of the special committees of the Board of Directors. Following his resignation, he no longer holds any position in the Company or its subsidiaries.

Change of Directors and Senior Management

☒ Applicable ☐ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Gao Wenbao	Vice Chairman of the Board	Resignation	10 October 2025	Personal reasons
	Senior management	Resignation upon expiration of term	14 January 2025	Change of term
Sun Yun	Senior management	Resignation upon expiration of term	14 January 2025	Change of term
Guo Huaping	Senior management	Dismissal	9 July 2025	Reassignment
Liu Hongfeng	Senior management	Resignation upon expiration of term	14 January 2025	Change of term

2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors and senior management

Directors:

Mr. Chen Yanshun, Master of Economics, Senior Economist, and Senior Accountant. Joining the Company in 1993, he used to be Secretary to the 1st Board of Directors of the Company, Secretary to the 2nd Board of Directors and Vice President, Executive Director of the 3rd Board of Directors and Senior Vice President, Executive Director of the 4th, 5th and 6th Boards of Directors and President, Vice Chairman of the 7th Board of Directors and President, Vice Chairman of the 8th Board of Directors and Chairman of the Executive Committee (Chief Executive Officer), Chairman of the 9th Board of Directors and Chairman of the Executive Committee, and Chairman of the 10th Board of Directors and Chairman of the Executive Committee. Also, he once was Chairman of the Board for a number of subsidiaries including Beijing BOE Optoelectronics Technology Co., Ltd., Hefei BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Optoelectronics Technology Co., Ltd., and BOE Smart Technology Co., Ltd.

Currently, he serves as Chairman of the 11th Board of Directors and Chief Strategic Planner of the Company. He is also Chairman of the Board for BOE Optoelectronics Holdings Co., Ltd., BOE Optoelectronics Technology Co., Ltd. Meanwhile, he is also Vice Chairman of China Optics & Optoelectronics Manufactures Association (COEMA), Chairman of China Optics & Optoelectronics Manufactures Association LCB (CODA). He has been awarded as National Model Worker in 2020, the Economic Figure of the Year by China News Weekly in 2021, and David Sarnoff Industry Achievement Award in 2024.

Mr. Feng Qiang, Master of Executive Master of Business Administration, Master of Engineering, Engineer. He joined the Company in 1998 and has served as the Deputy General Manager and General Manager of the Company's Science Park Business Headquarters, Vice President of the Company, Chairman of BOE Regenerative Medicine Technologies Co., Ltd., Executive Director and Executive Deputy General Manager of Beijing BOE Real Estate Co., Ltd., Executive Director and Executive Deputy General Manager of Beijing Yinghe Century Co., Ltd., General Manager of Beijing Matsushita Colour CRT Co., Ltd., Co-CEO of the Smart Healthcare Service BG, Chairman and CEO of Smart Engineering Medicine business, Member of the Company's Executive Committee, Executive Vice President, Chief Human Resource Officer, and Vice Chairman of the 10th Board of Directors and Vice Chairman of the Executive Committee.

He is currently serving as Vice Chairman of the 11th Board of Directors, Chairman of the Executive Committee, and Chief Executive Officer (CEO) of the Company. He is also Chairman of Beijing BOE Real Estate Co., Ltd., Chairman of Beijing Yinghe Century Co., Ltd., and Chairman of Beijing BOE Songcai Innovation Co., Ltd.

Mr. Wang Xiping, Bachelor's degree. He has served as the manager of Nanjing Hanyu Caixin Technology Co., Ltd., and has held positions such as the head of the Production Management Centre, General Manager of Hefei Xinsheng Optoelectronics Technology

Co., Ltd., General Manager of Wuhan BOE Optoelectronics Technology Co., Ltd., Co-CEO of the Display Business, Chief Procurement Officer, Head of the Middle Office, Director of the Company's 10th Board of Directors, Committee Member of the Executive Committee, and Executive Vice President, etc.

He is currently serving as the Vice Chairman of the 11th Board of Directors, Vice Chairman of the Executive Committee, and Chief Operating Officer (COO) of the Company, in addition to being CEO of the New Materials Business and Silicon-based Microdisplay Business. He is also Chairman of Beijing BOE Optoelectronic Technology Co., Ltd., Chairman of Beijing BOE Materials Technology Co., Ltd., Chairman of Yantai BOE Material Technology Co., Ltd., Director of BOE Innovation Investment Co., Ltd., and Member of the High-end Manufacturing Industry Committee of the China Association for Public Companies.

Ms. Feng Liqiong, Bachelor Degree and Lawyer of the Company, she has served as Senior Vice President and Minister of Legal Affairs Department of the Company, and as Secretary of the 5th and 6th Board of Directors.

Now she is a director of the 11th Board of Directors, a member of the Executive Committee, Executive Vice President, and Chief Counsel of the Company.

Mr. Guo Chuan, Master's degree, Level 2 Lawyer. He has served as the Director of the Board Secretary Office, Head of the Legal Affairs Department, Board Secretary, General Counsel, Deputy General Manager, and Director of Beijing Beichen Industrial Co., Ltd., and Director of the 10th Board of Directors of the Company.

He is currently serving as a Director of the Company's 11th Board of Directors, Deputy Secretary of the Party Committee, Director, and General Manager of Beijing State-owned Capital Operation and Management Company Limited, Director of China Resources Pharmaceutical Group Limited, Chairman and General Manager of Beijing Jingguorui Investment Management Co., Ltd., Chairman of Beijing Jingguan Tai Fu Fund Management Co., Ltd., and Chairman of First Capital Securities Co., Ltd.

Mr. Ye Feng, BS in Engineering, Engineer. Previously, he served as Deputy Factory Manager of Beijing Jianzhong Machinery Factory, a Director of the Board of Directors and General Manager of Beijing Qixing Huachuang Electronic Co., Ltd., Vice President of Beijing Beiguang Electron Group Co., Ltd., Factory Manager of Beijing Dahua Radio Instrument Factory, Chairman of Beijing Dahua Radio Instrument Company, Ltd., and Director of the 9th and 10th Board of Directors of the Company.

He is currently a Director of the 11th Board of Directors, a full-time Director assigned by Beijing Electronic Holding Co., Ltd., a Director of Beijing Zhaowei Electronics (Group) Co., Ltd., and a Director of NAURA Technology Group.

Ms. Jin Chunyan, MBA in Business Administration, Senior Executive. She has served as the Deputy Head of the Financial Management Department of Beijing Jianzhong Machinery Factory, Deputy Head of the Planning and Finance Department, Head of the Audit and Supervision Department, and Chief Auditor of Beijing Qixing Huadian Technology Group Co., Ltd., Deputy Director of the Investment Securities Department, Deputy Director of the Capital Operations Department, and Director of Beijing Electronics Holdings Co., Ltd.

She is currently serving as a Director of the Company's 11th Board of Directors, Director of the Investment Management Department of Beijing Electronics Holdings Co., Ltd., Director of Beijing YanDong MicroElectronic Co., Ltd., and Director of Shanghai New Vision Microelectronics Co., Ltd.

Mr. Tang Shoulian, professor, holds a master's degree. He used to be Director of Finance Office, Dean of School of Management and Humanities, Secretary of Party Committee of School of Economics and Management, Executive Dean of School of Economics and Management, and Standing Committee of Academic Committee and Chairman of Labor Dispute Mediation Committee of Beijing University of Posts and Telecommunications (BUPT), and Independent Director of the 9th and 10th Board of Directors of the

Company. He has served as a member of the Expert Committee on Telecommunications Economy of the Ministry of Industry and Information Technology, a permanent member of the Chinese Association of Market Development, a standing member of the Information Law Research Society of the China Law Society, a senior member of the Chinese Society of Technology Economics, a standing member of the Commerce Statistical Society of China, and a reviewer of the Management Science Department of the National Natural Science Foundation of China.

He is currently an Independent Director of the 11th Board of Directors of the Company.

Mr. Zhang Xinmin, Doctor of Management, Professor, was formerly the Dean of the International Business School of the University of International Business and Economics, a member of CPC's Standing Committee and Vice President of the University of International Business and Economics, and Independent Director of the 9th and 10th Board of Directors of the Company.

He is currently an Independent Director of the 11th Board of Directors of the Company, an Independent Director of Minmetals Development Co., Ltd., an Independent Director of COFCO Capital Holdings Co., Ltd., an Independent Director of Neusoft Medical Systems Co., Ltd., a professor of accounting and doctoral supervisor of the International Business School at the University of International Business and Economics, a member of the Business Administration Discipline Review Group of the Academic Degrees Committee of the State Council, Vice President of the China Commercial Accounting Institute, Vice President of Banking Accounting Society of China, and a recipient who enjoys special allowance from the State Council.

Mr. Guo He, a professor and PhD supervisor at the School of Law / School of Intellectual Property of Renmin University of China. He was formerly an Independent Director of the 10th Board of Directors of the Company.

He currently serves as an Independent Director of the 11th Board of Directors of the Company, and an Independent Non-executive Director of Shanxi Installation Group Co., Ltd. He also serves as the Vice President of the China Intellectual Property Research Association, the Executive Vice President of the Intellectual Property Law Research Association of the China Law Society, the Vice President of China Written Works Copyright Society, etc.

Mr. Wang Duoxiang, Doctor of Management, is a researcher and doctoral supervisor at the School of Engineering, Peking University. He was the General Manager of Xiamen PKU Taiyu Pharmaceutical Co., Ltd., Chairman of Xiamen Tobefar Technology Co., Ltd., the Deputy Director of the College of Engineering of Peking University, the Deputy Mayor of Baotou Municipal People's Government of Inner Mongolia, the Vice President of Southern University of Science and Technology, the Director of the Beijing Institute of Collaborative Innovation, and an Independent Director of the 10th Board of Directors of the Company.

He currently serves as an Independent Director of the 11th Board of Directors of the Company, a researcher of the College of Engineering of Peking University, the Director of the Beijing-Tianjin-Hebei National Technology Innovation Centre, the President of Huangpu Innovation College, and an Independent Director of Zhongguancun Bank.

Mr. Li Yang, Bachelor's degree. He has served as the General Manager of Chengdu BOE Optoelectronics Technology Co., Ltd. (Chengdu Gen 4.5 Line) and the General Manager of Erdos Yuansheng Optoelectronics Co., Ltd.

He currently serves as the Employee Director of the 11th Board of Directors and Chief Human Resources Officer (CHRO).

Senior Management:

Ms. Yang Xiaoping, with a Master's degree, was the Deputy Director and Director of the Accounting and Finance Department of the Company, the Centre Director of the Accounting and Taxation Centre, the Center Director of the Budget Center and the VCFO of the Group.

She is currently a member of the Executive Committee, Executive Vice President, and the Chief Financial Officer of the Company

and a Director of Fuzhou BOE Optoelectronics Technology Co., Ltd., Mianyang BOE Optoelectronics Technology Co., Ltd., and Wuhan BOE Optoelectronics Technology Co., Ltd., etc.

Mr. Liu Zhiqiang, Bachelor's degree. He has served as the General Manager and Chairman of Hefei BOE Optoelectronics Technology Co., Ltd., Chairman of Ordos Yuansheng Optoelectronics Co., Ltd., Chairman of BOE (Hebei) Mobile Display Technology Co., Ltd., Project Director of Qingdao BOE Optoelectronics Technology Co., Ltd., and General Manager of Nanjing BOE Display Technology Co., Ltd.

He is currently serving as a Member of the Executive Committee and Senior Vice President, Chief Product Officer, Chief Technology Officer, Head of the Technology and Product Middle Office, and a Director of Beijing BOE Technology Development Co., Ltd., etc.

Mr. Liu Jing, Master's degree. He has served as the Deputy General Manager of Hefei Xinsheng Optoelectronics Technology Co., Ltd., Project Director and General Manager of Hefei BOE Display Technology Co., Ltd., Deputy Head of the Chief Change and IT Management Officer Organisation, Head of the Display Devices and IoT Innovation Business Middle Office Planning and Operations, and Deputy Head of the Front Office for Display Devices and IoT Innovation Business, etc.

He is currently serving as a Member of the Executive Committee and Senior Vice President, Head of the Front Office for Display Devices and IoT Innovation Business, Chairman of Chengdu BOE Smart Technology Co., Ltd., Chairman of Chongqing BOE Smart Technology Co., Ltd., a Director of Guangzhou BOE Smart Technology Co., Ltd., a Director of Qingdao BOE Smart Technology Co., Ltd., a Director of Suzhou BOE Smart Technology Co., Ltd., a Director of BOE TECHNOLOGY (HK) LIMITED, a Director of BOE Smart Technology Co., Ltd., a Director of Shenzhen BOE Smart Technology Co., Ltd., a Director of BOE Smart IoT Technology Co., Ltd., and a Director of TPV Display Technology (China) Co., Ltd., etc.

Mr. Yun Xiangnan, Bachelor's degree. He has served as the General Manager of Fuzhou BOE Optoelectronics Technology Co., Ltd., Deputy Head of the Chief Change and IT Management Officer Organisation, Deputy Head of the Group's Performance Management Centre, etc.

He is currently serving as a Member of the Executive Committee and Senior Vice President, Head of the Display Devices and IoT Innovation Business Middle Office, Chairman of Fuzhou BOE Display Technology Co., Ltd., and a Director of BOE TECHNOLOGY (HK) LIMITED, etc.

Mr. Jiang Xingqun, Ph.D. He has served as the Dean of the BOE IoT and Artificial Intelligence Research Institute, Chief Technology Officer of Smart Systems, and Chief Technology Officer of IoT Solutions, among other positions.

He is currently serving as a Member of the Executive Committee and Senior Vice President, Co-Chief Technology Officer, and Chief Technology Officer of Smart IoT.

Mr. Qi Zheng, Master's degree. He has served as the Head of the Technology Department of Beijing BOE Optoelectronics Technology Co., Ltd., Director of the Group Office of BOE Technology Group Co., Ltd., and Co-Chief Strategy Officer of the Group, etc.

He is currently serving as a Member of the Executive Committee, Senior Vice President, and Chief Strategy Officer of the Company. He is also Director of Nanjing BOE Display Technology Co., Ltd., and Director of Chengdu BOE Display Technology Co., Ltd.

Mr. Yue Zhanqiu, holding a Master's degree and certified as a Senior Accountant, has served as the Chief of Finance Section and Chief Accountant of the Power Division of the Company, Finance Manager of Beijing Huamin Smart Card System Manufacturing

Co., Ltd., CFO of Beijing Sevenstar Science & Technology Co., Ltd., CFO and Board Secretary of Beijing Sevenstar Electronics Co., Ltd., CFO, Deputy General Manager, and General Manager of Beijing Oriental Optoelectronics Technology Co., Ltd., as well as VCFO, Chief Information Officer, and Chief Operating Officer of Beijing BOE Optoelectronics Technology Co., Ltd., VCFO and CIO of the Company, and COO of BOE Innovation Investment Co., Ltd.

Currently, he serves as Senior Vice President and Chief Audit Officer of the Company.

Ms. Guo Hong, a Master's degree holder, was formerly the MNT SBU Sales Director and Deputy General Manager of the Display Devices and IoT Innovation Businesses, and the Director of the Marketing and Strategic Planning Center of the Company, as well as the Director of the Market Insight Center, and the Deputy Director of the Board Secretary's Office of the Group.

She is currently a Vice President and the Secretary to the 11th Board of Directors of the Company.

The controlling shareholder and the actual controller simultaneously serve as the chairman of the board and the general manager of the listed company:

☐ Applicable ☒ Not applicable

Offices held concurrently in shareholding entities:

☒ Applicable ☐ Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Guo Chuan	Beijing State-owned Capital Operation and Management Company Limited	Deputy Secretary of the Party Committee, Director, and General Manager	1 January 2024	-	Yes
Ye Feng	Beijing Electronics Holdings Co., Ltd.	Full-time Director Dispatched	31 August 2021	-	Yes
Jin Chunyan	Beijing Electronics Holdings Co., Ltd.	Director of the Investment Management Department	1 November 2023	-	Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Offices held concurrently in other entities:

☒ Applicable ☐ Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Zhang Xinmin	University of International Business and Economics	Professor, and Doctor Advisor	-	-	Yes
Guo He	Renmin University of China	Professor, and Doctor Advisor	-	-	Yes
Wang Duoxiang	College of Engineering(COE), PKU	Researcher, and Doctor Advisor	-	-	Yes
Notes to post-holding in other entities	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 regulator on the incumbent directors and senior management as well as those who left in the Reporting Period:

☐ Applicable ☒ Not applicable

3. Remuneration of Directors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors and senior management:

(1) Determining Basis and Decision-making Procedure of Remuneration of Directors and Senior Management

The Proposal on Adjustment of Allowance for Directors and Supervisors was reviewed and approved on the 1st Extraordinary General Meeting of Shareholders in 2019 held by the Company on 28 June 2019. The allowance for the Company's executive directors and directors holding posts in shareholder's unit was canceled. The Proposal on Adjustment of Allowance for Independent Directors was reviewed and approved on the 2023 Annual General Meeting of Shareholders held by the Company on 26 April 2024, according to which, the allowance for independent directors was adjusted to RMB300,000 (pre-tax) per year from RMB200,000 (pre-tax) per year.

The remuneration and assessment of the Company's senior management are reviewed by the Nomination, Remuneration and Appraisal Committee of the Board of Directors and submitted to the Board of Directors for approval. At the 16th Meeting of the 9th Board of Directors held on 11 September 2020, the Company considered and approved the Proposal on Determining the Principles for the Remuneration Assessment of the Company's Senior Management. Subsequently, at the 9th Meeting of the 11th Board of Directors held on 16 September 2025, the Company considered and approved the Proposal on Amending the Principles for the Remuneration Assessment of the Company's Senior Management. The remuneration of the Company's senior management comprises basic remuneration, performance-based remuneration and medium-to-long-term incentives. Among these, performance-based remuneration accounts for 60% of the total annual remuneration. The actual amount of performance-based remuneration realized is subject to the overall operating performance of the Company and the operating performance of the business line for which the relevant senior management member is responsible.

(2) During the Reporting Period, the total remuneration received by directors and senior managers in the Company amounted to RMB49.6756 million (pre-tax). Further information is provided in the table below.

Remuneration of directors and senior management for the Reporting Period

Unit: RMB'0,000

Name	Gender	Age	Office title	Incumbent/ Former	Total pre-tax remuneration received from the Company	Any remuneration from related party
Chen Yanshun	Male	60	Chairman of the Board	Incumbent	472.85	No
			Chief Strategic Planner	Incumbent		
			Chairman of the Executive Committee	Former		
Feng Qiang	Male	49	Vice Chairman of the Board	Incumbent	523.18	No
			Chairman of the Executive Committee, and Chief Executive Officer (CEO)	Incumbent		
			Vice Chairman of the Executive Committee	Former		
Wang Xiping	Male	47	Vice Chairman of the Board	Incumbent	500.58	No
			Vice Chairman of the Executive Committee, and Chief Operating Officer (COO)	Incumbent		
			Member of the Executive Committee, and Executive Vice President	Former		
Feng Liqiong	Female	53	Director	Incumbent	449.59	No
			Member of the Executive Committee, and Executive Vice President	Incumbent		
			Chief Counsel	Incumbent		

Guo Chuan	Male	57	Director	Incumbent	0	Yes
Ye Feng	Male	60	Director	Incumbent	0	Yes
Jin Chunyan	Female	49	Director	Incumbent	0	Yes
Tang Shoulian	Male	73	Independent director	Incumbent	30	No
Zhang Xinmin	Male	63	Independent director	Incumbent	30	No
Guo He	Male	63	Independent director	Incumbent	30	No
Wang Duoxiang	Male	56	Independent director	Incumbent	30	No
Li Yang	Male	40	Employee Director	Incumbent	40.33	No
Yang Xiaoping	Female	46	Member of the Executive Committee, and Executive Vice President	Incumbent	425.2	No
			Chief Financial Officer (CFO)	Incumbent		
Liu Zhiqiang	Male	44	Member of the Executive Committee, and Senior Vice President	Incumbent	356.78	No
Liu Jing	Male	45	Member of the Executive Committee	Incumbent	319.9	No
			Senior Vice President	Incumbent		
			Vice President	Former		
Yun Xiangnan	Male	43	Member of the Executive Committee	Incumbent	302.89	No
			Senior Vice President	Incumbent		
			Vice President	Former		
Jiang Xingqun	Male	48	Member of the Executive Committee, and Senior Vice President	Incumbent	333.44	No
Qi Zheng	Male	43	Member of the Executive Committee, and Senior Vice President	Incumbent	332.66	No
Yue Zhanqiu	Male	58	Senior Vice President, and Chief Audit Officer	Incumbent	285.55	No
Guo Hong	Female	36	Vice President, and Board Secretary	Incumbent	193.89	No
Gao Wenbao	Male	50	Vice Chairman of the Board, and Senior management	Former	180	No
Guo Huaping	Male	48	Senior management	Former	130.72	No
Total	--	--	--	--	4,967.56	--

Notes: 1. According to the reporting rules, the disclosed total remuneration amounts represent the annual cash remuneration attributed to the current period based on accrual. Note that for some directors and senior management, the total remuneration amounts provided are estimates as their appraisals are still ongoing. 2. On 22 September 2025, the Company held a Workers Congress, which elected Mr. Li Yang as an employee director of the 11th Board of Directors. On 14 January 2025, the Company held the 1st Meeting of the 11th Board of Directors, at which Mr. Jiang Xingqun was appointed as a Member of the Executive Committee and Senior Vice President, Mr. Qi Zheng as a Member of the Executive Committee and Senior Vice President, and Ms. Guo Hong as Vice President and Board Secretary. The table above sets out the total pre-tax remuneration received by Mr. Li Yang, Mr. Jiang Xingqun, Mr. Qi Zheng and Ms. Guo Hong during their respective tenures as directors or senior management of the Company. 3. On 10 October 2025, Mr. Gao Wenbao resigned as a Director, Vice Chairman and member of the special committees of the Board of Directors for personal reasons. On 9 July 2025, Mr. Guo Huaping resigned as Senior Vice President and Chief Culture Officer of the Company due to work changes. The table above sets out the total pre-tax remuneration received by Mr. Gao Wenbao and Mr. Guo Huaping during their respective tenures as directors or senior management of the Company.

Basis for assessment of remuneration actually received by all directors and senior management as at the end of the Reporting Period	Remuneration of directors is determined in accordance with the director's fee scheme approved by the general meetings of the Company. Remuneration of senior management is determined in accordance with the Rules of Procedure for the Nomination, Remuneration and Appraisal Committee of the Board of Directors and the Principles for the Remuneration Assessment of Senior Management, which were
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	considered and approved by the Board of Directors.
Achievement of assessment of remuneration actually received by all directors and senior management as at the end of the Reporting Period	For directors' performance, please refer to the 2025 Report of the Board of Directors and the 2025 Report of the Independent Directors. For senior management, the final assessment results are determined based on the financial audit results.
Deferred payment arrangements for remuneration actually received by all directors and senior management as at the end of the Reporting Period	Part of the performance-based remuneration of senior management is paid based on the financial audit results.
Circumstances of suspension and clawback of remuneration actually received by all directors and senior management as at the end of the Reporting Period	N/A

Other notes:

☐ Applicable ☒ Not applicable

V Performance of Duty by Directors in the Reporting Period

1. Attendance of Directors at Board Meetings and General Meetings of Shareholders

Attendance of directors at board meetings and general meetings of shareholders							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings of shareholders attended
Chen Yanshun	11	3	8	0	0	No	4
Feng Qiang	11	3	8	0	0	No	4
Wang Xiping	11	3	8	0	0	No	4
Feng Liqiong	0	0	0	0	0	No	3
Guo Chuan	11	0	11	0	0	No	0
Ye Feng	11	3	8	0	0	No	3
Jin Chunyan	11	2	9	0	0	No	0
Tang Shoulian	11	3	8	0	0	No	4
Zhang Xinmin	11	1	10	0	0	No	3
Guo He	11	3	8	0	0	No	3
Wang Duoxiang	11	3	8	0	0	No	4
Li Yang	2	0	2	0	0	No	1
Gao Wenbao	9	3	6	0	0	No	1

Explanation for failure to attend two consecutive board meetings in person:

Not applicable.

2. Objections Raised by Directors on Matters of the Company

Indicate by tick mark whether any directors raised any objections on any matter of the Company.

☐ Yes ☒ No

No such cases in the Reporting Period.

3. Other Information about the Performance of Duty by Directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

☒ Yes ☐ No

Suggestions from directors adopted or not adopted by the Company

The Board of Directors of the Company strictly obeyed relevant laws and regulations as well as the rules and regulations of the Company to fulfill the responsibilities seriously, in order to guarantee the standardization and effectiveness of BOE's governance structure. The Company's Board of Directors has a reasonable structure and a moderate number of people. All of them are equipped with good professional background, and necessary knowledge, skills and quality to fulfill their responsibilities. They learned about and kept a constant focus on BOE's production and operation, 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. The executive directors of the Company are responsible for the operations management of the Company. They understand the business and operational status of the Company, and with rich management experience, they can make decisions efficiently. Shareholder directors, as the communication bridge between shareholders and the management of the Company, can combine the suggestions of shareholders with long-term interests of the Company, and participate in the decision-making process of significant events of the Company to protect the interests of shareholders. Independent directors are experts and scholars in the fields of technology, finance, law, and etc. They can express their opinions and views according to their expertise and advantages. Employee directors are elected by the Company's Workers Congress. They shall submit opinions and recommendations to the Board of Directors on motions and proposals that involve the legitimate rights and interests of employees or the immediate interests of the majority of employees. During the Reporting Period, in accordance with *Company Law*, *Securities Law*, *Measures for Administration of Independent Directors of Listed Companies*, *Stock Listing Rules*, *Articles of Association*, *Rules of Procedure for the Board of Directors* and *Independent Director Policy*, directors of the Company paid special attention to the standardized operation of the Company, performed their duties diligently, issued much precious professional advice in terms of the perfection of policies and routine operating decision-making, etc., 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 Duty by Specialized Committees under the Board in the Reporting Period

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Strategy Committee under the 10th Board of Directors	Director: Mr. Chen Yanshun; Members: Mr. Feng Qiang, Mr. Gao Wenbao, Mr. Wang Xiping	1	3 January 2025	Reviewed the proposals that required submission to the Board of Directors for approval, approved key measures for the implementation of the Company's strategic planning, and advanced the construction of the rule of law and compliance management	No objection	-	N/A
Strategy Committee under the 11th Board of	Director: Mr. Chen Yanshun; Members: Mr. Feng Qiang, Mr.	12	14 January 2025		No objection	-	N/A
			8 February 2025		No objection	-	N/A

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Directors	Gao Wenbao, Mr. Wang Xiping		18 February 2025	within the Company	No objection	-	N/A
			8 April 2025		No objection	-	N/A
			10 April 2025		No objection	-	N/A
			18 April 2025		No objection	-	N/A
			27 April 2025		No objection	-	N/A
			20 May 2025		No objection	-	N/A
			5 June 2025		No objection	-	N/A
			28 July 2025		No objection	-	N/A
			15 August 2025		No objection	-	N/A
			5 September 2025		No objection	-	N/A
					No objection	-	N/A
Strategy Committee under the 11th Board of Directors	Director: Mr. Chen Yanshun; Members: Mr. Feng Qiang, Mr. Wang Xiping	3	20 October 2025		No objection	-	N/A
			29 October 2025		No objection	-	N/A
			4 November 2025		No objection	-	N/A
Risk Control and Audit Committee under the 11th Board of Directors	Convener (Director): Mr. Zhang Xinmin; Members: Mr. Tang Shoulian, Mr. Guo He, Mr. Wang Duoxiang, Mr. Ye Feng	5	11 February 2025	Reviewed the financial accounting statements prepared by the Company, the Report on the Audit Work of CPAs for Annual Audit, and related materials, and the 2024 Risk Management and Audit Work Summary; reviewed the 2025 audit plan	No objection	-	N/A
			8 April 2025	Reviewed the following proposals: 2024 Financial Accounting Report, 2024 Internal Control Self-Assessment Report, 2024 Performance Report of the Accounting Firm	No objection	-	N/A
			18 April 2025	Reviewed the Proposal on the 2025 Q1 Report	No objection	-	N/A
			15 August 2025	Reviewed the Proposal on the 2025 Semi-Annual Report, the Proposal on Amending the Administrative Rules for the Selection and Engagement of Independent Auditors, the Proposal on Amending the Administrative Rules for	No objection	-	N/A

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
				Internal Control and the Internal Audit System, and the Proposal on Pre-Approving the Provision of Non-Assurance Services by the Independent Auditor.			
			20 October 2025	Reviewed the proposals on the following: 2025 Q3 Report, Proposal on Amending the Implementation Rules for the Administrative Rules for the Selection and Engagement of Independent Auditors	No objection	-	N/A
Nomination & Remuneration & Appraisal Committee under the 11th Board of Directors	Convener (Director): Mr. Guo He; Members: Mr. Guo Chuan, Mr. Tang Shoulian, Mr. Zhang Xinmin, Mr. Wang Duoxiang	6	8 April 2025	Reviewed the proposals on the following: Proposal on the Achievement of the Conditions for the Release of the Third Lock-Up Period for the Restricted Shares Granted under the 2020 Share Option and Restricted Share Incentive Plan and the Conditions for the Exercise of the Third Exercise Period for the Share Options Granted under the Initial Grant, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares, the Proposal on the Cancellation of Certain Share Options	No objection	-	N/A
			20 May 2025	Reviewed the Proposal on the Remuneration and Assessment of the Chairman and Chief Strategic Planner for 2025	No objection	-	N/A
			15 August 2025	Reviewed the proposals on the following: the Proposal on Adjusting the Exercise Price of the Share Options under the 2020 Share Option and Restricted Share Incentive Plan, the Proposal on the Achievement of the Conditions for the Exercise of the Third Exercise Period for the Share Options Granted under the Reserved Grant under the 2020 Share Option and Restricted Share	No objection	-	N/A

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
				Incentive Plan, and the Proposal on Waiving the Exercise of the Second Exercise Period for the Share Options Granted under the Reserved Grant			
			5 September 2025	Reviewed the Proposal on the Remuneration and Assessment Results of the Chairman and Chief Strategic Planner for 2024 and the Benchmark Level of Remuneration for the Position in 2025, and the Proposal on Amending the Principles for the Remuneration Assessment of Senior Management	No objection	-	N/A
			20 October 2025	Reviewed the Proposal on Electing Non-Independent Directors of the 11th Board of Directors, the Proposal on Electing the Vice Chairman of the 11th Board of Directors, and the Proposal on Amending the Administrative Rules for Professional Managers.	No objection	-	N/A
			18 December 2025	Reviewed the Proposal on Waiving the Exercise of the Third Exercise Period for the Share Options Granted under the Initial Grant	No objection	-	N/A

VII Performance of Duty by the Audit Committee

Indicate by tick mark whether the Audit Committee found any risk to the Company during its supervision in the Reporting Period.

☐ Yes ☒ No

The Audit Committee raised no objections in the Reporting Period.

VIII Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	2,939
Number of in-service employees of major subsidiaries at the period-end	67,979
Total number of in-service employees	109,895

Total number of paid employees in the Reporting Period	109,895
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	9
Functions	
Function	Employees
Production	72,768
Sales	2,817
Technical	29,883
Financial	936
Administrative	331
Manager	2,148
Other	1,012
Total	109,895
Educational backgrounds	
Educational background	Employees
Doctor	417
Master	11,226
Bachelor	26,190
College	34,302
Technical secondary school	12,624
Other	25,136
Total	109,895

2. Employee 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, strengthening the control of the group as well as considering the difference among all business and subsidiaries.

3. Employee Training Plans

BOE University (BOEU), as a professional organization for talent cultivation, plays a role in the construction of the BOE talent cultivation system by transmitting and promoting the implementation of the Group's strategic requirements through education and training. BOEU continuously empowers in the areas of cultural concept advocacy, mindset upgrading, cognitive development, and capability enhancement to promote talent pipeline construction and intellectual capital appreciation. Meanwhile, with its professional influence, it actively promotes talent exchange and idea collision within the organization, and stimulates the creation of an open platform. It also explores and advances the research and development of learning technologies and promotes the construction of a learning organization.

In 2025, BOEU focused on three core value propositions: cultivation and empowerment, intellectual capital development, and optimization and innovation. Centered on the working guidelines of "innovation leadership, closed-loop iteration, system consolidation, and digital empowerment", BOEU continued to provide empowerment support for the implementation of the Group's strategy:

1. With the "Four Cultivations" system as the core foundation, BOEU closely aligned with the Group's strategy and business needs, adhered to the principles of "systematic design, strategic investment, and tiered and categorized measures", established a closed-loop talent cultivation mechanism from planning to feedback, and advanced talent cultivation toward "ecosystem co-building" and "long-term self-sustaining capability generation".

- By implementing key projects such as the Leadership Development Program, Group High-Potential Talent Program, New Manager Program, and Hotspot Forums, we systematically enhanced the leadership and strategic vision of the management team and young elite personnel. Adopting a “companion-style” empowerment model, we delved into multiple emerging business units to form specialized empowerment teams. Customized courses, practical workshops, and mentor guidance were employed to assist in tackling business challenges and enhancing organizational capabilities.

- Adhering to the long-term philosophy of talent cultivation, BOEU has continuously improved and optimized the basic capacity building for new employees recruited from campus, and helped the new generation quickly integrate and steadily grow through systematic onboarding training, rotational practice, and growth mentorship. For new employees from social recruitment, BOEU designed a structured integration plan with an open and inclusive orientation, which strengthened cultural alignment and role transition to accelerate their professional contribution and team collaboration.

- In the tiered cultivation of professional talent, we constructed differentiated learning paths for key sequences such as marketing, technology, manufacturing, and functions, and continuously enhanced employees’ professional depth and business impact through job-level learning projects, skills training, and practical tasks.

2. BOEU built and accumulated reusable organizational empowerment products and intellectual capital to enhance empowerment efficiency and quality, promoted the evolution of training work from project delivery to systematic and product-oriented approaches, and accumulated the organization’s own knowledge assets. BOEU continuously conducted instructor empowerment and course development work centered around “solving real problems and forming real capabilities”, fully activating part-time instructors and create multiple high-coverage, high-satisfaction group-level premium courses. Online premium course competitions were carried out to facilitate education, and instructors in the technology track were empowered to advance the incubation of high-quality courses. The number of cases included in the database reached 16,103, with a cumulative view count of 136,661. The case database was upgraded to an AI Case Expert database, becoming a successful pilot for the integration of BOE’s intellectual capital achievements and new technology applications. Relying on the introduction of AI course creation tools, we lowered the threshold for online course development, and effectively tapped into the productivity potential of course development. Using AI multilingual course conversion tools as a bridge, we achieved convenient generation of cross-national courses, activating existing courses while effectively enhancing overseas empowerment support capabilities. The total training exceeded 520,000 hours throughout the year, covering over 100,000 participants through both online and offline learning methods. With a rich variety of training formats and professional, high-quality course content, BOEU met the business and capability enhancement needs of leaders, managers, industrial talent, and professional talent. These positive attempts and achievements have laid a solid foundation for BOEU to become a world-class corporate university.

4. Labor Outsourcing

☐ Applicable ☒ Not applicable

IX Profit Distributions (in the Form of Cash and/or Stock)

How the profit distribution policy, especially the cash dividend policy, was formulated, executed or revised in the Reporting Period:

☐ Applicable ☒ Not applicable

Indicate by tick mark whether the Company fails to put forward a cash dividend proposal for shareholders despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent attributable to shareholders are positive.

☐ Applicable ☒ Not applicable

Final dividend plan for the Reporting Period

☒ Applicable ☐ Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	0.56
Total shares as the basis for the profit distribution proposal (share)	37,044,328,064
Cash dividends (RMB) (tax inclusive)	2,074,482,371.58
Cash dividends in other forms (such as share repurchase) (RMB)	1,500,060,240.57
Total cash dividends (including those in other forms) (RMB)	3,574,542,612.15
Attributable profit (RMB)	8,276,913,823.00
Total cash dividends (including those in other forms) as % of total profit distribution (%)	100%
Cash dividend policy adopted	
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.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
Based on the total shares of 37,044,328,064, the Company planned to distribute, with the undistributed profit, a cash dividend of RMB0.56 (tax inclusive) per 10 shares to all its shareholders. And no bonus share was granted, nor was any capital reserve converted into share capital. If the total share capital of the Company changes due to factors such as the conversion of convertible bonds to shares, share repurchases, the exercise of rights regarding equity incentives, and the listing of increased shares after refinancing before the implementation of the distribution scheme, the adjustment will be conducted according to the principle of "the distribution amount will be adjusted with a fixed distribution ratio". The specific distributed amount shall be subject to the actual distributed amount. The said proposal is in compliance with the Company's Articles of Association and relevant approval procedure, which fully protects the legal rights and interests of the minority investors.	

X Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

☒ Applicable ☐ Not applicable

1. Equity incentives

The Company held the 15th Meeting of the 9th Board of Directors and the 2nd Extraordinary General Meeting of 2020 on 27 August 2020 and 17 November 2020 respectively and deliberated and approved the 2020 Stock Option and Restricted Stock Grant Program, in which the Company intends to implement the Equity Incentive Scheme, including both the Stock Option Incentive Scheme and the Restricted Stock Incentive Scheme. Following the approval of the Proposal on the First Grant of Stock Options and Restricted Shares to Incentive Objects at the 20th Meeting of the 9th Board of Directors and the 8th Meeting of the 9th Supervisory Committee, the Company disclosed the Announcement on Completion of Registration of the First Grant of the 2020 Stock Option and Restricted Stock Incentive Scheme (Announcement No. 2020-086) on 30 December 2020. Following the approval of the Proposal on the Awarding of Reserved Stock Options to Incentive Objects at the 31st Meeting of the 9th Board of Directors and the 13th Meeting of the 9th Supervisory Committee, the Company disclosed the Announcement on Completion of Registration of the Reserved and Granted Stock Option of the 2020 Stock Option and Restricted Stock Incentive Scheme (Announcement No.: 2021-084) on 23 October 2021.

The Company disclosed the Announcement on the Achievement of Lifting the Restriction Conditions in the Third Lifting Restriction Period for Restricted Stocks Granted by the 2020 Stock Option and Restricted Stock Incentive Scheme and on the Satisfaction of the Exercise Conditions of the First Exercise Schedule of the Third Granted Stock Option (Announcement No.: 2025-025) on 22 April 2025. The lifting of the restriction conditions in the third lifting restriction period for restricted stocks granted by the 2020 Stock Option and Restricted Stock Incentive Scheme of the Company has been achieved, and the first exercise

schedule of the third granted stock option has satisfied the exercise conditions. A total of 667 awardees met the conditions for the lifting of the restrictions, resulting in a total of 89,096,540 shares of restricted stock that could be lifted. A total of 1,644 awardees were eligible for stock option exercise, resulting in a total of 160,992,209 shares of stock options available for exercise. The Company disclosed the Announcement on the Repurchase and Write-off of Certain Restricted Stocks (Announcement No.: 2025-026) and the Announcement on the Write-off of Certain Stock Options (Announcement No.: 2025-027) on 22 April 2025, in which the Company intends to repurchase and cancel 2,252,839 restricted shares and 174,412,031 shares of stock option that have been granted to incentive objects but have not been exercised by them since some incentive objects resigned, retired or failed to meet the performance appraisal goals for personal reasons. Moreover, the above-mentioned matters regarding the repurchase and cancellation of restricted stocks were deliberated and approved in the Annual General Meeting of Shareholders of 2024 held on 23 May 2025. The Company disclosed the Reminder Announcement on Release and Circulation of Restricted Shares Granted under the 2020 Stock Option and Restricted Stock Incentive Scheme in the Third Release Period (Announcement No.: 2025-033) on 26 April 2025. The total number of incentive targets who meet the conditions for releasing the restricted shares is 667, and the number of restricted shares that can be released is 89,096,540 shares, accounting for 0.2367% of the total share capital of the Company. The listing date for the lifted restricted stocks is 29 April 2025. The Company disclosed the Announcement on Adjustment of the Exercise Price of the Stock Option in the 2020 Stock Option and Restricted Stock Incentive Scheme of the Company (Announcement No.: 2025-064) on 28 August 2024. Since the equity distribution of the Company for 2024 has been completed, the exercise price of the first grant of the stock option involved in this incentive scheme is adjusted from RMB5.029/share to RMB4.979/share, and the exercise price of the reserved and granted stock option is adjusted from RMB5.529/share to RMB5.479/share. The Company disclosed the Announcement on the Achievement of the Exercise Conditions for the Third Exercise Period of the Stock Options Reserved for Grant under the 2020 Stock Option and Restricted Stock Incentive Plan (Announcement No. 2025-065) on 28 August 2025, and the conditions for the exercise of the third exercise period of the stock options reserved for grant under the 2020 Stock Option and Restricted Stock Incentive Plan of the Company were met. The total number of incentive recipients meeting the conditions for the exercise of options is 73, and the number of stock options exercisable is 7,046,622.

Equity incentives for directors and senior management in the Reporting Period:

☒ Applicable ☐ Not applicable

Unit: share

Name	Office title	Share options held at the period-begin	Share options granted in the Reporting Period	Shares feasible to exercise during the Reporting Period	Shares exercised during the Reporting Period	Exercise price of exercised shares during the Reporting Period (RMB/share)	Share options held at the period-end	Market price at the period-end (RMB/share)	Number of restricted shares held at the period-begin	Number of released shares for the Reporting Period	Number of restricted shares newly granted during the Reporting Period	The grant price of restricted shares (RMB/share)	Number of restricted shares held at the period-end
Chen Yanshun	Chairman of the Board, and Chief Strategic Planner	0	0	0	0	0	0	4.21	660,000	660,000	0	0	0
Feng Qiang	Vice Chairman of the Board, Chairman of the Executive Committee, and Chief Executive Officer (CEO)	0	0	0	0	0	0	4.21	247,500	247,500	0	0	0
Wang Xiping	Vice Chairman of the Board, Vice Chairman of the Executive Committee, and Chief Operating Officer (COO)	0	0	0	0	0	0	4.21	247,500	247,500	0	0	0
Feng Liqiong	Director, Member of the Executive Committee, Executive Vice President, and Chief Counsel	0	0	0	0	0	0	4.21	330,000	330,000	0	0	0
Li Yang	Employee Director	0	0	0	0	0	0	4.21	0	0	0	0	0
Yang Xiaoping	Member of the Executive Committee, Executive Vice President, and Chief Financial Officer (CFO)	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Liu Zhiqiang	Member of the Executive Committee, and Senior Vice President	0	0	0	0	0	0	4.21	247,500	247,500	0	0	0

Liu Jing	Member of the Executive Committee, and Senior Vice President	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Yun Xiangnan	Member of the Executive Committee, and Senior Vice President	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Jiang Xingqun	Member of the Executive Committee, and Senior Vice President	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Qi Zheng	Member of the Executive Committee, and Senior Vice President	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Yue Zhanqiu	Senior Vice President, and Chief Audit Officer	0	0	0	0	0	0	4.21	209,220	209,220	0	0	0
Guo Hong	Vice President, Board Secretary	0	0	0	0	0	0	4.21	125,895	125,895	0	0	0
Gao Wenbao	Former director	0	0	0	0	0	0	4.21	495,000	495,000	0	0	0
Sun Yun	Former senior management	0	0	0	0	0	0	4.21	495,000	495,000	0	0	0
Guo Huaping	Former senior management	0	0	0	0	0	0	4.21	0	0	0	0	0
Liu Hongfeng	Former senior management	0	0	0	0	0	0	4.21	247,500	247,500	0	0	0
Total	--	0	0	0	0	--	0	--	4,351,215	4,351,215	0	--	0
Note (if any)	1. On 14 January 2025, the Board of Directors appointed Mr. Jiang Xingqun, Mr. Qi Zheng and Ms. Guo Hong as senior management of the Company. On 22 September 2025, the Company's Workers Congress elected Mr. Li Yang as an employee director. As described above, the beginning number of restricted shares held by Mr. Jiang Xingqun, Mr. Qi Zheng, Ms. Guo Hong and Mr. Li Yang are presented based on the number of restricted shares held by them on the date of their appointment. 2. The lifting of the restriction conditions in the third lifting restriction period for restricted stocks granted by the 2020 Stock Option and Restricted Stock Incentive Scheme of the Company has been achieved. The listing date is 29 April 2025. The above lifting of the restrictions resulted in a reduction in the number of restricted shares granted to directors and senior management at the end of the Reporting Period. After the lifting of certain restricted shares held by the Company's directors and senior management in this incentive scheme, the locking and trading of shares held by them shall comply with the Company Law, the Securities Law, the Management Rules for Shares Held by Directors and Senior Management of Listed Companies and Changes in Such Shares, the Standardized Operation of the Companies Listed on the Mainboard, the Guidelines No. 10 of the Shenzhen Stock Exchange on the Self-regulation of Listed Companies -- Management of Share Changes, and other the relevant laws and regulations.												

Appraisal of and Incentive for Senior Management

According to the Articles of Association, Management System for Professional Managers and the Performance Management System, members of the senior management of the Company are appointed by the Board of Directors and sign the Appointment Contract and the Annual Target Responsibility Paper. The annual performance assessment and appointment period assessment will be implemented. The annual performance assessment is determined by the annual task breakdown of the current year's targets and the appointment period targets, and the appointment period assessment is based on medium- and long-term targets, and the salary and rewards are delivered according to the assessment results. Meanwhile, according to BOE's 2020 Stock Option and Restricted Stock Incentive Scheme and relevant laws and regulations, the granted stock interests will be determined to be unlocked after the lock-up period based on the achievement of relevant conditions.

2. Implementation of Employee Stock Ownership Plans

☐Applicable ☒ Not applicable

3. Other Incentive Measures for Employees

☐Applicable ☒ Not applicable

XI Establishment and Execution of the Internal Control System for the Reporting Period

1. Establishment and Execution of the Internal Control System

In line with the reform, the establishment of internal control regulation was enhanced according to the requirements for the establishment of internal control regulation of listed companies and the Company's strategic requirements. Specifically, the internal control system was optimized, so as to guarantee the implementation of innovation and reform and promote the compliance and efficient development of business.

2. Material Internal Control Weaknesses Identified for the Reporting Period

☐Yes ☒ No

XII Management and Control over Subsidiaries by the Company for the Reporting Period

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
N/A	-	-	-	-	-	-

Abnormality in the management and control over subsidiaries

☐Yes ☒ No

XIII Internal Control Evaluation Report or Independent Auditor's Report on Internal Control

1. Internal Control Evaluation Report

Disclosure date of the internal control self-evaluation report	1 April 2026	
Index to the disclosed internal control self-evaluation report	On 1 April 2026, the Company disclosed 2025 Internal Control Appraisal Report, refer to www.cninfo.com.cn for details.	
Evaluated entities' combined assets as % of consolidated total assets	99.15%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	99.99%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	The nature standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows: Material weakness: In case of the	Evaluation standards for internal defects not related to financial reporting specified by the Company are as below: Material weakness: (1) The business scope of the Company

	following situations, it will be deemed as that major defects (including but not limited to the following situations) may occur: (1) Directors and Senior Management make the malpractices; (2) The enterprise corrects the released financial statements; (3) The certified public accountant finds that there is a material misstatement in the current financial report, but the internal control fails to find the misstatement in the process of operation; (4) Supervision of the risk control and audit committee and the internal audit organization for internal control is ineffective. Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the real and accurate objective of the financial report. The common weakness refers to other internal control weaknesses except for material weaknesses and serious weaknesses.	violates national laws and regulations seriously; (2) The decision-making procedure is not scientific, major decision errors are released, the development strategies of the Company are deviated from severely and major property losses are caused for the Company; (3) Safety and environmental accidents occur, resulting in major negative effects on the Company; (4) A lot of senior management personnel and key technicians leave the Company; (5) Important business lacks system control or the system is failure; (6) Material weaknesses or serious weaknesses are not corrected. Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the enterprise to deviate from the control goal. The common weakness refers to other internal control defects except for material weaknesses and Serious weakness.
Quantitative standard	The quantitative standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows: Material weakness: The amount reported incorrectly is $\geq 1\%$ * total amount of assets of the Group (operating revenue) Serious weakness: $0.5\% \times \text{total amount of assets of the Group (operating revenue)} \leq \text{the amount reported incorrectly} < 1\% \times \text{total amount of assets of the Group (operating revenue)}$ Common weakness: The amount reported incorrectly $< 0.5\% \times \text{total group assets (operating revenue)}$	The quantitative standards for internal control defects not related to financial reporting determined by the Company are consistent with those over the financial reporting. See the left side for details.
Number of material weaknesses in internal control over financial reporting	0	
Number of material weaknesses in internal control not related to financial reporting	0	
Number of serious weaknesses in internal control over financial reporting	0	
Number of serious weaknesses in internal control not related to financial reporting	0	

2. Independent Auditor's Report on Internal Control

☒ Applicable ☐ Not applicable

Opinion paragraph in the independent 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 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	1 April 2026

Index to such report disclosed	The Company disclosed the Audit Report on Internal Control on 1 April 2026, for details, please refer to http://www.cninfo.com.cn
Type of the auditor's opinion	Standard unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

☐ Yes ☒ No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

☒ Yes ☐ No

Indicate by tick mark whether a modified internal control audit opinion was issued during the Reporting Period or in the previous year

☐ Yes ☒ No

XIV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

Not applicable

XV Environmental Information Disclosure

Indicate whether the listed company or any of its major subsidiaries is included in the list of companies that are required by law to disclose environmental information.

☒ Yes ☐ No

Number of companies included in the list of companies that are required by law to disclose environmental information		20
No.	Company	Index to the report on required environmental information
1	BOE Technology Group Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the Company through the system of required environmental information of enterprises (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home) in February 2026
2	Beijing BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home) in February 2026
3	Chengdu BOE Optoelectronics Technology Co., Ltd. (B2)	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Sichuan) (https://103.203.219.138:8082/eps/index/enterprise-search) in February 2026
4	Hefei BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Anhui) (https://39.145.37.16:8081/zhhb/yfplpub_html/#/home) in March 2026
5	Beijing BOE Display Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home) in February 2026

6	Hefei Xinsheng Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Anhui) (https://39.145.37.16:8081/zhhb/yfplpub_html/#/home) in February 2026
7	Ordos Yuansheng Optoelectronics Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Inner Mongolia) (http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000) in February 2026
8	Chengdu BOE Optoelectronics Technology Co., Ltd. (B7)	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Sichuan) (https://103.203.219.138:8082/eps/index/enterprise-search) in February 2026
9	Chongqing BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Chongqing) (http://183.66.66.47:10001/eps/index/enterprise-search) in February 2026
10	Hefei BOE Display Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Anhui) (https://39.145.37.16:8081/zhhb/yfplpub_html/#/home) in January 2026
11	Fuzhou BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Fujian) (http://220.160.52.213:10053/idp-province/#/enterprise-overview) in February 2026
12	Mianyang BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Sichuan) (https://103.203.219.138:8082/eps/index/enterprise-search) in March 2026
13	Chongqing BOE Display Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Chongqing) (http://183.66.66.47:10001/eps/index/enterprise-search) in January 2026
14	Wuhan BOE Optoelectronics Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Hubei Province) (http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/index) in March 2026
15	Nanjing BOE Display Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Jiangsu) (http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js) in February 2026
16	Chengdu BOE Display Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information

		disclosed by the company through the system of required environmental information of enterprises (Sichuan) (https://103.203.219.138:8082/eps/index/enterprise-search) in February 2026
17	Hefei BOE Ruisheng Technology Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Anhui) (https://39.145.37.16:8081/zhhb/yfplpub_html/#/home) in February 2026
18	Hefei BOE Hospital Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Anhui) (https://39.145.37.16:8081/zhhb/yfplpub_html/#/home) in February 2026
19	Chengdu BOE Hospital Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Sichuan) (https://103.203.219.138:8082/eps/index/enterprise-search) in March 2026
20	Suzhou BOE Hospital Co., Ltd.	The 2025 Annual Report on Required Environmental Information disclosed by the company through the system of required environmental information of enterprises (Jiangsu) (http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js) in March 2026

XVI Social Responsibility

BOE's great vision of "To Be the Most Respected Company on Earth" not only represents technological or market leadership but also emphasizes how to use technology to serve society, achieve harmonious coexistence between business and ecology, and create a replicable model of sustainable development.

In terms of sustainable development governance, BOE has established a "strategy, organization, and brand" three-in-one sustainable development system. This not only systematically transforms "sustainability" into brand competitiveness but also achieves dual value by providing strategic foresight internally and ecological collaboration externally.

At the beginning of 2025, BOE established a three-level sustainable development organizational structure, encompassing the governance level, management level, and execution level. In April 2025, BOE launched the "ONE" (Open, Next and Earth) sustainable development brand, with "Open, Next, Earth" as the three core brand connotations, profoundly interpreting the core philosophy of "protecting the future of humanity through the power of open and innovative technology". In September 2025, BOE released the Group's sustainable development strategy, establishing six strategic pillars, "Open Innovation, Environmental Sustainability, Win-Win Ecosystem, People-Oriented Development, Integrity-based Operation, and Value Creation for the Future". These pillars aim to form the core competencies leading the sustainable transformation of society, and build and empower an open, win-win global IoT technology sustainable ecosystem. In December 2025, at the "Sustainable Business Leaders Forum 2025", BOE, as one of the core drafting units, together with United Nations agencies, the China Association for Standardization, and numerous corporate partners, jointly released the milestone group standard, the Guidelines for Creating Sustainable Brands. This systematically showcased the thought leadership and practical capabilities of Chinese technology enterprises in the global sustainable development agenda. At the same time, BOE was selected as a representative case for the "Creating Sustainable Brands" Vision Initiative (2025), becoming one of the exemplary Chinese enterprises showcasing sustainable business practices to the world.

In terms of sustainable development practices, BOE actively engages in public welfare projects in the fields of education, health, and culture, giving back to society and fulfilling its commitment to social sustainable development.

In the field of education, BOE's "Lighting the Way to Growth" project has been in operation for ten years. It has evolved beyond a single public welfare project into an open, diverse, and sustainable public welfare platform. Caring enterprises from BOE's cooperative ecosystem were invited to join, such as JD.com, OPPO, and OUTPUT, and donate electronic devices and AI courses. By the end of 2025, BOE has established 156 smart classrooms in ten major provinces and cities across the country, providing integrated software and hardware smart education solutions and comprehensive teacher empowerment programs for over 70,000 teachers and students. At the same time, the "100 Public Welfare Lessons on Traditional Culture of the Palace Museum", jointly initiated by BOE and the Palace Museum, successfully concluded in October 2025. The project covered nearly 40 schools, benefiting over 20,000 students both online and offline. It continuously promoted a sustainable development model of "technology + education + culture", and effectively helped students in remote areas gain educational opportunities to experience the charm of Chinese traditional culture up close.

Meanwhile, BOE has continued to focus on the United Nations Sustainable Development Goals (SDGs). In terms of quality education, BOE has become the first Chinese technology company to support UNESCO's "Decade of Sciences" initiative. STEM education and ecological co-construction projects were implemented in Kenya, Namibia, and other locations. In August 2025, both parties successfully launched the "Windows to STEM" project in Kenya. By donating smart education equipment, conducting teacher training, and integrating systematic courses, BOE assisted the local community in gradually building independent and sustainable scientific education capabilities. In December 2025, BOE supported UNESCO in launching the "African Science Club Network" in Windhoek, Namibia, marking a new phase in their collaboration from "single-point empowerment" to "systematic ecological co-construction".

In the health sector, BOE leverages its advanced medical resources and talent advantages to provide free medical consultations and health guidance to residents in remote areas through various forms of medical public welfare actions. This helps to disseminate health knowledge among the public and effectively improve the current state of local medical services. In 2025, various medical public welfare activities covered a population of over 168,000. Among them, BOE collaborated with the China Volunteer Service Foundation to carry out the "Medical Journey with Me—China Medical Emergency First Aid Volunteer Service Tour" activity. Centered on public welfare training activities for first aid volunteers, it aimed to popularize first aid knowledge and skills among the public through lectures, training, bringing medical services to rural areas, health education, and practical exercises. This initiative promoted the distribution of superior medical resources to lower-tier areas and enhanced the level of regional emergency medical services. In 2025, four activities were completed in Litang, Fuping, Yushu, and Beijing, with first aid training covering over 600 people.

In the cultural field, BOE used digital technology in Paris and Milan to promote Chinese intangible cultural heritage to the world. In October 2025, as the chief display technology partner, BOE used innovative display products such as the 105-inch Wanjing screen, transparent screens, and smart calligraphy tables at the "Reviving Craft" China's Intangible Cultural Heritage and Contemporary Design Exhibition in Milan. These products vividly presented intangible cultural heritage works like On Tea and Wine and One Hundred Playing Children in Four Seasons, breaking cultural barriers with innovative technology. At the same time, as a partner in the Centennial Project of the Forbidden City, BOE provided critical technical support for the Qianlong Garden, which was opened to the public for the first time in nearly a century. The ultra-high-definition LED seamless splicing U-shaped long screen provided by BOE vividly illustrated the construction process of the Ningshou Palace Garden from blueprint to reality in the form of a dynamic digital long scroll. It comprehensively showcased its historical and cultural connotations, and continuously promoted the deep integration and international dissemination of technology and culture.

Since 2010, BOE had consecutively disclosed Social Responsibility Report for 16 years. Please view and download such report via official website of BOE www.boe.com or Cninfo.

XVII Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

Throughout the years, BOE has steadfastly leveraged its industrial strengths in the technology sector to actively align with the national rural revitalization strategy. Through concrete actions, BOE has empowered education and healthcare in remote regions, comprehensively driven high-quality development of rural revitalization, and continuously contributed to building a more harmonious and prosperous society.

BOE has precisely focused on Beijing's paired support cooperation regions. In line with the development characteristics and actual conditions of BOE, we have explored various forms of assistance. We have provided key support to regions such as Inner Mongolia, Qinghai, Xizang, Zhangjiakou-Chengde in Hebei, and the South-to-North Water Diversion project, as well as to economically underdeveloped villages under collective ownership in Beijing. Our efforts aim to develop industries, increase employment, drive consumption, further consolidate the achievements of rural revitalization, and effectively promote high-quality development in the supported regions and improved lives of local residents, fulfilling our corporate social responsibility through concrete actions.

In terms of industrial assistance, BOE further deepened its efforts in industrial support in the Inner Mongolia region, promoting the quality and efficiency improvement of BOE's Ordos production line, thereby making a positive contribution to regional economic development.

In terms of assistance through consumption, BOE continued to advance the consumption assistance through canteen procurement and actively implemented such work. We carefully selected agricultural support products from cooperative regions (such as Inner Mongolia and Zhangjiakou and Chengde in Hebei) and the locations of the Group's main factories (such as Mianyang in Sichuan, Hefei in Anhui, and Qingdao in Shandong), incorporating them into the food supply system of canteens in 12 cities and over 30 factories nationwide. At the same time, we have established a full-process traceability mechanism to strictly control the quality and safety of food ingredients. Concrete actions were taken to support rural revitalization and effectively safeguard the "safety on the tip of the tongue" for all employees. The total amount of assistance through consumption for the year 2025 was nearly RMB40 million.

Moving forward, BOE will continue to uphold the "Open Next Earth" sustainability brand concept. Leveraging our leading technological capabilities in fields such as display technology and the Internet of Things (IoT), and with unwavering resolve, BOE will deepen its exploration and practices in rural revitalization, continuously innovate assistance models, and expand support channels to deliver more comprehensive and in-depth support and services for advancing the national rural revitalization strategy. Meanwhile, by leveraging its technological and resource strengths, BOE will proactively fulfill its social responsibilities, strive to create greater societal value and well-being, ensure that technological advancements benefit broader populations, and collectively forge a more harmonious and prosperous society.

Part V Significant Events

I Fulfillment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

☒ Applicable ☐ Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	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 restructuring	-	-	-	-	-	-
Commitments made in time of IPO or refinancing	-	-	-	-	-	-
Equity incentive commitments	-	-	-	-	-	-
Other commitments made to minority interests	The Chairman of the Board: Mr. Chen Yanshun; Director: Ms. Feng Liqiong; Former Vice Chairman of the Board: Mr. Gao Wenbao; Former Supervisor: Mr. Xu Yangping and Mr. Yan Jun	Other commitments	In accordance with the Announcement on the Commitments of not Reducing the Shareholding by Some Directors, Supervisors and Senior Management (No.: 2020-001) disclosed by the Company on 22 February 2020, some of the Company's directors, supervisors and senior managers, based on their confidence in the Company's future development and their recognition of the corporate value, promise not to reduce or transfer any shares held in BOE (A shares), not to entrust others to manage specific shares, not to authorize others to execute their voting right by means of any agreement, trust or other arrangements and not to require the Company to repurchase any specific shares during the terms of office and within 6 months after their tenures expire so as to promote the Company's continuous, stable and healthy development and maintain the rights and interests of the Company and all shareholders. For any newly-added shares derived from the assignment of rights and interests including the share donation and the reserved funds	21 February 2020	During the term as director, supervisor or senior manager, and in six months after the expiration of the term (the term determined when taking office).	Ongoing

			converted into share capital during the period (corresponding to the specific shares), they shall still keep their promises till the commitment period expires.			
Other commitments	-					
Executed on time or not	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)	N/A					

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

☐Applicable ☒ Not applicable

3. Performance Commitments

☐Applicable ☒ Not applicable

II Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

III Irregularities in the Provision of Guarantees

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Latest “Modified Opinion” on the Financial Statements

☐Applicable ☒ Not applicable

V Explanations Given by the Board of Directors and the Independent Directors (if any) Regarding the Independent Auditor's “Modified Opinion” on the Financial Statements of the Reporting Period

☐Applicable ☒ Not applicable

VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VII YoY Changes to the Scope of the Consolidated Financial Statements

☒ Applicable ☐ Not applicable

The additions to the consolidation scope this year were solely due to newly established subsidiaries, while the reductions resulted from the deregistration of subsidiaries during the year.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Ernst & Young Hua Ming LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	990
How many consecutive years the domestic independent auditor has provided audit service for the Company	1
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Xie Feng, Wang Jing
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	1 year for Xie Feng, 1 year for Wang Jing
Name of the foreign independent auditor (if any)	N/A
The Company's payment to the foreign independent auditor (RMB'0,000) (if any)	0
How many consecutive years the foreign independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the foreign independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants from the foreign independent auditor have provided audit service for the Company (if any)	N/A

Indicate by tick mark whether the independent auditor was changed for the Reporting Period.

☒ Yes ☐ No

Indicate by tick mark whether the auditor was changed during the audit period

☐ Yes ☒ No

Indicate by tick mark whether the approval procedures were followed for the change of auditor

☒ Yes ☐ No

Detailed explanation of the change of auditor

To ensure the independence and objectivity of the audit, and taking into account the Company's business development and audit requirements, the Company conducted a rotation in accordance with the relevant provisions of the Administrative Measures for the Selection and Engagement of Auditors by State-owned Enterprises and Listed Companies jointly issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, and the China Securities Regulatory Commission. Following a tendering process and based on the bid evaluation results, the Company considered and approved the Proposal on the Appointment of the Auditor for 2025 at the Board of Directors and the general meeting, and resolved to appoint Ernst & Young Hua Ming LLP as the auditor for 2025.

Independent auditor, financial advisor or sponsor engaged for internal control audit

☒ Applicable ☐ Not applicable

During the year, the Company engaged Ernst & Young Hua Ming LLP as the Company's internal control audit accounting firm, and the Company paid Ernst & Young Hua Ming LLP total compensation of RMB9.9 million for the 2025 annual audit and internal control audit.

IX Possibility of Delisting after Disclosure of this Report

☐ Applicable ☒ Not applicable

X Insolvency and Reorganization

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

☒ Applicable ☐ Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Litigations for 2025 (including carryforwards in previous years)	67,752.51	No	N/A	N/A	N/A	-	-

XII Punishments and Rectifications

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XIII Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

☐ 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 Transactions Regarding Joint Investments in Third Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Amounts Due to and from Related Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

5. Transactions with Related Finance Companies

☐ Applicable ☒ Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

6. Transactions with Related Parties by Finance Companies Controlled by the Company

☐ Applicable ☒ Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

7. Other Major Related-Party Transactions

☒ Applicable ☐ Not applicable

1. The Proposal on the Estimated Continuing Related-party Transactions in 2025 was reviewed and approved at the 4th Meeting of the 11th Board of Directors on 18 April 2025, with the actual transaction amount in 2025 within the estimated amount.

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on Estimated Continuing Related-party Transactions for 2025	22 April 2025	www.cninfo.com.cn

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(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) Leases

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Major Guarantees

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)

Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
N/A										
Guarantees provided by the Company as the parent for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Ordos YuanSheng Optoelectronics Co., Ltd.	30 November 2016	551,918	15 March 2017	-	Joint-liability	N/A	N/A	-	Yes	Not
Chengdu BOE Optoelectronics Technology Co., Ltd.	24 April 2017	2,282,082	30 August 2017	512,234	Joint-liability	N/A	N/A	2017-9-6 to 2029-9-5	Not	Not
Chengdu BOE Optoelectronics Technology Co., Ltd.	27 August 2024	300,000	23 September 2024	162,881	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2024-9-24 to 2030-9-5	Not	Not
Hefei BOE Display Technology Co., Ltd.	30 November 2016	1,704,216	30 August 2017	-	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	-	Yes	Not
Mianyang BOE Optoelectronics Technology Co., Ltd.	18 May 2018	2,117,748	18 September 2018	627,846	Joint-liability	N/A	The secured party provides a	2018-9-26 to 2031-9-26	Not	Not

							counter guarantee for the guarantor			
Mianyang BOE Optoelectronics Technology Co., Ltd.	27 August 2024	340,000	27 September 2024	195,751	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2024-10-8 to 2031- 9-26	Not	Not
Chongqing BOE Display Technology Co., Ltd.	27 April 2020	2,059,639	29 December 2020	1,069,079	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2020-12-31 to 2033-12-31	Not	Not
Wuhan BOE Optoelectronics Technology Co., Ltd.	25 March 2019	2,036,748	16 August 2019	242,300	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2019-8-23 to 2032- 8-23	Not	Not
Wuhan BOE Optoelectronics Technology Co., Ltd.	23 December 2024	620,000	25 December 2024	470,616	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2024-12-26 to 2032-8-23	Not	Not
Chengdu BOE Hospital Co., Ltd.	27 April 2020	240,000	15 June 2020	169,118	Joint-liability	N/A	The secured party provides a counter guarantee for the	2020-6-15 to 2042- 6-30	Not	Not

							guarantor			
Total approved line for such guarantees in the Reporting Period (B1)		0		Total actual amount of such guarantees in the Reporting Period (B2)		477,185				
Total approved line for such guarantees at the end of the Reporting Period (B3)		9,996,217		Total actual balance of such guarantees at the end of the Reporting Period (B4)		3,449,825				
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Yaoguang New Energy (Shouguang) Co., Ltd.	N/A	2,462	30 September 2020	1,725	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Suzhou Industrial Park Taijing Photovoltaic Co., Ltd.	N/A	1,915	30 September 2020	1,342	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Qingmei Solar Energy Technology (Lishui) Co., Ltd.	N/A	2,257	30 September 2020	1,406	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Guoji Energy (Ningbo) Co., Ltd.	N/A	1,231	3 December 2020	794	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Hongyang Solar Energy Power Generation (Anji) Co., Ltd.	N/A	1,710	3 December 2020	1,102	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Ke'en Solar Energy Power Generation (Pingyang) Co., Ltd.	N/A	1,094	3 December 2020	706	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Dongze Photovoltaic Power Generation (Wenzhou) Co., Ltd.	N/A	958	3 December 2020	617	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
BOE Energy Technology Co., Ltd.	N/A	8,755	23 October 2017	4,925	Pledge	Charging right	N/A	2017-10-24 to 2032-10-23	Not	Not
BOE Energy Technology Co., Ltd.	N/A	14,063	15 August 2018	4,289	Pledge	Charging right	N/A	2018-9-26 to 2032-12-21	Not	Not
BOE Energy Technology Co., Ltd.	N/A	17,386	28 November 2017	10,255	Pledge	Charging right	N/A	2017-12-1 to 2032-12-1	Not	Not
Hefei BOE Hospital Co., Ltd.	27 April 2018	130,000	27 April 2018	94,420	Joint-liability	N/A	N/A	2018-4-27 to 2036-4-27	Not	Not
Beijing BOE Life Technology Co., Ltd.	N/A	60,000	29 December 2021	25,669	Joint-liability	N/A	The secured party	2021-12-29 to 2039-12-28	Not	Not

							provides a counter guarantee for the guarantor			
BOE Vision-Electronic Technology Co., Ltd	30 March 2022	210,864	23 March 2023	10,461	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	23 March 2023 to the time when all orders under the purchase and sales Agreement have been completed	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	16 August 2024	2,154	Joint-liability	N/A	N/A	2025-2-18 to 2031-2-17	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	30 September 2021	34,380	15 November 2021	2,640	Joint-liability	N/A	N/A	2021-11-17 to 2029-9-25	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	19 March 2025	1,100	Joint-liability	N/A	N/A	2025-3-19 to 2029-5-18	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	26 March 2025	1,797	Joint-liability	N/A	N/A	2025-3-26 to 2029-3-26	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	17 January 2025	1,146	Joint-liability	N/A	N/A	2025-1-17 to 2029-1-17	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	17 January 2025	1,146	Joint-liability	N/A	N/A	2025-1-24 to 2029-1-17	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	26 March 2025	20,628	14 May 2025	344	Joint-liability	N/A	N/A	2025-11-21 to 2029-11-20	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	26 March 2025	20,628	14 May 2025	619	Joint-liability	N/A	N/A	2025-5-22 to 2029-5-20	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	26 March 2025	20,628	14 May 2025	183	Joint-liability	N/A	N/A	2025-6-24 to 2029-6-23	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	16 August 2024	5,673	Joint-liability	N/A	N/A	2024-8-23 to 2035-8-22	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	24 December 2024	6,091	Joint-liability	N/A	N/A	2024-12-24 to 2037-12-24	Not	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	27 January 2022	45,840	10 May 2022	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	27 January 2022	45,840	17 February 2022	-	Joint-liability	N/A	N/A	-	Yes	Not

BOE HC SemiTek (Suzhou) Co., Ltd.	21 January 2023	45,840	17 March 2023	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	21 January 2023	45,840	1 March 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	21 January 2023	45,840	25 April 2023	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	22 May 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	6 May 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	16 August 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	26 January 2021	22,920	3 August 2021	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	21 January 2023	45,840	3 January 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	21 January 2023	45,840	3 January 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	2 April 2024	33,234	5 November 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Suzhou) Co., Ltd.	26 March 2025	20,628	14 May 2025	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC Crystaland Yunnan Co., Ltd.	2 April 2024	3,438	9 January 2025	1,090	Joint-liability	N/A	N/A	2025-8-25 to 2029-6-19	Not	Not
BOE HC Crystaland Yunnan Co., Ltd.	2 April 2024	3,438	9 January 2025	1,046	Joint-liability	N/A	N/A	2025-2-17 to 2032-12-21	Not	Not
BOE HC Crystaland Yunnan Co., Ltd.	2 April 2024	3,438	2 September 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC Crystaland Yunnan Co., Ltd.	27 January 2022	9,168	22 November 2022	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC Crystaland Yunnan Co., Ltd.	2 April 2024	3,438	9 January 2025	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	21 January 2023	52,716	26 January 2024	2,258	Joint-liability	N/A	N/A	2024-1-29 to 2029-1-25	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	11 April 2025	1,146	Joint-liability	N/A	N/A	2025-4-28 to 2029-4-27	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	435	Joint-liability	N/A	N/A	2024-9-29 to 2030-9-20	Not	Not

BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	327	Joint-liability	N/A	N/A	2024-11-25 to 2030-11-20	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	27 November 2025	1,463	Joint-liability	N/A	N/A	2025-12-8 to 2029-12-7	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	27 November 2025	1,329	Joint-liability	N/A	N/A	2025-12-17 to 2029-12-17	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	380	Joint-liability	N/A	N/A	2025-2-18 to 2031-2-15	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	5 June 2024	974	Joint-liability	N/A	N/A	2024-6-19 to 2029-6-19	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	5 June 2024	2,321	Joint-liability	N/A	N/A	2024-8-28 to 2029-8-28	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	28 August 2025	860	Joint-liability	N/A	N/A	2025-10-15 to 2030-10-15	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	21 January 2023	52,716	28 March 2023	57	Joint-liability	N/A	N/A	2023-3-28 to 2029-3-27	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	21 January 2023	52,716	6 April 2023	2,235	Joint-liability	N/A	N/A	2023-4-6 to 2029-4-5	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	28 November 2025	2,292	Joint-liability	N/A	N/A	2025-12-2 to 2031-11-25	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	14 May 2025	2,292	Joint-liability	N/A	N/A	2025-9-5 to 2029-9-2	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	14 May 2025	2,292	Joint-liability	N/A	N/A	2025-6-4 to 2029-6-3	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	3 November 2025	1,604	Joint-liability	N/A	N/A	2025-11-4 to 2029-11-4	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	17 July 2024	444	Joint-liability	N/A	N/A	2025-4-25 to 2029-1-15	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	17 July 2024	244	Joint-liability	N/A	N/A	2025-4-28 to 2029-1-15	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	10,857	Joint-liability	N/A	N/A	2022-10-26 to 2035-6-21	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	1,031	Joint-liability	N/A	N/A	2025-11-13 to 2029-4-15	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	1,031	Joint-liability	N/A	N/A	2025-11-13 to 2029-5-10	Not	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	68	Joint-liability	N/A	N/A	2025-12-19 to 2029-12-3	Not	Not

BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	5 June 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	21 January 2023	52,716	16 June 2023	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	26 September 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	5 June 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	26 March 2025	32,088	14 May 2025	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	2 April 2024	30,942	17 July 2024	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	11 March 2023	12,606	26 April 2023	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	-	Joint-liability	N/A	N/A	-	Yes	Not
BOE HC SemiTek (Zhejiang) Co., Ltd.	18 July 2022	30,942	30 August 2022	-	Joint-liability	N/A	N/A	-	Yes	Not
Total approved line for such guarantees in the Reporting Period (C1)		460,864		Total actual amount of such guarantees in the Reporting Period (C2)		90,436				
Total approved line for such guarantees at the end of the Reporting Period (C3)		1,011,640		Total actual balance of such guarantees at the end of the Reporting Period (C4)		218,680				
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)		460,864		Total actual guarantee amount in the Reporting Period (A2+B2+C2)		567,621				
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		11,007,857		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		3,668,505				

Total guarantee balance (A4+B4+C4) as % of the Company's net assets	27.28%
Of which:	
Balance of guarantees provided for shareholders, actual controller and their related parties (D)	0
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)	104,881
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)	0
Total of the three amounts above (D+E+F)	104,881
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

Compound guarantees

None

3. Cash Entrusted for Wealth Management

(1) Cash Entrusted for Wealth Management

☒ Applicable ☐ Not applicable

Overviews of cash entrusted for wealth management during the Reporting Period

Unit: RMB'0,000

Product category	Risk characteristics	Balance of entrusted wealth management during the Reporting Period	Overdue and unrecovered amount
Bank financial products	Principal-guaranteed with floating return	73,500	0

Details of high-risk entrusted wealth management where the Company acts as the sole principal in engaging financial institutions for asset management, or invests in products with lower safety and weaker liquidity:

☐ Applicable ☒ Not applicable

(2) Entrusted Loans

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XVI Use of Funds Raised

☒ Applicable ☐ Not applicable

1. Overall Use of Funds Raised

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Year	Way of raising	Securities listing date	Total funds raised	Net proceeds (1)	Total funds used in the current period	Accumulative funds used (2)	Funds used as % of net proceeds as of the period-end (3) = (2) / (1)	Total repurposed funds in the current period	Accumulative repurposed funds	Accumulative repurposed funds as % of net proceeds	Total unused funds	The purpose and whereabouts of unused funds	Funds idle for over two years
2025	Public offering of corporate bonds	19 June 2025	200,000	200,000	200,000	200,000	100.00%	0	0	0.00%	0	-	0
2025	Public offering of corporate bonds	14 November 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
2025	Public offering of corporate bonds	21 November 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
2025	Issue of medium term notes (MTN)	25 April 2025	200,000	200,000	200,000	200,000	100.00%	0	0	0.00%	0	-	0
2025	Issue of medium term notes (MTN)	15 May 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
2025	Issue of medium term notes (MTN)	26 June 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0

2025	Issue of medium term notes (MTN)	14 July 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
2025	Issue of medium term notes (MTN)	28 July 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
2025	Issue of medium term notes (MTN)	12 August 2025	100,000	100,000	100,000	100,000	100.00%	0	0	0.00%	0	-	0
Total	--	--	1,100,000	1,100,000	1,100,000	1,100,000	100.00%	0	0	0.00%	0	--	0

Explanation of overall use of funds raised:

In 2025, the Company raised a total of RMB4,000,000,000 through the issuance of corporate bonds. The proceeds were used to refinance the principal of corporate bonds previously repaid with the Company's own funds and to replace the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance. As at the date of this Report, the funds raised had been fully utilized, representing 100% utilization, conforming to the provisions of the prospectus.

In 2025, the Company raised a total of RMB7,000,000,000 through the issuance of medium term notes. The proceeds were used to replace the issuer's equity contributions made within one year to technology innovation areas, to replenish working capital and to repay interest-bearing liabilities. As at the date of this Report, the funds raised had been fully utilized, conforming to the provisions of the prospectus.

2. Commitment Projects of Fund Raised

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Financing project	Securities listing date	Committed investment project and super raise fund arrangement	Project nature	Changed or not (including partial changes)	Committed investment amount	Investment amount after adjustment (1)	Investment amount in the Reporting Period	Accumulative investment amount as of the period-end (2)	Investment schedule as the period-end (3) = (2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Accumulative income as of the period-end	Whether reached anticipated income	Whether occurred significant changes in project feasibility
Committed investment project														
25BOEK1	19 June 2025	Replacing the principal of the corporate bond "22BOEY1"	Repayment	No	200,000	200,000	200,000	200,000	100.00%	-	-	-	N/A	No

		previously repaid with the Company's own funds												
25BOEK2	6 November 2025	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance	Investment	No	100,000	100,000	100,000	100,000	100.00%	-	-	-	N/A	No
25BOEK3	14 November 2025	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance	Investment	No	100,000	100,000	100,000	100,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN001	25 April 2025	Replacing the issuer's equity	Investment	No	190,000	190,000	190,000	190,000	100.00%	-	-	-	N/A	No

(Technological Innovation Notes)		contributions made within one year to technology innovation areas												
25 BOE Group MTN001 (Technological Innovation Notes)	25 April 2025	Replenishing working capital	Replenishing working capital	No	10,000	10,000	10,000	10,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN002 (Technological Innovation Bonds)	15 May 2025	Replacing the issuer's equity contributions made within one year to technology innovation areas	Investment	No	90,000	90,000	90,000	90,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN002 (Technological Innovation Bonds)	15 May 2025	Replenishing working capital	Replenishing working capital	No	10,000	10,000	10,000	10,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN003 (Technological Innovation Bonds)	26 June 2025	Repayment of interest-bearing liabilities	Repayment	No	100,000	100,000	100,000	100,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN004 (Technological Innovation Bonds)	14 July 2025	Replacing the issuer's equity contributions made within	Investment	No	100,000	100,000	100,000	100,000	100.00%	-	-	-	N/A	No

Bonds)		one year to technology innovation areas												
25 BOE Group MTN005 (Technological Innovation Bonds)	28 July 2025	Replacing the issuer's equity contributions made within one year to technology innovation areas	Investment	No	100,000	100,000	100,000	100,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN006 (Technological Innovation Bonds)	12 August 2025	Replacing the issuer's equity contributions made within one year to technology innovation areas	Investment	No	39,000	39,000	39,000	39,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN006 (Technological Innovation Bonds)	12 August 2025	Repayment of interest-bearing liabilities	Repayment	No	40,000	40,000	40,000	40,000	100.00%	-	-	-	N/A	No
25 BOE Group MTN006 (Technological Innovation Bonds)	12 August 2025	Replenishing working capital	Replenishing working capital	No	21,000	21,000	21,000	21,000	100.00%	-	-	-	N/A	No
Subtotal of committed investment project				--	1,100,000	1,100,000	1,100,000	1,100,000	--	--	-	-	--	--
Super raised funds arrangement														
N/A														

Repayment of bank loans (if any)	--	0	0	0	0	0.00%	--	--	--	--	--
Replenishment of working capital (if any)	--	0	0	0	0	0.00%	--	--	--	--	--
Subtotal of super raised funds arrangement	--	0	0	0	0	--	--	-	-	--	--
Total	--	1,100,000	1,100,000	1,100,000	1,100,000	--	--	-	-	--	--
Describe project by project any failure to meet the schedule or anticipated income, as well as the reasons (including reasons for inputting “N/A” for “Whether reached anticipated income”)	All funds raised through 25 BOE Group MTN001 (Technological Innovation Notes), 25 BOE Group MTN002 (Technological Innovation Bonds), 25 BOE Group MTN003 (Technological Innovation Bonds), 25 BOE Group MTN004 (Technological Innovation Bonds), 25 BOE Group MTN005 (Technological Innovation Bonds), 25 BOE Group MTN006 (Technological Innovation Bonds), 25BOEK1, 25BOEK2 and 25BOEK3 are intended for the purposes specified in the prospectus, which are expected to help develop the main business of the Company, enhance our competitiveness, strengthen our debt repayment ability, and improve our financial conditions. The input of “N/A” in the “anticipated income” is because these projects do not directly generate economic benefits.										
Notes of condition of significant changes occurred in project feasibility	N/A										
Amount, purpose and schedule of super raise fund	N/A										
Unauthorized change of the purpose of raised funds or illegal occupation of raised funds	N/A										
Changes in implementation address of investment project	N/A										
Adjustment of implementation mode of investment project	N/A										
Advance investments in projects financed with raised funds and swaps of such advance investments with subsequent raised funds	Applicable As at the end of the Reporting Period, the funds raised from 25 BOE Group MTN001 (Technological Innovation Notes) were used to replace the issuer’s equity contributions of RMB1.9 billion made within one year to technology innovation areas; the funds raised from 25 BOE Group MTN002 (Technological Innovation Bonds) were used to replace the issuer’s equity contributions of RMB900 million made within one year to technology innovation areas; the funds raised from 25 BOE Group MTN004 (Technological Innovation Bonds) were used to replace the issuer’s equity contributions of RMB1 billion made within one year to technology innovation areas; the funds raised from 25 BOE Group MTN005 (Technological Innovation Bonds) were used to replace the issuer’s equity contributions of RMB1 billion made within one year to technology innovation areas; and the funds raised from 25 BOE Group MTN006 (Technological Innovation Bonds) were used to replace the issuer’s equity contributions of RMB390 million made within one year to technology										

	innovation areas. As at the end of the Reporting Period, the funds raised from 25BOEK1 were used to replace the principal of the corporate bond 22BOEY1 previously repaid with the Company's own funds, in the amount of RMB2 billion; the funds raised from 25BOEK2 were used to replace the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance, in the amount of RMB1 billion; and the funds raised from 25BOEK3 were used to replace the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance, in the amount of RMB1 billion.
Idle funds replenishing the working capital temporarily	N/A
Amount of surplus in project implementation and the reasons	Applicable As at the end of the Reporting Period, the total funds raised from the medium term notes had been fully utilized, with a remaining balance of RMB19,400, representing interest income earned during the deposit period.
Purpose and whereabouts of unused funds	N/A
Problems incurred in fund using and disclosure or other condition	N/A

3. Re-purposed Raised Funds

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Sponsor's Verification Opinion on the Use and Deposit of Raised Funds

☐ Applicable ☒ Not applicable

XVII Other Significant Events

☒ Applicable ☐ Not applicable

1. The Company disclosed the Announcement on Not Exercising the Issuer's Renewal Option for the 2022 Public Offering of Renewable Corporate Bonds of BOE (for professional investors) (Digital Economy) (Phase I) (Announcement No. 2025-008) on 11 February 2025, and the third anniversary of 22BOEY1 fell on 25 March 2025. According to the relevant provisions of the Prospectus and the Listing Declaration, the Company decides not to exercise the renewal option of bond issuer. That is, the current bonds were to be fully redeemed. As the Company disclosed the Announcement on the Redemption of the Principal and Interest of the "22BOEY1" Corporate Bonds and the De-listing of the Bonds (Announcement No. 2025-010) on 21 March 2025, it would pay the interest of the bonds generated between 25 March 2024 and 24 March 2025, as well as the principal of the bonds, on 25 March 2025, and de-list the bonds.

2. The Company disclosed the Announcement on the Public Offering of Corporate Bonds to Professional Investors Obtaining Registration Approval from the CSRC (Announcement No. 2024-052) on 9 October 2024. The Company received the CSRC Permit [2024] No. 1330, which agreed to the Company's public offering of corporate bonds with an aggregate nominal value of no more than RMB10 billion to professional investors.

Bond name	Abbr.	Bond code	Date of issue	Maturity
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (First Tranche) in 2025 to Professional Investors	25BOEK1	524305.SZ	12 June 2025 to 13 June 2025	13 June 2030
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Second Tranche) in 2025 to Professional Investors	25BOEK2	524510.SZ	5 November 2025 to 6 November 2025	6 November 2030
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Third Tranche) in 2025 to Professional Investors	25BOEK3	524530.SZ	13 November 2025 to 14 November 2025	14 November 2030
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (First Tranche) in 2026 to Professional Investors	26BOEK1	524641.SZ	22 January 2026 to 23 January 2026	23 January 2031
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Second Tranche) in 2026 to Professional Investors	26BOEK2	524715.SZ	18 March 2026 to 19 March 2026	19 March 2031

3. The Company disclosed the Announcement on Resolutions of the 1st Extraordinary General Meeting in 2025 (Announcement No. 2025-002), Announcement on Resolutions of the 1st Meeting of the 11th Board of Directors (Announcement No. 2025-005) and Announcement on Resolutions of the 1st Meeting of the 11th Supervisory Committee (Announcement No. 2025-006) on 15 January 2025, which reviewed and approved proposals related to general election and completed the general election. For more details, please refer to relevant announcements. The Company disclosed the Announcement on Resignation of Senior Management (Announcement No. 2025-057) on 10 July 2025, due to job transfer, Mr. Guo Huaping applied for resignation as Senior Vice President and Chief Cultural Officer and will not hold any position in the Company or any of its majority-owned subsidiaries after his resignation. On 23 September 2025, the Company disclosed the Announcement on the Election of an Employee

Director (Announcement No. 2025-071). On 22 September 2025, the Company's trade union convened the Company's Workers Congress, which elected Mr. Li Yang as an employee director of the 11th Board of Directors. On 11 October 2025, the Company disclosed the Announcement on the Resignation of a Director (Announcement No. 2025-074). For personal reasons, Mr. Gao Wenbao applied to resign from his positions as a Director, Vice Chairman and member of the special committees of the Board of Directors. Following his resignation, he no longer holds any position in the Company or its majority-owned subsidiaries. On 31 October 2025, the Company disclosed the Announcement on the Election of the Vice Chairman of the 11th Board of Directors (Announcement No. 2025-078). The Board of Directors elected Mr. Wang Xiping as Vice Chairman of the 11th Board of Directors, with the term of office commencing from the date of election at the Board meeting and ending on the date of expiry of the term of the current session of the Board. On 31 October 2025, the Company disclosed the Announcement on the Election of the Non-Independent Director of the 11th Board of Directors (Announcement No. 2025-077), and on 18 November 2025, the Announcement on the Resolutions of the Third Extraordinary General Meeting of Shareholders in 2025 (Announcement No. 2025-089), announcing the election of Ms. Feng Liqiong as a non-independent director of the 11th Board of Directors.

4. The 4th Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders of the Company reviewed and approved the Proposal on Changing the Use of Repurchased Shares and Canceling Them, and on 22 April 2025, the Company disclosed the Announcement on Changing the Use of Repurchased Shares and Canceling Them (Announcement No. 2025-030). The Company intended to change the use of 228,882,900 shares held in the special repurchase securities account from "to be used for the implementation of the Company's equity incentive plan" to "to be canceled with a corresponding reduction in the Company's registered capital", and would proceed with the relevant cancellation procedures in accordance with the applicable regulations. On 3 June 2025, the Company disclosed the Announcement on the Completion of the Cancellation of Repurchased Shares and the Resulting Change in Share Capital (Announcement No. 2025-041). On 29 May 2025, the Company completed the cancellation of 228,882,900 treasury shares with the China Securities Depository and Clearing Corporation Limited Shenzhen Branch. Following the approval of the Proposal on the Repurchase of Some Public Shares at the Fourth Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders, the Company disclosed the Announcement on the Repurchase of Some Public Shares (Announcement No. 2025-029) on 22 April 2025, and the Report on the Repurchase of Some Public Shares (Announcement No. 2025-045) on 10 June 2025. On 6 June 2025, the Company disclosed the Voluntary Information Disclosure Announcement on Receiving a Letter of Loan Commitment and Obtaining Financing Support for Share Repurchase (Announcement No. 2025-044). The Company received a Letter of Loan Commitment issued by Beijing Branch of China Construction Bank Corporation, committing to provide the Company with a special loan of RMB1.8 billion for share repurchase. The Company carried out the first repurchase on 30 June 2025 and disclosed the Announcement on the First Repurchase of Some Public Shares & Share Repurchase Progress (Announcement No. 2025-055) on 1 July 2025. On 6 January 2026, the Company disclosed the Announcement on the Completion of the Implementation of the Share Repurchase Program and the Result of the Repurchase (Announcement No. 2026-001). The share repurchase was actually carried out during the period from 30 June 2025 to 31 December 2025. As at 31 December 2025, the Company has implemented the repurchase of the Company's shares by means of centralized bidding through a special securities account for the repurchase, and the cumulative number of A Shares repurchased was 369,552,400, accounting for approximately 1.0064% of the Company's A Shares and 0.9877% of the Company's total share capital, with the highest transaction price of RMB4.26 per share and the lowest transaction price of RMB3.83 per share. The total amount paid was RMB1,500,060,240.57 (exclusive of transaction costs). The above repurchase of the Company was in line with the requirements of relevant laws and regulations, as well as the established repurchase program of the Company. On 12 January 2026, the Company disclosed the Announcement on the Completion of the Cancellation of Repurchased Shares and the Resulting Change in Share Capital (Announcement No. 2026-003). On 8 January 2026, the Company completed the cancellation of 369,552,400 repurchased shares with the China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

5. On 19 June 2025, the Company disclosed the Announcement on the Distribution of the 2024 Final Dividend (Announcement No. 2025-053). As the 2024 Final Dividend Plan had been approved at the 2024 Annual General Meeting of Shareholders on 23

May 2025, the Company distributed a 2024 final dividend of RMB0.5 per 10 shares (dividend to B-shareholders paid in HKD according to the central parity rate of RMB and HKD declared by the People's Bank of China on the first working day immediately after the date of the relevant general meeting resolution), with no bonus issue from either profit or capital reserves.

Overview of significant event	Disclosure date	Disclosure website
Announcement on the Voluntary Disclosure of the Proposed Acquisition of Partial Equity Interest in Xianyang CHOT Optoelectronics Technology Co., Ltd.	18 June 2025	www.cninfo.com.cn

XVIII Significant Events of Subsidiaries

☒ Applicable ☐ Not applicable

On 9 April 2025, the Company disclosed the Announcement on the Official Listing of a Majority-owned Subsidiary on the National Equities Exchange and Quotations (Announcement No.: 2025-012). The equities of the Company's majority-owned subsidiary BOE Energy Technology Co., Ltd. were listed for public transfer on the National Equities Exchange and Quotations starting from 8 April 2025. On 31 October 2025, the Company disclosed the Announcement on the Proposed Initial Public Offering of Shares to Qualified Investors in General and Listing on the Beijing Stock Exchange by a Controlled Subsidiary (Announcement No. 2025-079). The Company's controlled subsidiary, BOE Energy Technology Co., Ltd. (hereinafter referred to as "Energy Technology"), proposed to make an initial public offering of shares to qualified investors in general of not more than 414,230,020 shares (including that number, assuming no exercise of the over-allotment option) or not more than 476,364,523 shares (including that number, assuming full exercise of the over-allotment option). For details, please refer to the relevant announcements. On 24 December 2025, the Company disclosed the Announcement on the Completion of the Supervision Acceptance for the Initial Public Offering of Shares to Qualified Investors in General and Listing on the Beijing Stock Exchange by a Controlled Subsidiary (Voluntary Disclosure) (Announcement No. 2025-091). The Company's controlled subsidiary, BOE Energy Technology Co., Ltd., received a notification from China Securities Co., Ltd. (CSC) that, following its supervision by CSC, Energy Technology had passed the supervision acceptance by the Beijing Regulatory Bureau of the China Securities Regulatory Commission. On 6 January 2026, the Company disclosed the Announcement on the Acceptance of the Application for the Initial Public Offering of Shares to Qualified Investors in General and Listing on the Beijing Stock Exchange by a Controlled Subsidiary (Voluntary Disclosure) (Announcement No. 2026-002). On 31 December 2025, the Company's controlled subsidiary, BOE Energy Technology Co., Ltd., received the Acceptance Letter (GF2025120047) issued by the Beijing Stock Exchange (BSE), confirming that the BSE had formally accepted Energy Technology's application for the initial public offering of shares to qualified investors in general and listing on the BSE.

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

Item	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Bonus issue from profit	Other	Subtotal	Number	Percentage
I. Restricted shares	100,576,390	0.27%	0	0	0	-90,796,145	-90,796,145	9,780,245	0.03%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	92,641,606	0.25%	0	0	0	-82,861,361	-82,861,361	9,780,245	0.03%
Among which: Shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	92,641,606	0.25%	0	0	0	-82,861,361	-82,861,361	9,780,245	0.03%
4. Shares held by foreign investors	7,934,784	0.02%	0	0	0	-7,934,784	-7,934,784	0	0.00%
Among which: Shares held by foreign corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign individuals	7,934,784	0.02%	0	0	0	-7,934,784	-7,934,784	0	0.00%
II. Non-restricted shares	37,544,439,813	99.73%	0	0	0	-140,339,594	-140,339,594	37,404,100,219	99.97%
1. RMB ordinary shares	36,851,555,686	97.89%	0	0	0	-140,339,594	-140,339,594	36,711,216,092	98.12%
2. Domestically listed foreign shares	692,884,127	1.84%	0	0	0	0	0	692,884,127	1.85%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%

III. Total shares	37,645,016,203	100.00%	0	0	0	-231,135,739	-231,135,739	37,413,880,464	100.00%
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Reasons for share changes:

☒ Applicable ☐ Not applicable

During the Reporting Period, a total of 89,096,540 restricted shares granted under equity incentive plans were unlocked, and 2,252,839 restricted shares that had been granted to certain awardees but were still in lockup were repurchased and retired, resulting in a decrease of 91,349,379 shares in the number of restricted shares under equity incentive plans.

During the Reporting Period, the Company completed its election and transition. Shares held by outgoing directors, supervisors and senior management were released from the lock-up, while a portion of the shares held by newly appointed directors and senior management became shares held by senior management subject to lock-up restrictions. As a result, the total number of such restricted shares held by senior management increased by 553,234 shares.

During the Reporting Period, the Company canceled 228,882,900 treasury shares.

As a result, the total number of shares decreased by 231,135,739 shares during the Reporting Period, of which shares subject to lock-up restrictions decreased by 90,796,145 shares and shares not subject to lock-up restrictions decreased by 140,339,594 shares.

Approval of share changes:

☐ Applicable ☒ Not applicable

Transfer of share ownership:

☐ Applicable ☒ Not applicable

Effects of share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

☒ Applicable ☐ Not applicable

Item	January-December 2025
Basic earnings per share (RMB/share)	0.16
Diluted earnings per share (RMB/share)	0.16
Item	31 December 2025
Equity per share attributable to the Company's ordinary shareholders	3.63

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

☐ Applicable ☒ Not applicable

2. Changes in Restricted Shares

☒ Applicable ☐ Not applicable

Unit: Share

Name of the shareholders	Restricted shares amount at the period-begin	Restricted shares increased of the period	Restricted shares relieved of the period	Restricted shares amount at the period-end	Restricted reasons	Restricted shares relieved date
Locked shares of executives	9,227,011	553,234	0	9,780,245	Locked shares of executives	-
Restricted shares for equity incentive	91,349,379	0	91,349,379	0	Restricted shares for equity incentive	-
Total	100,576,390	553,234	91,349,379	9,780,245	--	--

II Issuance and Listing of Securities

1. Securities (Exclusive of Preferred Shares) Issued in the Reporting Period

☐ Applicable ☒ Not applicable

Name of stock and derivative securities	Issue date	Issue price (or interest rate)	Issued number	Listing date	Number approved for listing and trading	Transaction termination date	Disclosure index	Disclosure date
Stocks								
N/A								
Convertible corporate bonds, detachable convertible corporate bonds, and other corporate bonds								
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (First Tranche) in 2025 to Professional Investors	13 June 2025	1.94%	RMB2,000,000,000	19 June 2025	RMB2,000,000,000	13 June 2030	For details, please refer to the Announcement on the Listing on the Shenzhen Stock Exchange of the Technological Innovation Corporate Bonds (First Tranche) in 2025 Offered by BOE Technology Group Co., Ltd. to Professional Investors	19 June 2025

							disclosed on https://www.cninfo.com.cn/ .	
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Second Tranche) in 2025 to Professional Investors	6 November 2025	1.95%	RMB1,000,000,000	14 November 2025	RMB1,000,000,000	6 November 2030	For details, please refer to the Announcement on the Listing on the Shenzhen Stock Exchange of the Technological Innovation Corporate Bonds (Second Tranche) in 2025 Offered by BOE Technology Group Co., Ltd. to Professional Investors disclosed on https://www.cninfo.com.cn/ .	14 November 2025
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Third Tranche) in 2025 to Professional Investors	14 November 2025	1.95%	RMB1,000,000,000	21 November 2025	RMB1,000,000,000	14 November 2030	For details, please refer to the Announcement on the Listing on the Shenzhen Stock Exchange of the Technological Innovation Corporate Bonds (Third Tranche) in 2025 Offered by BOE Technology Group Co., Ltd. to Professional Investors disclosed on https://www.cninfo.com.cn/ .	21 November 2025
Other derivative securities								
N/A								

Description of the issuance of securities (Exclusive of Preferred Shares) in the Reporting Period: N/A

2. Changes to Total Shares, Shareholder Structure and Asset and Liability Structures

☒ Applicable ☐ Not applicable

1. During the Reporting Period, the Company repurchased and canceled 2,252,839 restricted shares, resulting in a decrease of 2,252,839 shares of the Company's shares.
2. During the Reporting Period, the Company cancel 228,882,900 shares in the special securities account for repurchased shares, resulting in a decrease of 228,882,900 shares of the Company's shares.

3. Existing Staff-Held Shares

☐Applicable ☒ Not applicable

III Shareholders and Actual Controller

1. Total Number of Shareholders and Their Shareholdings

Unit: Share

Number of ordinary shareholders at the period-end	995,792 (including 966,309 A-shareholders and 29,483 B-shareholders)			Number of ordinary shareholders at the month-end prior to the disclosure of this Report		981,480 (including 952,576 A-shareholders and 28,904 B-shareholders)		
5% or greater shareholders or top 10 shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Shares
Beijing State-owned Capital Operation and Management Company Limited	State-owned legal person	10.86%	4,063,333,333	0	0	4,063,333,333	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	7.38%	2,760,058,253	93,692,368	0	2,760,058,253	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.20%	822,092,180	0	0	822,092,180	N/A	0
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	Other	1.92%	718,132,854	0	0	718,132,854	N/A	0
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund	Other	1.62%	605,300,047	-32,614,100	0	605,300,047	N/A	0
Fuqing Huirong Venture Capital Co., Ltd.	Domestic non-state-owned legal person	1.44%	538,599,640	0	0	538,599,640	In pledge	21,000,000
China Construction Bank Co., Ltd.- E Fund CSI 300 Initiating Exchange-Traded Fund	Other	1.16%	432,588,523	-7,486,500	0	432,588,523	N/A	0
Perseverance Asset Management- Perseverance Xiaofeng No.2 Zhixin Fund	Other	0.94%	352,000,000	3,000,000	0	352,000,000	N/A	0
Industrial and Commercial Bank of China Co.,	Other	0.88%	330,121,300	37,604,300	0	330,121,300	N/A	0

Ltd.- China CSI 300 Exchange-Traded Fund								
China Foreign Economy and Trade Trust Co., Ltd.-FOTIC-Perseverance Xiaofeng Hongyuan Collective Funds Trust Plan	Other	0.86%	320,988,907	-500,000	0	320,988,907	N/A	0
Strategic investors or general corporations becoming top-ten ordinary shareholders due to placing of new shares (if any)		N/A						
Related or acting-in-concert parties among the shareholders above		1. Beijing State-owned Capital Operation and Management Company Limited indirectly held 100% equities of Beijing Jingguorui Investment Management Co., Ltd. and directly held 77.5918% shares of Beijing Jing Guorui Soe Reform and Development Fund (L.P.); Beijing Jingguorui Investment Management Co., Ltd. is the general partner of Beijing Jing Guorui Soe Reform and Development Fund (L.P.). In addition, among the nine members of the Investment Decision-Making Committee of Beijing Jing Guorui Soe Reform and Development Fund (L.P.), three are nominated by Beijing State-owned Capital Operation and Management Company Limited. 2. Except for the above relationships, the Company does not know any other connected party or acting-in-concert party among the top 10 shareholders.						
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights		N/A						
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)		As at the end of the Reporting Period, among the Company’s top 10 shareholders, 369,552,400 shares were held in the special securities account for share repurchases of BOE Technology Group Co., Ltd., representing 0.99% of the total shares. In accordance with the relevant provisions of the Standard No. 2 on the Content and Format of Information Disclosure by Companies Offering Securities to the Public, if a repurchase account exists among the top 10 shareholders, such account shall be specifically explained but is not included in the list of the top 10 shareholders for presentation purposes.						
Shareholdings of the top ten unrestricted ordinary shareholders (exclusive of shares lent in refinancing and locked shares of executives)								
Name of shareholder		Number of unrestricted ordinary shares held at the period-end			Shares by type			
					Type	Shares		
Beijing State-owned Capital Operation and Management Company Limited		4,063,333,333			RMB ordinary share	4,063,333,333		
Hong Kong Securities Clearing Company Ltd.		2,760,058,253			RMB ordinary share	2,760,058,253		
Beijing BOE Investment & Development Co., Ltd.		822,092,180			RMB ordinary share	822,092,180		
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)		718,132,854			RMB ordinary share	718,132,854		
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund		605,300,047			RMB ordinary share	605,300,047		
Fuqing Huirong Venture Capital Co., Ltd.		538,599,640			RMB ordinary share	538,599,640		
China Construction Bank Co., Ltd.- E Fund CSI 300 Initiating Exchange-Traded Fund		432,588,523			RMB ordinary share	432,588,523		
Perseverance Asset Management- Perseverance Xiaofeng No.2		352,000,000			RMB ordinary	352,000,000		

Zhixin Fund		share	
Industrial and Commercial Bank of China Co., Ltd.- China CSI 300 Exchange-Traded Fund	330,121,300	RMB ordinary share	330,121,300
China Foreign Economy and Trade Trust Co., Ltd.-FOTIC-Perseverance Xiaofeng Hongyuan Collective Funds Trust Plan	320,988,907	RMB ordinary share	320,988,907
Related or acting-in-concert parties among top 10 unrestricted ordinary shareholders, as well as between top 10 unrestricted ordinary shareholders and top 10 shareholders	1. Beijing State-owned Capital Operation and Management Company Limited indirectly held 100% equities of Beijing Jingguorui Investment Management Co., Ltd. and directly held 77.5918% shares of Beijing Jing Guorui Soe Reform and Development Fund (L.P.); Beijing Jingguorui Investment Management Co., Ltd. is the general partner of Beijing Jing Guorui Soe Reform and Development Fund (L.P.). In addition, among the nine members of the Investment Decision-Making Committee of Beijing Jing Guorui Soe Reform and Development Fund (L.P.), three are nominated by Beijing State-owned Capital Operation and Management Company Limited. 2. Except for the above relationships, the Company does not know any other connected party or acting-in-concert party among the top 10 shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

Note: The total number of ordinary shareholders at the month-end prior to the disclosure of this Report is the total number of ordinary shareholders of the Company as at 20 March 2026.

5% or greater shareholders, top 10 shareholders and Top 10 unrestricted shareholders involved in refinancing shares lending

☐ Applicable ☒ Not applicable

Changes in top 10 shareholders and top 10 unrestricted shareholders due to refinancing shares lending/return compared with the prior period

☐ Applicable ☒ Not applicable

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yes ☒ No

No such cases in the Reporting Period.

2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a local state-owned legal person

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Beijing Electronics Holdings Co., Ltd.	Zhang Jinsong	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipment, audio & visual products for broadcasting and television, computer and its supporting equipment and the applied products, electronic raw material and components, home electric appliances and electronic products, electronic surveying instruments and meters, mechanical and electric equipment, 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. (The market entity shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the company must obtain approval from related authorities before carrying out the business activities. The company shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	Beijing Electronics Holdings Co., Ltd. directly held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City, and indirectly held 31,430,563 shares of A share of Electronic City, which was of 2.81% of the total shares amount of Electronic City. Beijing Electronics Holdings Co., Ltd. directly held 67,436,337 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd.) (Stock Code: 002371), which accounted for 9.31% of the total shares of NAURA Technology Group Co., Ltd. and indirectly held 240,537,223 shares of A share of NAURA Technology Group Co., Ltd., which accounted for 33.20% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronics Holdings Co., Ltd. directly held 645,657,112 shares of A share of Beijing Yandong Microelectronic Co., Ltd. (Stock Code: 688172), which accounted for 45.23% of the total shares of Beijing Yandong Microelectronic Co., Ltd. and indirectly held 125,083,405 shares of A share of Beijing Yandong Microelectronic Co., Ltd., which accounted for 8.76% of the total shares of Beijing Yandong Microelectronic Co., Ltd. Beijing Electronics Holdings Co., Ltd. directly held 56,541,164 shares of A shares of Shanghai New Vision Microelectronics Co., Ltd. (Stock Code: 688593), which accounted for 12.30% of the total shares of Shanghai New Vision Microelectronics Co., Ltd. and indirectly held 35,964,665 shares of A shares of KINGSEMI (Stock Code:688037), which accounted for 17.84% of the total shares of KINGSEMI.			

Change of the controlling shareholder in the Reporting Period:

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Actual Controller and Its Acting-in-Concert Parties

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/ person in charge	Date of establishment	Unified social credit code	Principal activity
Beijing Electronics Holdings Co., Ltd.	Zhang Jinsong	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipment, audio & visual products for broadcasting and television, computer and its supporting equipment and the applied products, electronic raw material and components, home electric appliances and electronic products, electronic surveying instruments and meters, mechanical and electric equipment; 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. (The market entity shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the company must obtain approval from related authorities before carrying out the business activities. The company shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Other listed companies at home or abroad controlled by the actual controller in the Reporting Period	Beijing Electronics Holdings Co., Ltd. directly held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City, and indirectly held 31,430,563 shares of A share of Electronic City, which was of 2.81% of the total shares amount of Electronic City. Beijing Electronics Holdings Co., Ltd. directly held 67,436,337 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd.) (Stock Code: 002371), which accounted for 9.31% of the total shares of NAURA Technology Group Co., Ltd. and indirectly held 240,537,223 shares of A share of NAURA Technology Group Co., Ltd., which accounted for 33.20% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronics Holdings Co., Ltd. directly held 645,657,112 shares of A share of Beijing Yandong Microelectronic Co., Ltd. (Stock Code: 688172), which accounted for 45.23% of the total shares of Beijing Yandong Microelectronic Co., Ltd. and indirectly held 125,083,405 shares of A share of Beijing Yandong			

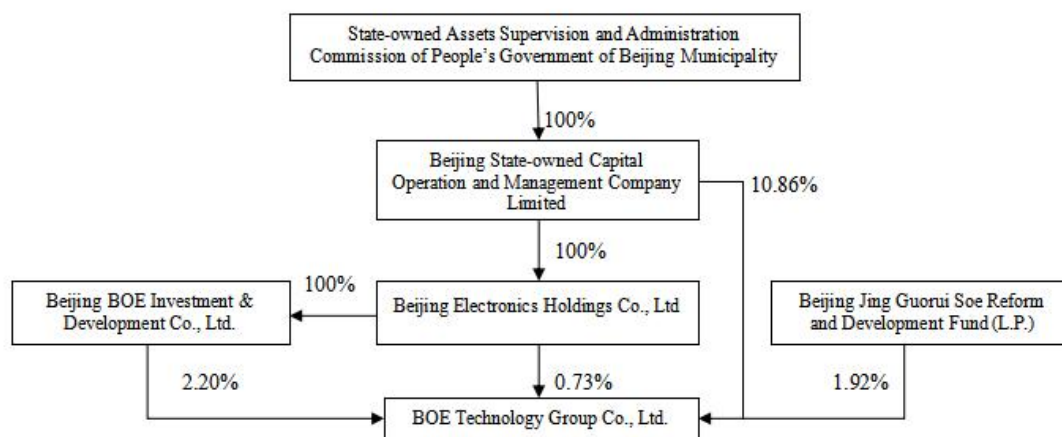
Microelectronic Co., Ltd., which accounted for 8.76% of the total shares of Beijing Yandong Microelectronic Co., Ltd. Beijing Electronics Holdings Co., Ltd. indirectly held 35,964,665 shares of A shares of KINGSEMI (Stock Code:688037), which accounted for 17.84% of the total shares of KINGSEMI.

Change of the actual controller during the Reporting Period:

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Notes: 1. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Company Limited handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, 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 Implementation Protocol of Voting Right.

2. During the non-public issuing of the Company in 2021, Beijing Jing Guorui Soe Reform and Development Fund (L.P.) signed the Acting-in-Concert Agreement with Beijing Electronics Holdings Co., Ltd.

Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

☐ Applicable ☒ Not applicable

4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

☐ Applicable ☒ Not applicable

5. Other 10% or Greater Corporate Shareholders

☒ Applicable ☐ Not applicable

Name of corporate shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Principal activity
Beijing State-owned Capital Operation and Management Company	Pan Jinfeng	30 December 2008	RMB50 billion	Operation and management of state-owned capital, investment and investment management; assets management;

Limited				organize the reorganization as well as the merger and acquisition of the enterprise assets. ("1. The company shall not raise funds in any public manner; 2. It shall not conduct securities products and financial derivative transactions in any public manner; 3. It shall not issue loans; 4. It shall not provide guarantees for enterprises other those it invests in; 5. It shall not promise any principal guarantee or minimum return to investors"; (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)
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6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

☐ Applicable ☒ Not applicable

IV Specific Implementation of Share Repurchase during the Reporting Period

Progress on any share repurchase

☒ Applicable ☐ Not applicable

Disclosure time of plan	Number of shares to be repurchased	As % of total share capital	Amount of all repurchased shares	Term of repurchase	Usage	Number of shares repurchased (share)	Number of shares repurchased as % of the underlying stocks involved in the equity incentive plan (if any)
22 April 2025	Not less than 240,000,000 shares	Not less than 0.64% of the total share capital at the time of disclosure of the repurchase plan	Not less than RMB1.5 billion, and not exceeding RMB2 billion	Not exceeding 12 months since the date when the share repurchase plan was reviewed and approved by the general meeting of shareholders	Canceled with a corresponding reduction in the Company's registered capital	369,552,400	-

Progress on reducing the repurchased shares by means of centralized bidding

☐Applicable ☒ Not applicable

V Preference Shares

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part VII Bonds

☒ Applicable ☐ Not applicable

I Enterprise Bonds

☐ Applicable ☒ Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

☒ Applicable ☐ Not applicable

1. Basic Information of the Corporate Bonds

Unit: RMB'0,000

Bond name	Abbr.	Bond code	Date of issue	Value date	Maturity	Balance	Coupon rate	Way of redemption	Trade place
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (First Tranche) in 2025 to Professional Investors	25BOEK1	524305.SZ	13 June 2025	13 June 2025	13 June 2030	200,000	1.94%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Second Tranche) in 2025 to Professional Investors	25BOEK2	524510.SZ	6 November 2025	6 November 2025	6 November 2030	100,000	1.95%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Third Tranche) in 2025 to Professional Investors	25BOEK3	524530.SZ	14 November 2025	14 November 2025	14 November 2030	100,000	1.95%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption	SZSE

								of principal.	
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (First Tranche) in 2026 to Professional Investors	26BOEK1	524641.SZ	23 January 2026	23 January 2026	23 January 2031	100,000	2.06%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds (Second Tranche) in 2026 to Professional Investors	26BOEK2	524715.SZ	19 March 2026	19 March 2026	19 March 2031	100,000	1.97%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
Appropriate arrangement of the investors (if any)					Only for the qualified investors				
Applicable trade mechanism					Centralized bidding trade and negotiated block trade				
Risk of delisting (if any) and countermeasures					Not				

Overdue bonds

☐ Applicable ☒ Not applicable

2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

☐ Applicable ☒ Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds in 2025 to Professional Investors	China Securities Co., Ltd.	Building 4, No. 66, Anli Road, Chaoyang District, Beijing	Su Xing, Chai Jing, Liu Jingyuan	Zhu Mingqiang, Han Yong	021-68801569
The Public Offering of BOE Technology Group Co., Ltd. of Technological Innovation Corporate Bonds in 2026 to Professional Investors	China Securities Co., Ltd.	Building 4, No. 66, Anli Road, Chaoyang District, Beijing	Su Xing, Chai Jing, Liu Jingyuan	Zhu Mingqiang, Han Yong	021-68801569

Indicate by tick mark whether above intermediary changed in the Reporting Period

☐ Yes ☒ No

4. List of the Usage of the Raised Funds

Unit: RMB'0,000

Bond code	Abbr.	Total amount	Promissory usage of the raised funds	Amount spent	Actual use of raised funds (by usage, excluding temporarily supplementing working capital)	Actual use of funds in each category	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
524305.SZ	25BOEK1	200,000	Replacing the principal of the corporate bond "22BOEY1" previously repaid with the Company's own funds	200,000	Replacing the principal of the corporate bond "22BOEY1" previously repaid with the Company's own funds, in the amount of RMB2 billion	Fully utilized	0	-	-	Yes
524510.SZ	25BOEK2	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance, in the amount of RMB1 billion	Fully utilized	0	-	-	Yes
524530.SZ	25BOEK3	100,000	Replacing the Company's own funds used for equity investments in technology	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within	Fully utilized	0	-	-	Yes

			innovation areas within the 12 months prior to the issuance		the 12 months prior to the issuance, in the amount of RMB1 billion					
524641.SZ	26BOEK1	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance, in the amount of RMB1 billion	Fully utilized	0	0	-	Yes
524715.SZ	26BOEK2	100,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance	30,000	Replacing the Company's own funds used for equity investments in technology innovation areas within the 12 months prior to the issuance, in the amount of RMB300 million	Fully utilized	0	0	-	Yes
			Making capital contributions to subsidiaries in technology innovation areas	0	Making capital contributions in accordance with project progress	Unutilized	70,000	0	-	Yes

The raised funds were used for project construction

☐ Applicable ☒ Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

☐ Applicable ☒ Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

☐Applicable ☒ Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

☐Applicable ☒ Not applicable

III Debt Financing Instruments of Non-financial Enterprises

☒ Applicable ☐ Not applicable

1. General Information about Debt Financing Instruments as a Non-financial Enterprise

Unit: RMB'0,000

Bond name	Abbr.	Bond code	Date of issue	Value date	Maturity	Balance (RMB'0,000)	Coupon rate	Way of redemption	Trade place
The 2025 First Tranche of Medium-Term Notes (Technological Innovation Notes) of BOE Technology Group Co., Ltd.	25 BOE Group MTN001 (Technological Innovation Notes)	102581768	23 April 2025	24 April 2025	24 April 2035	200,000	2.23%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	China's inter-bank bond market
The 2025 Second Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	25 BOE Group MTN002 (Technological Innovation Bonds)	102582067	13 May 2025	14 May 2025	14 May 2035	100,000	2.23%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	China's inter-bank bond market
The 2025 Third	25 BOE	10258261	24 June	25 June	25 June	100,000	1.77%	Interest	China's

Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	Group MTN003 (Technological Innovation Bonds)	5	2025	2025	2028			shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	inter-bank bond market
The 2025 Fourth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	25 BOE Group MTN004 (Technological Innovation Bonds)	102582852	10 July 2025	11 July 2025	11 July 2030	100,000	1.70%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	China's inter-bank bond market
The 2025 Fifth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	25 BOE Group MTN005 (Technological Innovation Bonds)	102583095	24 July 2025	25 July 2025	25 July 2028	100,000	1.70%	Interest shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	China's inter-bank bond market
The 2025 Sixth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	25 BOE Group MTN006 (Technological Innovation Bonds)	102583387	8 August 2025	11 August 2025	11 August 2028	100,000	1.79%	Interest shall be paid for this issue of bonds yearly, and the last	China's inter-bank bond market

								installment of interest shall be paid with the redemption of principal.	
Appropriate arrangement of the investors (if any)			Institutional investors on China's inter-bank bond market						
Applicable trade mechanism			Trade mechanism of China's inter-bank bond market						
Risk of delisting (if any) and countermeasures			No						

Overdue bonds

☐ Applicable ☒ Not applicable

2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

☐ Applicable ☒ Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
The 2025 Medium-Term Notes/ Technological Innovation Bonds of BOE Technology Group Co., Ltd.	Ping An Bank Co., Ltd.	No. 5047, Shennan East Road, Luohu District, Shenzhen, Guangdong Province	Su Xing, Zhang Huan, Chai Jing	Zhang Yong, Yan Xue	010-66415596

Indicate by tick mark whether above intermediary changed in the Reporting Period

☐ Yes ☒ No

4. List of the Usage of the Raised Funds

Unit: RMB'0,000

Bond	Total amount	Promissory usage of the raised funds	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
The 2025 First Tranche of Medium-Term Notes (Technological Innovation Notes) of BOE Technology Group Co., Ltd.	200,000	Replacing the issuer's equity contributions made within one year to technology innovation areas	190,000	0	-	-	Yes
		Replenishment of working capital	10,000	0	-	-	Yes
The 2025 Second	100,000	Replacing the	90,000	0	-	-	Yes

Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.		issuer's equity contributions made within one year to technology innovation areas					
		Replenishment of working capital	10,000	0	-	-	Yes
The 2025 Third Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	100,000	Repayment of interest-bearing liabilities	100,000	0	-	-	Yes
The 2025 Fourth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	100,000	Replacing the issuer's equity contributions made within one year to technology innovation areas	100,000	0	-	-	Yes
The 2025 Fifth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	100,000	Replacing the issuer's equity contributions made within one year to technology innovation areas	100,000	0	-	-	Yes
The 2025 Sixth Tranche of Technological Innovation Bonds of BOE Technology Group Co., Ltd.	100,000	Replacing the issuer's equity contributions made within one year to technology innovation areas	39,000	0	-	-	Yes
		Repayment of interest-bearing liabilities	40,000	0	-	-	Yes
		Replenishment of working capital	21,000	0	-	-	Yes

The raised funds were used for project construction

☐Applicable ☒ Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

☐Applicable ☒ Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

☐Applicable ☒ Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

☐Applicable ☒ Not applicable

IV Convertible Corporate Bonds

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

☐Applicable ☒ Not applicable

VI Matured Interest-bearing Debt excluding Bonds up the Period-end

☐Applicable ☒ Not applicable

VII Whether there was any Violation of Rules and Regulations during the Reporting Period

☐Yes ☒ No

VIII The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Unit: RMB'0,000

Item	31 December 2025	31 December 2024	Change
Current ratio	1.40	1.24	12.90%
Debt/asset ratio	52.46%	52.43%	0.03%
Quick ratio	1.13	1.04	8.65%
Item	2025	2024	Change
Net profit before exceptional gains and losses	423,034	383,712	10.25%
EBITDA/debt ratio	33.97%	32.25%	1.72%
Interest cover (times)	3.01	2.17	38.71%
Cash-to-interest cover (times)	13.72	10.54	30.17%
EBITDA-to-interest cover (times)	13.99	10.97	27.53%
Debt repayment ratio (%)	100.00%	100.00%	0.00%
Interest payment ratio (%)	100.00%	100.00%	0.00%

Part VIII Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Standard unqualified audit opinion
Date of signing this report	30 March 2026
Name of the independent auditor	Ernst & Young Hua Ming LLP
Reference number of auditor's report	Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
Name of the certified public accountants	Xie Feng, Wang Jing

AUDITOR'S REPORT

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

To the shareholders of BOE Technology Group Co., Ltd. :

(I) Opinion

We have audited the financial statements of BOE Technology Group Co., Ltd. (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2025, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2025, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with *China Independence Standard No. 1 - Independence Requirements for Financial Statement Audit and Review Engagements* and *China Code of Ethics for Certified Public Accountants* (the "Code"). We have also fulfilled our other ethical responsibilities in accordance with the Code. We have complied with the independence requirements relevant to the audit of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

(III) Key Audit Matters (continued)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Revenue recognition	
The revenue of BOE Technology Group Co., Ltd. ("BOE") and its subsidiaries ("BOE Group") is mainly derived from the sale of products relating to display device across the domestic and overseas markets. The sales contracts / orders signed between BOE Group and its customers (mainly electronic equipment manufacturers) contain various trading terms. BOE Group judges the transfer timing of control according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the revenue is usually recognised when the goods are received, or when they are received by the carrier. We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, and there is an inherent risk that revenue may not be recognised in a correct period. Please refer to Note III, 24 for the accounting policies, and Note V, 47 for further disclosures.	The audit procedures we performed primarily included: • Evaluate the design and operation effectiveness of key internal controls related to revenue recognition for business segments such as display devices; • Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of ASBEs; • On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, delivery receipts, etc. to evaluate whether revenue is recognised in accordance with the accounting policies of BOE Group; • On a sampling basis and according to different trading terms, cross check the revenue recognised before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, delivery receipts, etc. to evaluate whether revenue is recognised in the correct period; • Select samples and perform confirmation procedures on the accounts receivable balance as of the balance sheet date; • Select samples of revenue adjustments (including sales discounts and sales returns, etc.) occurring after the balance sheet date, and check them against relevant supporting documentation, to evaluate whether revenue was recognised in the correct period; • Review the appropriateness of revenue disclosures in the financial statements.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

(III) Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of fixed assets and intangible assets	
As at 31 December 2025, the carrying amount of fixed assets and intangible assets amounted to RMB 199,096,817,337, the judgement on impairment indications and impairment test are material to BOE Group's financial statements. Management of BOE Group identifies asset groups based on the independence of their primary cash inflows from those of other assets or asset groups. Management assesses whether indicators of impairment exist as of the balance sheet date and performs impairment testing where necessary, using internal and external information such as market supply and demand dynamics, technological advancements, operating budgets, and actual economic performance. For asset groups with indicators of impairment as of the balance sheet date, management estimates their recoverable amount and compares it with their carrying amount to determine whether any impairment has occurred. The recoverable amount is based on the present value of expected future cash flows, which requires significant judgment, particularly in estimating future selling prices, sales volumes, and the discount rate. Given the materiality of the carrying amounts of property, plant, and equipment and intangible assets, and the significant judgment involved in assessing indicators of impairment and performing impairment tests on asset groups with such indicators, we have identified the impairment of property, plant, and equipment and intangible assets as a key audit matter. Please refer to Note III, 20 for the accounting policies, and Notes V, 15 and V, 18 for further disclosures.	The audit procedures we performed primarily included: - Evaluate management's identification of asset groups, assessment of impairment indicators, and assess the design and operating effectiveness of key internal controls over impairment testing; - Evaluate whether management's identification of asset groups and assessment of impairment indicators comply with the requirements of the ASBEs; - For asset groups with significant indicators of impairment: - Review the key assumptions used by management in calculating the recoverable amount, including future selling prices, sales volumes, and discount rates, and assess the reasonableness of these assumptions in light of historical data; - Evaluate the competence, professional qualifications, and objectivity of experts engaged by management; - Utilize the work of internal valuation specialists to assess the reasonableness of key valuation parameters, such as the cash flow model and discount rate, used by management in estimating the present value of future cash flows; - Perform retrospective reviews of management's historical forecasts to evaluate their accuracy and bias; - Review the sensitivity analyses performed by management on the key assumptions used in the recoverable amount calculation. - Review the appropriateness of management's disclosures regarding the impairment of related assets.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

(IV) Other information included in the Annual Report

BOE Group's management are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

(V) Responsibilities of management and those charged with governance for the financial statements

BOE Group's management are responsible for the preparation of the financial statements that give a true and fair view in accordance with ASBEs, and for such internal control as BOE Group's management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, BOE Group's management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless BOE Group's management either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

(VI) Auditor's responsibilities for the audit of the financial statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2026) Shen Zi No. 70008969_A01
BOE Technology Group Co., Ltd.

(VI) Auditor's responsibilities for the audit of the financial statements (continued)

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Xie Feng
(Engagement Partner)

Chinese Certified Public Accountant: Wang Jing

Beijing, the People's Republic of China

30 March 2026

BOE Technology Group Co., Ltd.
CONSOLIDATED BALANCE SHEET
31 December 2025

Expressed in Renminbi Yuan

ASSETS	Note V	31 December 2025	31 December 2024
Current assets			
Cash at bank and on hand	1	72,222,940,175	74,252,625,215
Financial assets held for trading	2	1,670,548,730	3,116,435,963
Notes receivable	3	514,647,075	338,059,783
Accounts receivable	4	32,293,002,623	36,338,199,204
Receivables financing	5	585,672,349	472,537,400
Prepayments	6	810,701,464	634,482,224
Other receivables	7	822,793,900	812,871,521
Inventories	8	27,748,526,136	23,313,464,392
Contract assets	9	393,081,902	150,871,486
Current portion of non-current assets		4,081,560	3,900,201
Other current assets	10	4,809,821,866	3,954,007,985
Total current assets		141,875,817,780	143,387,455,374
Non-current assets			
Long-term receivables		-	492,067
Long-term equity investments	11	18,636,209,565	13,533,271,302
Other equity investments	12	536,217,192	441,371,815
Other non-current financial assets	13	2,874,055,003	2,735,680,042
Investment properties	14	2,146,616,904	1,751,189,740
Fixed assets	15	186,299,299,142	204,904,419,511
Construction in progress	16	52,943,124,120	30,159,016,097
Right-of-use assets	17	807,290,109	754,408,280
Intangible assets	18	12,797,518,195	11,263,463,194
Development expenditures	VI	123,706,247	109,323,354
Goodwill	19	653,575,022	653,575,022
Long-term prepaid expenses	20	599,601,573	598,444,923
Deferred tax assets	21	854,033,038	694,888,275
Other non-current assets	22	15,231,258,913	18,991,222,545
Total non-current assets		294,502,505,023	286,590,766,167
Total assets		436,378,322,803	429,978,221,541

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED BALANCE SHEET (CONTINUED)
31 December 2025

Expressed in Renminbi Yuan

<u>LIABILITIES AND EQUITY</u>	<u>Note V</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities			
Short-term borrowings	24	3,655,021,437	1,563,317,166
Notes payable	25	1,380,128,604	1,399,557,969
Accounts payable	26	37,242,292,283	36,713,498,406
Receipts in advance		77,763,054	118,971,193
Contract liabilities	27	2,223,451,538	2,083,836,158
Employee benefits payable	28	3,584,824,383	4,076,008,388
Taxes and surcharges payable	29	1,319,215,532	1,576,606,596
Other payables	30	20,889,438,382	20,827,962,570
Current portion of non-current liabilities	31	26,670,312,919	43,506,539,611
Other current liabilities	32	4,349,146,900	3,394,971,140
Total current liabilities		101,391,595,032	115,261,269,197
Non-current liabilities			
Long-term borrowings	33	101,576,573,473	100,932,391,740
Bonds payable	34	10,968,768,052	-
Lease liabilities	35	687,762,666	631,418,986
Long-term payables	36	2,348,036,273	121,077,871
Provisions	37	-	1,652,566
Deferred income	38	6,798,033,210	4,544,617,931
Deferred tax liabilities	21	1,134,894,697	1,290,798,747
Other non-current liabilities	39	3,996,902,667	2,648,822,759
Total non-current liabilities		127,510,971,038	110,170,780,600
Total liabilities		228,902,566,070	225,432,049,797

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED BALANCE SHEET (CONTINUED)
31 December 2025

Expressed in Renminbi Yuan

<u>LIABILITIES AND EQUITY</u>	<u>Note V</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Equity			
Share capital	40	37,413,880,464	37,645,016,203
Other equity instruments	41	-	2,043,402,946
Capital reserves	42	51,859,961,722	52,207,573,706
Less: Treasury shares	43	1,499,835,264	1,216,490,683
Accumulated other comprehensive income	44	(766,570,036)	(1,171,823,864)
Specialised reserves		207,330,489	139,227,664
Surplus reserves	45	4,035,830,324	3,879,754,479
Retained earnings	46	43,228,031,107	39,410,894,857
Total equity attributable to owners of the parent		134,478,628,806	132,937,555,308
Non-controlling interests		72,997,127,927	71,608,616,436
Total equity		207,475,756,733	204,546,171,744
Total liabilities and equity		436,378,322,803	429,978,221,541

Chen Yanshun
Chairman of the Board

Feng Qiang
Chairman of the
Executive
Committee

Yang Xiaoping
Chief Financial Officer

Xu Yaxiao
The head of the
accounting
department

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
Revenue	47	204,590,222,888	198,380,605,661
Less: Cost of sales	47	172,602,044,011	168,221,949,573
Taxes and surcharges	48	1,425,552,345	1,296,146,896
Selling expenses	49	2,172,622,919	1,995,294,652
Administrative expenses	50	5,896,341,836	6,218,672,130
Research and development expenses	51	13,836,670,878	13,123,309,231
Finance expenses	52	1,836,646,802	1,224,387,370
Including: Interest expenses		3,292,142,233	4,033,259,880
Interest income		1,828,272,699	2,285,948,395
Add: Other income	53	2,915,429,247	2,288,477,566
Investment income	54	653,966,677	(540,900,653)
Including: Income/(loss) from investments in associates and joint ventures		81,175,287	(752,455,175)
Fair value gains	55	431,722,966	522,447,744
Credit impairment losses	56	(63,490,237)	(112,125,114)
Impairment losses of assets	57	(4,005,541,287)	(3,624,262,580)
Gains on disposal of non-current assets	58	30,428,604	96,175,264
Operating profit		6,782,860,067	4,930,658,036
Add: Non-operating income	59	314,980,839	216,286,272
Less: Non-operating expenses	60	63,639,776	61,290,675
Profit before income tax		7,034,201,130	5,085,653,633
Less: Income tax expenses	61	2,006,827,561	940,379,751
Net Profit		<u>5,027,373,569</u>	<u>4,145,273,882</u>
Classified by going concern			
Net profit from continuing operations		5,027,373,569	4,145,273,882

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
Classified by ownership			
Profit attributable to owners of the parent		5,856,966,754	5,323,248,974
Profit attributable to non-controlling interests		(829,593,185)	(1,177,975,092)
Other comprehensive income, net of tax	44	416,083,549	(5,776,420)
Other comprehensive income/(loss), net of tax, attributable to owners of the parent		408,111,001	(19,707,777)
Other comprehensive income that will not be reclassified to profit or loss			
Other comprehensive income using the equity method that will not be reclassified to profit or loss		38,861,322	45,589,853
Change in the fair value of other equity investments		95,049,059	(35,206,474)
Other comprehensive income that may be reclassified to profit or loss			
Other comprehensive income using the equity method that may be reclassified to profit or loss		47,364,873	-
Exchange differences on translation of foreign currency financial statements		226,835,747	(30,091,156)
Other comprehensive income, net of tax, attributable to non-controlling interests	44	7,972,548	13,931,357
Total comprehensive income		<u>5,443,457,118</u>	<u>4,139,497,462</u>
Including:			
Total comprehensive income attributable to owners of the parent		6,265,077,755	5,303,541,197
Total comprehensive income attributable to non-controlling interests		(821,620,637)	(1,164,043,735)
Earnings per share	62		
Basic earnings per share		0.16	0.14
Diluted earnings per share		0.16	0.14

Chen Yanshun
Chairman of the Board

Feng Qiang
Chairman of the
Executive
Committee

Yang Xiaoping
Chief Financial Officer

Xu Yaxiao
The head of the
accounting
department

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BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2025

	Attributable to owners of the parent									Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialised reserves	Surplus reserves	Retained earnings	Subtotal		
I. Balance at beginning of year	37,645,016,203	2,043,402,946	52,207,573,706	1,216,490,683	(1,171,823,864)	139,227,664	3,879,754,479	39,410,894,857	132,937,555,308	71,608,616,436	204,546,171,744
II. Changes for the year											
1. Total comprehensive income	-	-	-	-	408,111,001	-	-	5,856,966,754	6,265,077,755	(821,620,637)	5,443,457,118
2. Capital contributed and reduced by shareholders											
(1)Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	7,729,973,284	7,729,973,284
(2)Capital reduction by non-controlling interests	-	-	-	-	-	-	-	-	-	(5,390,488,477)	(5,390,488,477)
(3)Equity transactions with non-controlling interests	-	-	117,551,353	-	-	-	-	-	117,551,353	(117,551,353)	-
(4)Repurchase of treasury shares	-	-	-	1,499,835,264	-	-	-	-	(1,499,835,264)	-	(1,499,835,264)
(5)Cancellation of treasury shares	(231,135,739)	-	(778,740,068)	(1,009,875,807)	-	-	-	-	-	-	-
(6)Amount of share-based payment recognized in shareholders' equity	-	-	1,587,451	(206,614,876)	-	-	-	-	208,202,327	(115,160)	208,087,167
(7)Redemption of capital for holders of other equity instruments	-	(1,989,320,755)	(10,679,245)	-	-	-	-	-	(2,000,000,000)	-	(2,000,000,000)

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2025 (continued)

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialised reserves	Surplus reserves	Retained earnings	Subtotal	
II. Changes for the year (continued)										-
3. Profit distribution										
(1) Appropriation to surplus reserves	-	-	-	-	-	-	156,075,845	(156,075,845)	-	-
(2) Accrued interest on holders of other equity instruments	-	15,917,809	-	-	-	-	-	(15,917,809)	-	-
(3) Payment for interest on holders of other equity instruments	-	(70,000,000)	-	-	-	-	-	-	(70,000,000)	(70,000,000)
(4) Distribution to shareholders	-	-	-	-	-	-	-	(1,870,694,023)	(1,870,694,023)	(88,730,910)
4. Transfer within equity										
(1) Transfer of other comprehensive income to retained earnings	-	-	-	-	(2,857,173)	-	-	2,857,173	-	-
5. Specialised reserves										
(1) Appropriation for the year	-	-	-	-	-	226,734,068	-	-	226,734,068	57,577,124
(2) Utilisation for the year	-	-	-	-	-	(158,631,243)	-	-	(158,631,243)	(41,076,799)
6 Other										
(1) Other movements in equity of associates	-	-	291,907,438	-	-	-	-	-	291,907,438	-
(2) other	-	-	30,761,087	-	-	-	-	-	30,761,087	60,544,419
III Balance at end of year	37,413,880,464	-	51,859,961,722	1,499,835,264	(766,570,036)	207,330,489	4,035,830,324	43,228,031,107	134,478,628,806	72,997,127,927
										207,475,756,733

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BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2024

	Attributable to owners of the parent									Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialised reserves	Surplus reserves	Retained earnings	Subtotal		
I. Balance at beginning of year	37,652,529,195	2,043,402,946	52,113,580,746	462,036,240	(1,136,997,224)	66,472,402	3,571,778,635	35,579,576,607	129,428,307,067	68,370,379,252	197,798,686,319
II. Changes for the year											
1. Total comprehensive income	-	-	-	-	(19,707,777)	-	-	5,323,248,974	5,303,541,197	(1,164,043,735)	4,139,497,462
2. Capital contributed and reduced by shareholders											
(1)Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	4,652,010,645	4,652,010,645
(2)Repurchase of treasury shares	-	-	-	999,872,378	-	-	-	-	(999,872,378)	-	(999,872,378)
(3)Cancellation of treasury shares	(7,512,992)	-	(9,986,070)	(17,499,062)	-	-	-	-	-	-	-
(4)Amount of share-based payment recognized in shareholders' equity	-	-	127,147,039	(227,918,873)	-	-	-	-	355,065,912	9,581,064	364,646,976
(5)Other	-	-	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)

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BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2024 (continued)

	Attributable to owners of the parent								Non-controlling interests	Total equity	
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialised reserves	Surplus reserves	Retained earnings	Subtotal		
II. Changes for the year (continued)											
3. Profit distribution											
(1)Appropriation to surplus reserves	-	-	-	-	-	-	307,923,188	(307,923,188)	-	-	-
(2)Accrued interest on holders of other equity instruments	-	70,000,000	-	-	-	-	-	(70,000,000)	-	-	-
(3)Payment for interest on holders of other equity instruments	-	(70,000,000)	-	-	-	-	-	-	(70,000,000)	-	(70,000,000)
(4)Distribution to shareholders	-	-	-	-	-	-	-	(1,129,073,743)	(1,129,073,743)	(93,546,479)	(1,222,620,222)
4. Transfer within equity											
(1)Transfer of other comprehensive income to retained earnings	-	-	-	-	(15,118,863)	-	52,656	15,066,207	-	-	-
5. Specialised reserves											
(1)Appropriation for the year	-	-	-	-	-	209,278,103	-	-	209,278,103	51,873,021	261,151,124
(2)Utilisation for the year	-	-	-	-	-	(136,522,841)	-	-	(136,522,841)	(38,689,907)	(175,212,748)
6 Other											
(1)Other movements in equity of associates	-	-	14,652,743	-	-	-	-	-	14,652,743	-	14,652,743
(2)Other	-	-	(37,820,752)	-	-	-	-	-	(37,820,752)	(168,947,425)	(206,768,177)
III Balance at end of year	37,645,016,203	2,043,402,946	52,207,573,706	1,216,490,683	(1,171,823,864)	139,227,664	3,879,754,479	39,410,894,857	132,937,555,308	71,608,616,436	204,546,171,744

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BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from the sale of goods and the rendering of services		216,446,744,340	207,177,636,682
Receipts of taxes and surcharges refunds		10,504,844,336	9,436,155,018
Other cash receipts relating to operating activities	63	<u>7,893,922,358</u>	<u>2,601,966,374</u>
Total cash inflows from operating activities		<u>234,845,511,034</u>	<u>219,215,758,074</u>
Cash payments for goods and services		(153,264,909,445)	(139,974,564,163)
Cash payments to and on behalf of employees		(21,414,709,980)	(19,215,661,123)
Payments of taxes and surcharges		(6,064,623,177)	(4,938,746,118)
Other cash payments relating to operating activities	63	<u>(5,276,712,758)</u>	<u>(7,349,209,291)</u>
Total cash outflows from operating activities		<u>(186,020,955,360)</u>	<u>(171,478,180,695)</u>
Net cash flows from operating activities	64	<u>48,824,555,674</u>	<u>47,737,577,379</u>
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from returns of investments		37,852,996,343	59,316,324,819
Cash receipts from returns on investments		1,277,028,744	671,568,341
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		28,669,615	156,338,437
Other cash receipts relating to investing activities	63	<u>325,253,271</u>	<u>2,485,332,205</u>
Total cash inflows from investing activities		<u>39,483,947,973</u>	<u>62,629,563,802</u>
Cash payments to acquire fixed assets, intangible assets and other long-term assets		(40,094,380,995)	(34,037,798,428)
Cash payments for investments		(40,128,721,276)	(61,241,398,520)
Other cash payments relating to investing activities	63	<u>(189,207,236)</u>	<u>-</u>
Total cash outflows from investing activities		<u>(80,412,309,507)</u>	<u>(95,279,196,948)</u>
Net cash flows from investing activities		<u>(40,928,361,534)</u>	<u>(32,649,633,146)</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from investments		7,729,973,284	4,652,010,645
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		7,729,973,284	4,652,010,645
Cash receipts from borrowings		44,668,867,158	47,194,037,263
Cash receipts from issuance of corporate bonds		11,000,000,000	-
Other cash receipts relating to financing activities	63	293,613,208	-
Total cash inflows from financing activities		<u>63,692,453,650</u>	<u>51,846,047,908</u>
Cash repayments for debts		(59,278,101,812)	(49,117,270,919)
Cash payments for distribution of dividends or profit and interest expenses		(6,002,224,482)	(6,390,837,882)
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		(90,686,310)	(91,448,476)
Cash payments for redemption of other equity instruments		(2,000,000,000)	-
Other cash payments relating to financing activities	63	<u>(7,637,458,489)</u>	<u>(1,855,318,097)</u>
Total cash outflows from financing activities		<u>(74,917,784,783)</u>	<u>(57,363,426,898)</u>
Net cash flows from financing activities		<u>(11,225,331,133)</u>	<u>(5,517,378,990)</u>
4. Effect of exchange rate changes on cash and cash and cash equivalents		<u>(464,819,741)</u>	<u>341,705,520</u>
5. Net (decrease)/increase in cash and cash equivalents		(3,793,956,734)	9,912,270,763
Add: Cash and cash equivalents at beginning of year	64	<u>62,005,252,511</u>	<u>52,092,981,748</u>
6. Cash and cash equivalents at end of year	64	<u>58,211,295,777</u>	<u>62,005,252,511</u>

Chen Yanshun
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Feng Qiang
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Executive
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Yang Xiaoping
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Xu Yaxiao
The head of the
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BOE Technology Group Co., Ltd.
COMPANY BALANCE SHEET
31 December 2025

Expressed in Renminbi Yuan

<u>ASSETS</u>	<u>Note XVI</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current assets			
Cash at bank and on hand		4,806,197,426	4,622,109,813
Accounts receivable	1	2,198,992,377	3,557,166,876
Prepayments		6,603,029	6,440,618
Other receivables	2	22,251,324,303	32,075,715,118
Inventories		26,496,574	31,198,429
Other current assets		<u>194,206,146</u>	<u>143,433,811</u>
Total current assets		<u>29,483,819,855</u>	<u>40,436,064,665</u>
Non-current assets			
Long-term equity investments	3	223,119,069,186	203,191,541,965
Other equity investments		76,042,654	60,783,163
Other non-current financial assets		1,712,581,473	1,562,089,931
Investment properties		725,255,291	235,247,956
Fixed assets		2,259,541,327	1,542,132,717
Construction in progress		256,643,430	1,262,758,363
Right-of-use assets		10,692,642	47,104,764
Intangible assets		3,081,721,569	1,001,523,422
Long-term prepaid expenses		244,430,822	290,214,066
Deferred tax assets		101,328,877	-
Other non-current assets		<u>614,663,026</u>	<u>320,460,049</u>
Total non-current assets		<u>232,201,970,297</u>	<u>209,513,856,396</u>
Total assets		<u><u>261,685,790,152</u></u>	<u><u>249,949,921,061</u></u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
COMPANY BALANCE SHEET (CONTINUED)
31 December 2025

Expressed in Renminbi Yuan

<u>LIABILITIES AND EQUITY</u>	<u>Note XVI</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities			
Accounts payable		570,702,685	503,922,556
Receipts in advance		1,129,345	13,140,209
Contract liabilities		2,528,158	719,297
Employee benefits payable		303,061,711	453,127,454
Taxes and surcharges payable		42,036,763	310,771,542
Other payables	4	3,547,491,173	3,471,340,673
Current portion of non-current liabilities		8,338,312,344	11,029,129,176
Other current liabilities		87,910,687	609,513,850
Total current liabilities		12,893,172,866	16,391,664,757
Non-current liabilities			
Long-term borrowings	5	39,665,261,000	41,257,600,000
Bonds payable		10,968,768,052	-
Lease liabilities		2,607,211	555,400
Long-term payables		2,247,200,008	-
Deferred income		146,860,897	47,137,540
Deferred tax liabilities		-	18,162,044
Other non-current liabilities		96,690,793,681	89,520,793,681
Total non-current liabilities		149,721,490,849	130,844,248,665
Total liabilities		162,614,663,715	147,235,913,422
Owners' equity			
Share capital		37,413,880,464	37,645,016,203
Other equity instruments		-	2,043,402,946
Capital reserves		51,061,480,294	51,871,366,552
Less: Treasury shares		1,499,835,264	1,216,490,683
Accumulated other comprehensive income		(217,143,204)	(267,884,908)
Surplus reserves		4,035,830,324	3,879,754,479
Retained earnings		8,276,913,823	8,758,843,050
Total equity		99,071,126,437	102,714,007,639
Total liabilities and equity		261,685,790,152	249,949,921,061

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BOE Technology Group Co., Ltd.
COMPANY INCOME STATEMENT
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>Note XVI</u>	<u>2025</u>	<u>2024</u>
Revenue	6	4,960,667,359	5,558,110,352
Less: Cost of sales	6	37,840,604	11,459,521
Taxes and surcharges		46,112,168	41,818,720
Administrative expenses		1,604,634,753	1,944,464,914
Research and development expenses		2,769,656,332	2,452,578,625
Finance expenses		558,950,225	494,390,647
Including: Interest expenses		620,972,124	528,904,973
Interest income		27,032,569	39,349,343
Add: Other income		64,791,958	955,230,189
Investment income	7	1,338,404,703	1,708,144,852
Including: income/(loss) from			
investments in associates			
and joint ventures		88,124,345	(476,270,739)
Fair value gains		6,938,295	3,403,675
Credit impairment losses		(9,383)	(80,000,336)
Gains on disposal of non-current assets		4,846	818
Operating profit		1,353,603,696	3,200,177,123
Add: Non-operating income		246,812,339	6,601,784
Less: Non-operating expenses		11,782,120	22,272,166
Profit before income tax		1,588,633,915	3,184,506,741
Less: Income tax expenses		27,875,465	105,274,860
Profit		<u>1,560,758,450</u>	<u>3,079,231,881</u>
Including: Profit from continuing operations		1,560,758,450	3,079,231,881
Other comprehensive income, net of tax		50,741,704	29,074,708
Other comprehensive income that will not be reclassified to profit or loss			
Other comprehensive income using the equity method that will not be reclassified to profit or loss		37,771,138	30,126,376
Change in the fair value of other equity investments		12,970,566	(1,051,668)
Total comprehensive income		<u>1,611,500,154</u>	<u>3,108,306,589</u>

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BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2025

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Surplus reserves	Retained earnings	Total equity
I. Balance at beginning of year	37,645,016,203	2,043,402,946	51,871,366,552	1,216,490,683	(267,884,908)	3,879,754,479	8,758,843,050	102,714,007,639
II. Changes for the year								
1. Total comprehensive income	-	-	-	-	50,741,704	-	1,560,758,450	1,611,500,154
2. Capital contributed and reduced by shareholders								
(1) Repurchase of treasury shares	-	-	-	1,499,835,264	-	-	-	(1,499,835,264)
(2) Cancellation of treasury shares	(231,135,739)	-	(778,740,068)	(1,009,875,807)	-	-	-	-
(3) Amount of share-based payment recognized in shareholders' equity	-	-	1,472,291	(206,614,876)	-	-	-	208,087,167
(4) Redemption of capital for holders of other equity instruments	-	(1,989,320,755)	(10,679,245)	-	-	-	-	(2,000,000,000)

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2025 (continued)

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Surplus reserves	Retained earnings	Total equity
II. Changes for the year (continued)								
3. Profit distribution								
(1) Appropriation to surplus reserves	-	-	-	-	-	156,075,845	(156,075,845)	-
(2) Accrued interest on holders of other equity instruments	-	15,917,809	-	-	-	-	(15,917,809)	-
(3) Payment for interest on holders of other equity instruments	-	(70,000,000)	-	-	-	-	-	(70,000,000)
(4) Distribution to shareholders	-	-	-	-	-	-	(1,870,694,023)	(1,870,694,023)
4. Others								
(1) Other movements in equity of associates	-	-	(21,939,236)	-	-	-	-	(21,939,236)
III Balance at end of year	<u>37,413,880,464</u>	<u>-</u>	<u>51,061,480,294</u>	<u>1,499,835,264</u>	<u>(217,143,204)</u>	<u>4,035,830,324</u>	<u>8,276,913,823</u>	<u>99,071,126,437</u>

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BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2024

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Surplus reserves	Retained earnings	Total equity
I. Balance at beginning of year	37,652,529,195	2,043,402,946	51,741,820,724	462,036,240	(296,433,056)	3,571,778,635	7,186,134,196	101,437,196,400
II. Changes for the year								
1. Total comprehensive income	-	-	-	-	29,074,708	-	3,079,231,881	3,108,306,589
2. Capital contributed and reduced by shareholders								
(1) Repurchase of treasury shares	-	-	-	999,872,378	-	-	-	(999,872,378)
(2) Cancellation of treasury shares	(7,512,992)	-	(9,986,070)	(17,499,062)	-	-	-	-
(3) Amount of share-based payment recognized in shareholders' equity	-	-	136,728,103	(227,918,873)	-	-	-	364,646,976

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

2024 (continued)

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Surplus reserves	Retained earnings	Total equity
II. Changes for the year (continued)								
3. Profit distribution								
(1) Appropriation to surplus reserves	-	-	-	-	-	307,923,188	(307,923,188)	-
(2) Accrued interest on holders of other equity instruments	-	70,000,000	-	-	-	-	(70,000,000)	-
(3) Payment for interest on holders of other equity instruments	-	(70,000,000)	-	-	-	-	-	(70,000,000)
(4) Distribution to shareholders	-	-	-	-	-	-	(1,129,073,743)	(1,129,073,743)
4. Transfer within equity								
(1) Transfer of other comprehensive income to retained earnings	-	-	-	-	(526,560)	52,656	473,904	-
5 Other								
(1) Other movements in equity of associates	-	-	2,698,287	-	-	-	-	2,698,287
(2) Other	-	-	105,508	-	-	-	-	105,508
III. Balance at end of year	<u>37,645,016,203</u>	<u>2,043,402,946</u>	<u>51,871,366,552</u>	<u>1,216,490,683</u>	<u>(267,884,908)</u>	<u>3,879,754,479</u>	<u>8,758,843,050</u>	<u>102,714,007,639</u>

Chen Yanshun

Chairman of the Board

Feng Qiang

Chairman of the Executive Committee

Yang Xiaoping

Chief Financial Officer

Xu Yaxiao

The head of the accounting department

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>2025</u>	<u>2024</u>
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	6,426,323,226	8,576,350,715
Receipts of tax and surcharges refunds	2,007	12,091
Other cash receipts relating to operating activities	<u>493,095,961</u>	<u>458,561,728</u>
Total cash inflows from operating activities	<u>6,919,421,194</u>	<u>9,034,924,534</u>
Cash payments for goods and services	(1,512,330,793)	(1,041,936,007)
Cash payments to and on behalf of employees	(1,486,641,714)	(1,348,047,244)
Payments of taxes and surcharges	(624,246,153)	(470,413,241)
Other cash payments relating to operating activities	<u>(896,731,133)</u>	<u>(1,204,371,696)</u>
Total cash outflows from operating activities	<u>(4,519,949,793)</u>	<u>(4,064,768,188)</u>
Net cash flows from operating activities	<u>2,399,471,401</u>	<u>4,970,156,346</u>
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	575,858,940	2,807,425,581
Cash receipts from returns on investments	2,838,215,143	2,527,840,286
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	985,435	842,917
Other cash receipts relating to investing activities	<u>9,775,322,198</u>	<u>6,942,812,478</u>
Total cash inflows from investing activities	<u>13,190,381,716</u>	<u>12,278,921,262</u>
Cash payments to acquire fixed assets, intangible assets and other long-term assets	(588,210,040)	(1,743,031,313)
Cash payments for investments	(20,213,432,135)	(13,557,349,939)
Other cash payments relating to other investing activities	<u>(913,788,092)</u>	<u>(12,190,000,000)</u>
Total cash outflows from investing activities	<u>(21,715,430,267)</u>	<u>(27,490,381,252)</u>
Net cash flows from investing activities	<u>(8,525,048,551)</u>	<u>(15,211,459,990)</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BOE Technology Group Co., Ltd.
COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2025

Expressed in Renminbi Yuan

	<u>2025</u>	<u>2024</u>
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from borrowings	10,299,661,000	18,520,000,000
Cash receipts from issuance of corporate bonds	11,000,000,000	-
Other cash receipts relating to financing activities	<u>9,670,000,000</u>	<u>11,220,000,000</u>
Total cash inflows from financing activities	<u>30,969,661,000</u>	<u>29,740,000,000</u>
Cash repayments for debts	(15,536,500,000)	(14,318,800,000)
Cash payments for distribution of dividends or profit and interest expenses	(3,048,358,000)	(2,499,539,504)
Cash payments for redemption of other equity instruments	(2,000,000,000)	-
Other cash payments relating to financing activities	<u>(4,059,940,393)</u>	<u>(2,517,521,421)</u>
Total cash outflows from financing activities	<u>(24,644,798,393)</u>	<u>(19,335,860,925)</u>
Net cash flows from financing activities	<u>6,324,862,607</u>	<u>10,404,139,075</u>
4. Effect of exchange rate changes on cash and cash and cash equivalents	<u>(51,246,828)</u>	<u>29,846,436</u>
5. Net increase in cash and cash equivalents	148,038,629	192,681,867
Add: Cash and cash equivalents at beginning of year	<u>4,442,011,688</u>	<u>4,249,329,821</u>
6. Cash and cash equivalents at end of year	<u><u>4,590,050,317</u></u>	<u><u>4,442,011,688</u></u>

Chen Yanshun
Chairman of the Board

Feng Qiang
Chairman of the
Executive
Committee

Yang Xiaoping
Chief Financial Officer

Xu Yaxiao
The head of the
accounting
department

The accompanying notes to the financial statements form an integral part of these financial statements.

I. General information

BOE Technology Group Company Limited (the "Company") is a company limited by shares established on 9 April 1993 in Beijing, with its head office located at Beijing. The parent of the Company and the Company's ultimate holding company is Beijing Electronics Holdings Co., Ltd. ("Beijing Electronics Holdings").

The Company and its subsidiaries (referred to as the "Group") comprise five main business segments: display business, Internet of Things (IoT) innovation business, sensor business, MLED business and smart medicine & engineering business. For information about the subsidiaries of the Company, refer to Note VIII.

The financial statements were approved and authorised for issue by the board of directors on March 30, 2026.

II. Basis of preparation of the financial statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standard and the specific accounting standards, interpretations, and other relevant provisions issued and subsequently revised by the Ministry of Finance (collectively referred to as the "Accounting Standards for Business Enterprises"). In addition, these financial statements also present the relevant financial information in accordance with the Rules for the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions for Financial Reports.

2. Going concern

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

III. Material accounting policies and significant estimates

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises, which are also referred to as China Accounting Standards ("CAS"), issued by the Ministry of Finance ("MOF") of the People's Republic of China. These financial statements present truly and completely the consolidated and company financial position of the Company as at 31 December 2025, and the consolidated and company financial performance and cash flows of the Company for the year then ended.

2. Accounting year

The accounting period is from 1 January to 31 December.

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is usually less than 12 months.

III. Material accounting policies and significant estimates (continued)

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.9.

5. Method used to determine the materiality threshold and the basis for selection

<u>Item</u>	<u>Materiality threshold</u>
Significant receivables for which provisions for bad and doubtful are individually assessed recoveries or reversals and written-offs	Amount of the individual accounts receivable $\geq$ RMB50 million
Significant prepayments, contract liabilities, accounts payable and other payables with ageing of more than one year	Amount of the individual items exceeds 0.5% of the Group's total assets
Significant construction projects in progress	Carrying amount of individual item at the end of the period exceeds RMB10 billion
Significant non-wholly-owned subsidiaries, joint ventures or associates	Carrying amount of long-term equity investments in individual investee exceed 5% of the Group's total assets; total revenue of non-wholly-owned subsidiaries exceed 5% of the Group's total revenue
Significant capitalised research and development projects	Accumulated expenditure of individual R&D project exceeds 0.5% of the Group's total assets

6. Business combinations

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

III. Material accounting policies and significant estimates (continued)

6. Business combinations (continued)

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities 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 share of 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 deducted from surplus reserve and retained earnings sequentially. 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 entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The Group, as the acquirer, the sum of the fair value of the assets paid (including the equity of the acquiree held before the acquisition date), liabilities incurred or assumed, and equity securities issued on the acquisition date, minus the fair value share of the identifiable net assets of the acquiree acquired in the merger on the acquisition date, after considering the impact of relevant deferred income tax, if it is positive, it will be recognized as goodwill (see Note III.18). If it is negative, it will be 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. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair values. The acquisition date is the date on which the acquirer obtains control of the acquiree.

7. 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 the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to affect those returns through its power over the investee. 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.

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 full in the financial statements.

III. Material accounting policies and significant estimates (continued)

7. Consolidated financial statements (continued)

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party 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 entities 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 values of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity investment is re-measured at its fair value at the date when control is lost, and any resulting gains or losses are also recognised as investment income for the current period.

(4) Changes in non-controlling interests

Where the Company acquires more interest in a subsidiary from the subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without losing control, the difference between the portion of the interest in the subsidiary's net assets being acquired or disposed of 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 deducted from surplus reserve and retained earnings sequentially.

8. 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.

9. Foreign currency transactions and foreign currency translation

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 and 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 equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

III. Material accounting policies and significant estimates (continued)

9. Foreign currency transactions and foreign currency translation (continued)

In translating the financial statements of a foreign operation, 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 and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. At the time of disposal of overseas operations, the relevant translation differences arising from translation of foreign currency financial statements is transferred from shareholders' equity to the current profit and loss of disposal.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated to Renminbi at rates that approximate the spot exchange rates at the date the cash flows occur. The effect of exchange rate changes on cash is presented separately as a reconciling item in the statement of cash flows.

10. 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, debentures payable and share capital.

(1) Recognition and initial 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.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities measured 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. Trade receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note III.24.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model under which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(2) Classification and subsequent measurement of financial assets (continued)

(a) Classification of financial assets (continued)

- it is held under a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortised cost

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(2) Classification and subsequent measurement of financial assets (continued)

(b) Subsequent measurement of financial assets (continued)

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, reclassified, amortised under the effective interest method or when an impairment gain or loss is recognised.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or as financial liabilities measured at amortised cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liabilities) or if it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(4) Offsetting

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.

(5) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred; and although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

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 measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the financial asset derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets;
- debt investments measured at FVOCI;
- lease receivables

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(6) Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for notes receivable, accounts receivable, receivables financing and contract assets arising from ordinary business activities such as sale of goods and provision of services, as well as lease receivables arising from lease transactions are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for notes receivable, accounts receivable, receivables financing, contract assets, and lease receivables, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

- Financial instruments that have been determined to have low credit risk at the balance sheet date;
or
- Financial instruments for which credit risk has not increased significantly since initial recognition.

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(6) Impairment (continued)

Provisions for bad and doubtful debts arising from receivables

Categories of groups for collective assessment based on credit risk characteristics and basis for determination

<i>Item</i>	<i>Basis for recognition</i>
Notes receivable	Based on the different credit risk characteristics of acceptors, the Group classifies notes receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group classifies accounts receivable into three groups, specifically: receivables from customers with high credit risk, receivables from customers with low credit risk and receivables from customers with medium credit risk.
Receivables financing	The Group's receivables financing are bank acceptance bills held for dual purposes. As the accepting banks have high credit ratings, the Group considers all receivables financing as a single group.
Other receivables	The Group's other receivables mainly include cash pledges and deposits receivable, petty cash receivables due from employees, receivables due from related parties, dividends receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into three groups, specifically: receivables with high credit risk, receivables with low credit risk and receivables with medium credit risk.
Contract assets	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group makes provisions for bad and doubtful debts arising from contract assets on the basis of all customers being one group without further segmentation by different customer types.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(6) Impairment (continued)

Significant increases in credit risk (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractual due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group determines that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets.

III. Material accounting policies and significant estimates (continued)

10. Financial instruments (continued)

(6) Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This generally occurs when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(7) Equity instruments

The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. 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. The entire repurchase expenditure is recorded as the cost of the treasury shares in the reference register. Treasury shares are excluded from profit distributions and are presented as a deduction from shareholders' equity on 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 deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to 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 sequentially.

(8) Perpetual bonds

At initial recognition, perpetual bonds issued by the Group or their components are classified as financial assets, financial liabilities or equity instruments based on their contractual terms and economic substance with reference to the definition of financial assets, financial liabilities and equity instruments.

Perpetual bonds issued by the Group that should be classified as equity instruments are recognised in equity based on the actual proceeds received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption amount is recognised as a deduction from equity.

III. Material accounting policies and significant estimates (continued)

11. Inventories

(1) Categories

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 which do not meet the definition of fixed assets. Contract fulfillment costs classified as current assets are disclosed at inventory.

In addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads based on normal capacity.

(2) Measurement method of cost of inventories

Cost of inventories is calculated using the weighted average method.

(3) Inventory count system

The Group maintains a perpetual inventory system.

(4) Amortisation method for low-value consumables and packaging materials

Consumables including low-value consumables and packaging materials are amortized by one-off write off method. The amortisation charge is included in the cost of the related assets or recognised in profit or loss for the current period.

(5) Criteria and method for provision for obsolete inventories

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of each category of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss.

The net realisable value of materials held for use in production is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of inventory held to satisfy sales or service contracts is measured based on the contract price. If the quantities of inventories held by the Group exceed the quantities specified in sales contracts, the net realisable value of the excess portion of inventories is based on general selling prices.

12. Long-term equity investments

(1) Investment cost of long-term equity investments

(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 entities 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 deducted from surplus reserve and retained earnings sequentially.

III. Material accounting policies and significant estimates (continued)

12. Long-term equity investments (continued)

(1) Investment cost of long-term equity investments (continued)

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

For a long-term equity investment obtained through a business combination not involving entities 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.

(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.

Where the initial investment cost of a long-term equity investment exceeds the investor's proportionate share of the investee's identifiable net assets at fair value at the time of investment, such excess shall be included in the initial investment cost. Where the initial investment cost is less than the investor's proportionate share of the investee's identifiable net assets at fair value at the time of investment, the difference shall be recognized in profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

(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. For any additional investment or recovery of investment, adjust the cost of long-term equity investment. The Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

(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 entity 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.31).

III. Material accounting policies and significant estimates (continued)

12. Long-term equity investments (continued)

(2) Subsequent measurement of long-term equity investment (continued)

(b) Investment in joint ventures and associates (continued)

After acquiring 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. When recognizing its share of the net profit or loss of the investee, the Group calculates such share on the basis of the fair value of the investee's identifiable assets at the acquisition date, applying the Group's accounting policies and fiscal period. The recognition amount is determined after adjusting the investee's net profit to reflect the elimination, to the extent of the Group's proportionate interest, of intra-group transaction gains or losses arising from dealings with associates and joint ventures (except that losses from intra-group transactions that represent an impairment loss on assets are recognized in full). No such adjustment is made, however, where the investment involves the contribution or sale of assets that constitute a business. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the 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 (referred to as "other changes in owners' equity"), are recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

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 has fully covered the share of losses not recognised.

(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 relevant activities unilaterally;
- Whether decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that share control.

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

III. Material accounting policies and significant estimates (continued)

13. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost. Subsequent expenditures related to an investment property are recognized as part of the cost of the investment property when it is probable that the economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. Otherwise, such expenditures are recognized in profit or loss as incurred.

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 method over its estimated useful life, unless the investment property is classified as held for sale (see Note III.31).

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

	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Land use rights	32 - 50 years	0.0	2.0 - 3.1
Buildings	20 - 40 years	0.0 - 10.0	2.3 - 5.0

14. Fixed assets

(1) Recognition of fixed assets

Property, plant and equipment are recognized only if it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the face value of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

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.

III. Material accounting policies and significant estimates (continued)

14. Fixed assets (continued)

(2) Depreciation of fixed assets

The cost of a 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.31).

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Plant and buildings	10 - 50 years	3.0 - 10.0	1.8 - 9.7
Equipment	2 - 25 years	0.0 - 10.0	3.6 - 50.0
Others	2 - 10 years	0.0 - 10.0	9.0 - 50.0

Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end, and are adjusted if necessary.

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 classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

The criteria according to which, construction projects in progress are transferred to fixed assets:

<i>Class</i>	<i>Criteria for the transfers to fixed assets</i>
Plant and buildings	Satisfy the acceptance criteria and be available for its intended use
Machinery and equipment	Installation and commissioning are qualified, and be available for its intended use

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

III. Material accounting policies and significant estimates (continued)

16. Borrowing costs

Borrowing costs incurred that are directly attributable to the acquisition and 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 and 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 they are used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition and 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 expenditure 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.

Capitalisation of borrowing costs is suspended during abnormal interruptions in the acquisition or construction of a qualifying asset that last for a continuous period of more than three months, provided that such interruptions are not necessary to prepare the asset for its intended use or sale. Borrowing costs incurred during such interruptions are recognised as financial expenses in profit or loss until the acquisition or construction activities resume.

17. Intangible assets

(1) Useful life and amortisation methods

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.31).

III. Material accounting policies and significant estimates (continued)

17. Intangible assets (continued)

The estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

<i>Item</i>	<i>Estimated useful life (years)</i>	<i>Basis for determination</i>	<i>Amortisation method</i>
Land use rights	20 - 50 years	Terms of land use rights	Straight-line method
Patent and proprietary technology	5 - 20 years	Terms of patents	Straight-line method
Computer software	3 - 10 years	Estimated useful life	Straight-line method
Others	5 - 20 years	Estimated useful life	Straight-line method

Useful lives and amortisation methods of intangible assets with finite useful lives are reviewed at least at each year-end.

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.

(2) The scope of research and development expenditures

The Group classifies all expenses directly related to the R&D activities as research and development (R&D) expenditure, including the employee benefits of R&D personnel, direct investments, depreciation expenses and long-term deferred expenses, design expenses, equipment commissioning costs, amortisation expenses of intangible assets, development costs incurred by an entrusted external party as well as other expenses. Expenditures on internal research and development projects are classified into expenditures incurred during the research phase and expenditures incurred during the development phase.

(3) The basis for the classification of internal R&D projects under the research phase and the development phase

- The phase of planned investigations to acquire new techniques and knowledge should be identified as the research phase, which is characterised by, among other things, a planned and exploratory approach.
- The phase of applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use, shall be identified as the development phase, which is characterised by its relevance and greater likelihood of generating results.

III. Material accounting policies and significant estimates (continued)

17. Intangible assets (continued)

(4) Expenditures on research and development

Expenditures on internal research and development projects are classified into expenditures incurred during the research phase and expenditures incurred during the development phase.

Expenditures during the research phase are expensed when incurred. Expenditures during the development phase are 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. Other development expenditures are recognised as expenses in the period in which it is incurred.

When an enterprise sells products or by-products produced in the course of research and development, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

18. Goodwill

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note III.20).

19. Long-term deferred expenses

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

<i>Item</i>	<i>Amortisation period (years)</i>
Payment for public facilities construction and use	10 - 15 years
Leasehold improvements	2 - 10 years
Others	2 - 12 years

III. Material accounting policies and significant estimates (continued)

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 internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- goodwill
- long-term deferred expenses

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. For the purposes of impairment testing, goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the business combination.

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

An asset group is composed of assets related to cash generation and 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 an asset's expected future cash flows 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 to reduce the carrying amount to the recoverable amount. 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 allocations would not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), the present value of its expected future cash flows (if determinable) and zero.

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

21. Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

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 the Group 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 the 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 as follows:

- 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 amounts of provisions at the balance sheet date and adjusts their carrying amounts to the current best estimates.

23. Share-based payments

(1) Classification of share-based payments

Share-based payment transactions in the Group are equity-settled share-based payments.

Equity settled share-based payments refer to transactions in which the Group settles for services using shares or other equity instruments as consideration.

III. Material accounting policies and significant estimates (continued)

23. Share-based payments (continued)

(2) Accounting treatment of share-based payments

- Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from employees, the payment is measured at the fair value of the equity instruments granted to employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to newly obtained subsequent information regarding changes in the number of employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

24. Revenue generated from contracts with customers

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers. Obtaining control over relevant goods or services refers to being able to dominate the use of the goods or services and obtain almost all economic benefits from them.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the Group and maximises the use of observable inputs to estimate the stand-alone selling price.

For a contract in which the Group grants a customer the option to acquire additional goods or services (such as loyalty points, discount coupons for future purchases.), the Group assesses whether the option provides a material right to the customer. If the option provides a material right, the Group recognises the option as a performance obligation, and recognises revenue when those future goods or services are transferred or when the option expires. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Group estimates it, taking into account all relevant information, including the difference in the discount that the customer would receive when exercising the option or without exercising the option, and the likelihood that the option will be exercised.

III. Material accounting policies and significant estimates (continued)

24. Revenue generated from contracts with customers (continued)

For a contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognises the promised warranty as a performance obligation. Otherwise, the Group will carry out accounting treatment in accordance with the provisions of Note III NO.22. For contracts with quality assurance clauses that are not included as individual services, the Group needs to provide for warranty expenses based on the actual amount incurred in previous years and the actual sales situation of the current period, estimated reasonably as considered by the management.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Group measures the non-cash consideration at fair value. If the Group cannot reasonably estimate the fair value of the non-cash consideration, the Group measures the consideration indirectly by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they are transferred to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For a performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

III. Material accounting policies and significant estimates (continued)

24. Revenue generated from contracts with customers (continued)

For a performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of the relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred the legal ownership of the product to the customer;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that the good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration or is determined according to the established amount or proportion.

For the sale of a product with a right of return, the Group recognises revenue when the customer obtains control of that product, in the amount of consideration to which the Group expects to be entitled in exchange for the product transferred (i.e. excluding the amount that is expected to be returned), and recognises a refund liability for the products expected to be returned. Meanwhile, an asset is recognised at an amount equal to the carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of the returned products), and carry forward to cost in the amount of carrying amount of the transferred products less the above costs. At each balance sheet date, the Group updates its assessment of future sales return liability. If there is any change, it is accounted for as a change in accounting estimate.

The Group grants a licence of intellectual properties to a customer, and it determines whether the licence is transferred to the customer at a point in time or over time. If all of the following criteria are met, the licence revenue is recognised as a performance obligation satisfied over time. Otherwise, the licence revenue is recognised as a performance obligation satisfied at a point in time.

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;
- the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities; and
- those activities do not result in the transfer of a good or a service to the customer as those activities occur.

The Group recognises revenue for a sales-based or usage-based royalty promised in exchange for a licence to intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation has been satisfied (or partially satisfied)

III. Material accounting policies and significant estimates (continued)

24. Revenue generated from contracts with customers (continued)

For a change in the scope or price of a contract that is approved by the parties to the contract, the Group accounts for the contract modification as follows:

- In cases where the additional promised goods or services are distinct and the price of the contract increases by an amount of consideration that reflects the stand-alone selling prices of the additional promised goods or services, the Group should account for the contract modification as a separate contract.
- If the above criteria are not met, and the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification, the Group accounts for the contract modification as if it were a termination of the existing contract and the creation of a new contract.
- If the above criteria are not met, and the remaining goods or services are not distinct from the goods or services transferred on or before the date of the contract modification, the Group accounts for the contract modification as if it were a part of the existing contract. The effect that the contract modification has on revenue is recognised as an adjustment to revenue in the reporting period.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.10(6)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of accounting policies regarding revenue from the Group's principal activities:

(1) Sale of goods

The sales contracts / orders signed between the Group and its customers usually contain various trading terms. Depending on the trading terms, customers obtain control of the goods when the goods are received, or when they are received by the carrier. Revenue of sale of goods is recognised at that point in time.

For the transfer of goods with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for the amount expected to be returned, which are estimated based on the historical data. The Group recognises a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products). At each balance sheet date, the Group updates the measurement of the refund liability for changes in expectations about the amount of returns. The above assets and liabilities are adjusted accordingly.

III. Material accounting policies and significant estimates (continued)

24. Revenue generated from contracts with customers (continued)

(2) Rendering of services

The Group recognises the revenue from rendering of services within a certain period of time according to the progress of the performance as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Otherwise, for performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant services.

25. Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the "assets related to contract costs") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- the estimated costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

26. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, and social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued 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.

III. Material accounting policies and significant estimates (continued)

26. Employee benefits (continued)

(2) Post-employment benefits – defined contribution plans

The defined contribution plans in which the Group participates include: Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan and unemployment insurance plan in the social insurance system established and managed by government organisations, and annuity plan established by the Group in compliance with the national policy of the corporation annuity. The Group makes contributions to basic pension and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued at a certain proportion of the total wages of employees who voluntarily participate in the annuity plan. Basic pension insurance contributions payable 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.

(3) Termination benefits

When the Group terminates an employee's employment before the employment contract expires, 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 provided in 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.

27. 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 attached to the grant.

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

Those related to daily activities of the Company are included in other income or used to write off related cost based on the nature of economic businesses, or included in non-operating income and expense in respect of those not related to daily activities of the Company.

III. Material accounting policies and significant estimates (continued)

27. Government grants (continued)

With respect to the government grants related to assets, if the Group first obtains government grants related to assets and then recognises the long-term assets purchased and constructed, deferred income is included in profit and loss based on a reasonable and systematic approach by stages when related assets are initially depreciated or amortised; or the deferred income is written off against the carrying amount of the asset when the asset becomes ready for its intended status or intended use. If the Group obtains government grants related to the assets after relevant long-term assets are put into use, deferred income is included in profit and loss based on a reasonable and systematic approach by stages within the remaining useful life of relevant assets, or the deferred income is written off against the carrying amount of relevant asset when the grants are obtained; the assets shall be depreciated or amortised based on the carrying amount after being offset and the remaining useful life of relevant assets. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the undistributed balance of related deferred income shall be transferred to the profit or loss of the current period of asset disposals.

A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in current income or offset against related expenses in the periods in which the expenses or losses are recognised. Otherwise, the grant is included in current income or offset against the related expenses directly.

In respect of the policy-based preferential loan interest subsidy obtained by the Group, if the interest subsidy is appropriated to the lending bank which shall provide loans to the Group at the policy-based preferential interest rate, the actual loan amount is used as the entry value and relevant borrowing costs are calculated on the basis of the loan principal and the preferential interest rate. If the interest subsidy is directly appropriated to the Group, relevant borrowing costs shall be offset by corresponding interest subsidy. If borrowing costs are capitalised as part of the cost of the asset (see Note III.16), the interest subsidy shall be used to offset relevant asset costs.

28. Specific reserve

The Group recognises a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. When the safety fund is subsequently used for the construction or acquisition of fixed assets, the Group recognises the capitalised expenditure incurred as the cost of the fixed assets when the related assets are ready for their intended use. In such cases, the specific reserve is reduced by the amount that corresponds to the cost of the fixed assets and the credit side is recognised in the accumulated depreciation with respect to the related fixed assets. Consequently, such fixed assets are not depreciated in subsequent periods.

29. 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.

III. Material accounting policies and significant estimates (continued)

29. Income tax (continued)

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 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.

Various taxable temporary differences are recognized as deferred income tax liabilities, unless:

(1) Taxable temporary differences arise in the following transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities arising from a single transaction with the following characteristics: the transaction is not a business merger, and it does not affect accounting profits or taxable income or deductible losses at the time of the transaction And the initially recognized assets and liabilities did not result in equal taxable temporary differences and deductible temporary differences;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, the timing of the reversal of such temporary differences can be controlled and it is highly likely that they will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses that can be carried forward to future years, and tax deductions, the Group recognizes deferred income tax assets arising from them to the extent that it is likely to obtain future taxable income to offset deductible temporary differences, deductible losses, and tax deductions, unless:

(1) Deductible temporary differences arise in the following individual transactions: the transaction is not a business merger, the transaction does not affect accounting profits or taxable income or deductible losses at the time of occurrence, and the initially recognized assets and liabilities do not result in equal taxable temporary differences and deductible temporary differences;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures, and associates, the temporary differences are likely to be reversed in the foreseeable future and taxable income used to offset the temporary differences is likely to be obtained in the future.

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 amounts of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If it is likely that sufficient taxable income will not be available in the future to offset the benefits of deferred income tax assets, the carrying amount of the deferred income tax assets will be written down. On the balance sheet date, the Group reassesses unrecognized deferred income tax assets and recognizes them to the extent that sufficient taxable income is likely to be available for the reversal of deferred income tax assets.

III. Material accounting policies and significant estimates (continued)

29. Income tax (continued)

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

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- they relate to income taxes levied by the same tax authority on either the same taxable entity; or 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.

30. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains multiple separate lease components, the lessee and the lessor separate the lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate the lease components from the non-lease components.

(1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, excluding short-term leases and low value asset leases.

The Group depreciates the right of use assets using the straight-line method. If the lessee is reasonably certain to obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

III. Material accounting policies and significant estimates (continued)

30. Leases (continued)

(1) As a lessee (continued)

Under the following circumstances after the lease commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- Changes in the substantial fixed payment amount;
- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or the Group has exercised the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (a leased asset is of low value individually when it is new). The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method or other systematic basis over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the asset under finance lease.

The Group recognises finance income over the lease term with a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are accounted for in accordance with the accounting policy in Note III.10. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases are recognised as income using the straight-line method or other systematic basis over the lease term. Variable lease payments not included in lease receipts are recognised as income as they are earned. The initial direct cost capitalization is amortized over the lease term on the same basis as the recognition of rental income, and is recognized in the current period's profit and loss in installments.

III. Material accounting policies and significant estimates (continued)

31. Assets held for sale and discontinued operations

Non-current assets or disposal groups held for sale

The Group classifies a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met:

- According to the customary practices of selling such assets or disposal groups in similar transactions, the non-current asset or disposal group is available for immediate sale in its present condition;
- The sale is highly probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding sales. The sale is expected to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note III.21) less costs to sell (except financial assets (see note III.10) and deferred tax assets (see note III.29)) initially and subsequently. Any excess of the carrying amount over the fair value (see Note III.21) less costs to sell is recognised as an impairment loss in profit or loss.

Discontinued operations

The Group classifies a separate component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

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

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. The comparative information for profit or loss from discontinued operations, which used to present as profit or loss from continuing operations in the prior period, is re-presented as profit or loss from discontinued operations in the comparative income statement.

32. Dividends distributions

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.

III. Material accounting policies and significant estimates (continued)

33. 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 to the related parties stated above, the Company determines related parties based on the disclosure requirements of the Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

34. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

35. Significant accounting estimates and judgements

When preparing financial statements, the management of the Group needs to apply judgments, estimates, and assumptions, which will have an impact on the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Estimates as well as the underlying assumptions and uncertainties involved 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.

(1) Uncertainty of estimation

The following are key assumptions regarding the future and other key sources of estimation uncertainty at the balance sheet date:

- Impairment of financial instruments and contract assets: Note III, 10 (6); Notes V, 3, 4, 5, 7, and 9;
- Impairment of goodwill: Note V, 19;
- Impairment of non current assets other than financial assets and goodwill: Note III, 20; Note V, 15, 16, 17, 18;
- Fair value valuation of financial instruments: Note X
- Deferred income tax assets: Note III, 29; Note V, 21
- Product quality assurance: Note III, 24; Note V, 32
- Share-based payment: Note XII

III. Material accounting policies and significant estimates (continued)

35. Significant accounting estimates and judgements (continued)

(2) Judgments

In the process of applying the accounting policies of the Group, the management has made the following judgments that have a significant impact on the amounts recognized in the financial statements:

- Significant judgments and assumptions regarding control over other entities: Note VIII, 1 (1)
- Business Model and Contract Cash Flow Characteristics: Note 3, 10 (2)

IV. Taxation

1. Main types of taxes and corresponding tax rates

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	According to tax laws, output VAT is calculated on product sales and taxable services revenue. VAT payable is determined by deducting input VAT from output VAT for the period	6%, 9%, 13%
Urban maintenance and construction tax	Based on VAT paid, VAT exemption and offset for the period	7%, 5%
Education surcharges and local education surcharges	Based on VAT paid, VAT exemption and offset for the period	3%, 2%
Corporate income tax	Based on taxable profits	15% - 30%

2. Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2024: 15%).

Pursuant to the Corporate Income Tax Law of the People's Republic of China 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 November 2023, the Company renewed the High-tech Enterprise Certificate No. GR202311004505, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal Tax Service, State Taxation Administration. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

IV. Taxation (continued)

2. Corporate income tax (continued)

Except that 32 subsidiaries such as Beijing BOE Optoelectronics Technology Co., Ltd. are applicable to high-tech enterprise tax preference, 7 subsidiaries such as Chongqing BOE Display Lighting Co., Ltd. are applicable to encouraged enterprises in the Western Development, and 15% corporate income tax rate is applicable, and overseas subsidiaries are applicable to local tax rate, the tax rate applicable to other enterprises of the Group is 25%.

V. Notes to key items of the consolidated financial statements

1. Cash at bank and on hand

	2025	2024
Cash on hand	1,355,467	1,528,764
Deposits with banks	71,281,904,007	72,723,894,478
Other monetary funds	<u>939,680,701</u>	<u>1,527,201,973</u>
Total	<u>72,222,940,175</u>	<u>74,252,625,215</u>

Including: Total overseas deposits were equivalent to RMB 7,892,050,802 (2024: RMB 6,539,879,671).

As at 31 December 2025, other monetary funds included deposits with securities companies by the Group amounting to RMB 27,859,235 (2024: RMB 85,440,549), used as refundable deposits for stock repurchase and payment for settlement with third party platform, which can be withdrew on demand. The rest was restricted monetary funds, of which, RMB 205,382,358 (2024: RMB 595,018,149) was pledged for issuance of bills payable, and an equivalent to RMB 706,439,108 (2024: RMB 846,743,275) was mainly deposits in commercial banks as security.

2. Financial assets held for trading

	2025	2024
Financial assets at fair value through profit or loss		
Structured deposit and wealth management products	736,987,067	2,779,828,500
Investment in equity instruments	<u>933,561,663</u>	<u>336,607,463</u>
Total	<u>1,670,548,730</u>	<u>3,116,435,963</u>

V. Notes to key items of the consolidated financial statements (continued)

3. Notes receivable

(1) Classification of Notes receivable

	2025	2024
Bank acceptance bills	503,795,854	324,870,516
Commercial acceptance bills	10,883,873	13,218,845
	<u>514,679,727</u>	<u>338,089,361</u>
Less: Impairment allowance	<u>32,652</u>	<u>29,578</u>
Total	<u>514,647,075</u>	<u>338,059,783</u>

(2) The pledged notes receivable of the Group at the end of the year

	2025
Bank acceptance bills	<u>31,919,605</u>

(3) Notes receivable endorsed or discounted but not yet matured on the balance sheet date

	Amount derecognized	Amount not derecognized
Bank acceptance bills	<u>-</u>	<u>360,019,857</u>

As at 31 December 2025, the carrying amount of notes receivable of the Group that had been endorsed to suppliers for settlement of accounts payable or discounted amounted to RMB 360,019,857 (2024: RMB 209,269,910). The Group considers that it retains substantially all the risks and rewards incidental to these notes receivable, including the related default risk, and therefore continues to recognise the notes receivable and the related settled accounts payable in full.

For the 31 December 2025, no notes receivable were reclassified to accounts receivable due to the issuers' inability to fulfill their obligations.

V. Notes to key items of the consolidated financial statements (continued)

4. Accounts receivable

(1) An ageing analysis of accounts receivable is as follows

	2025	2024
Within 1 year	31,510,471,400	35,533,315,993
1 to 2 years	499,559,227	493,435,884
2 to 3 years	258,297,769	228,715,579
Over 3 years	312,417,748	311,630,959
	<u>32,580,746,144</u>	<u>36,567,098,415</u>
Less: Provision for bad and doubtful debts	<u>287,743,521</u>	<u>228,899,211</u>
Total	<u>32,293,002,623</u>	<u>36,338,199,204</u>

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

(2) Accounts receivable by provisioning method

2025

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	109,174,696	0.34	105,473,656	96.61	3,701,040
- Customers with low credit risk	475,542,607	1.46	-	-	475,542,607
Collective assessment					
- Customers with medium credit risk	<u>31,996,028,841</u>	<u>98.20</u>	<u>182,269,865</u>	<u>0.57</u>	<u>31,813,758,976</u>
Total	<u>32,580,746,144</u>	<u>100.00</u>	<u>287,743,521</u>	<u>0.88</u>	<u>32,293,002,623</u>

2024

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	57,435,774	0.16	33,528,866	58.38	23,906,908
- Customers with low credit risk	603,585,563	1.65	-	-	603,585,563
Collective assessment					
- Customers with medium credit risk	<u>35,906,077,078</u>	<u>98.19</u>	<u>195,370,345</u>	<u>0.54</u>	<u>35,710,706,733</u>
Total	<u>36,567,098,415</u>	<u>100.00</u>	<u>228,899,211</u>	<u>0.63</u>	<u>36,338,199,204</u>

V. Notes to key items of the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Accounts receivable by provisioning method (continued)

(a) Criteria for collective assessment and details

Customer group	Basis
Customers with high credit risk	With special matters, litigations or the deterioration of customers' credit status
Customers with low credit risk	Banks, insurance companies, large state-owned enterprises and public institutions
Customers with medium credit risk	Customers not included in groups above

(b) Assessment of ECLs on accounts receivable

At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the expected loss rate. According to the Group's historical experience, different loss models are applicable to different customer groups.

(3) Details of allowance for doubtful debts

Movements of provisions for bad and doubtful debts:

	Opening balance	Additions during the year	Recovery or reversal during the year	Others	Closing balance
Customers with high credit risk	33,528,866	11,308,876	(6,104,079)	66,739,993	105,473,656
Customers with medium credit risk	195,370,345	89,622,479	(34,332,710)	(68,390,249)	182,269,865
Total	228,899,211	100,931,355	(40,436,789)	(1,650,256)	287,743,521

(4) Five largest accounts receivable and contract assets by debtor at the end of the year

The subtotal of the five largest accounts receivable and contract assets of the Group at the end of the year is RMB12,591,208,802, representing 38% of the total accounts receivable and contract assets.

V. Notes to key items of the consolidated financial statements (continued)

5. Receivables financing

(1) Receivables financing by category

	2025	2024
Bank acceptance bills	<u>585,672,349</u>	<u>472,537,400</u>

(2) Receivables financing that are endorsed or discounted but have not matured at the end of the year:

	Amount derecognized	Amount not derecognized
Bank acceptance bills	<u>1,214,507,608</u>	<u>-</u>

As at the end of the year, the carrying amount of the Group's receivables financing assets endorsed to suppliers for settlement of accounts payable or discounted amounted to RMB 1,214,507,608 (2024: RMB 683,496,249). Since substantially all the risks and rewards of these instruments have been transferred to other parties, the Group has fully derecognized such instruments and the corresponding account payables in its books and recognized the related discount expenses accordingly.

For the 31 December 2025, no receivables financing were reclassified to accounts receivable due to the issuers' inability to fulfill their obligations.

6. Prepayments

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

	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	733,396,737	90	561,764,216	89
1 to 2 years	43,028,675	5	15,640,256	2
2 to 3 years	5,809,491	1	3,945,077	1
Over 3 years	<u>28,466,561</u>	<u>4</u>	<u>53,132,675</u>	<u>8</u>
Total	<u>810,701,464</u>	<u>100</u>	<u>634,482,224</u>	<u>100</u>

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

The total of the five largest prepayments of the Group at the end of the year is RMB 320,046,324, representing 39% of the total prepayments.

V. Notes to key items of the consolidated financial statements (continued)

7. Other receivables

	2025	2024
Dividends receivable	177,912,109	55,028,131
Other receivables	<u>644,881,791</u>	<u>757,843,390</u>
Total	<u>822,793,900</u>	<u>812,871,521</u>

Other receivables

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

	2025	2024
Within 1 year	225,200,020	357,915,532
1 to 2 years	124,947,335	118,793,438
2 to 3 years	16,658,899	19,227,857
Over 3 years	<u>299,932,879</u>	<u>280,771,308</u>
	666,739,133	776,708,135
Less: Provision for bad and doubtful debts	<u>21,857,342</u>	<u>18,864,745</u>
Total	<u>644,881,791</u>	<u>757,843,390</u>

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

(2) The other receivables categorised by nature

	2025	2024
Margins and deposits	338,508,142	394,212,834
Others	<u>328,230,991</u>	<u>382,495,301</u>
Sub-total	666,739,133	776,708,135
Less: Provision for bad and doubtful debts	<u>21,857,342</u>	<u>18,864,745</u>
Total	<u>644,881,791</u>	<u>757,843,390</u>

V. Notes to key items of the consolidated financial statements (continued)

7. Other receivables (continued)

Others receivables (continued)

(3) Other receivables by provisioning method

2025

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Amounts with high credit risk	21,793,945	3.27	21,118,108	96.90	675,837
- Amounts with low credit risk	569,523,880	85.42	-	-	569,523,880
Collective assessment					
- Amounts with medium credit risk	75,421,308	11.31	739,234	0.98	74,682,074
Total	<u>666,739,133</u>	<u>100.00</u>	<u>21,857,342</u>	<u>3.28</u>	<u>644,881,791</u>

2024

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Amounts with high credit risk	18,297,151	2.36	18,297,151	100.00	-
- Amounts with low credit risk	689,364,770	88.75	-	-	689,364,770
Collective assessment					
- Amounts with medium credit risk	69,046,214	8.89	567,594	0.82	68,478,620
Total	<u>776,708,135</u>	<u>100.00</u>	<u>18,864,745</u>	<u>2.43</u>	<u>757,843,390</u>

V. Notes to key items of the consolidated financial statements (continued)

7. Other receivables (continued)

Others receivables (continued)

(3) Other receivables by provisioning method(continued)

The movements of the provision for bad debts provided for other receivables based on 12-month ECL and lifetime ECL respectively are as follows:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not yet credit- impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Balance at the beginning of the year	562,393	5,201	18,297,151	18,864,745
Stage transfer of beginning balance	(43,613)	1,402	42,211	-
Additions during the year	388,160	10,813	2,812,465	3,211,438
Reversals during the year	(184,921)	(201)	(33,719)	(218,841)
Balance at the end of the year	<u>722,019</u>	<u>17,215</u>	<u>21,118,108</u>	<u>21,857,342</u>

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

As of 31 December 2025, the top five balances of other receivables of the Group amounted to RMB 438,387,325 representing 65.75% of the total year-end balance of other receivables. These mainly comprise security deposits and receivables from equity transfers, and after assessment, no allowance for doubtful accounts is considered necessary.

V. Notes to key items of the consolidated financial statements (continued)

8. Inventories

(1) The Group's inventories by category

	2025			2024		
	Book value	Provision for impairment of inventories/ Provision for impairment of costs to fulfil a contract with a customer	Carrying amount	Book value	Provision for impairment of inventories/ Provision for impairment of costs to fulfil a contract with a customer	Carrying amount
Raw materials	10,127,483,636	1,491,552,605	8,635,931,031	8,973,042,046	1,763,382,653	7,209,659,393
Work in progress	7,441,707,138	1,625,004,821	5,816,702,317	5,803,359,611	1,104,535,176	4,698,824,435
Finished goods	15,780,958,702	2,878,956,689	12,902,002,013	15,066,294,957	3,954,314,368	11,111,980,589
Consumables	207,469,654	-	207,469,654	209,462,591	677,753	208,784,838
Costs to fulfil a contract with a customer	186,421,121	-	186,421,121	84,215,137	-	84,215,137
Total	<u>33,744,040,251</u>	<u>5,995,514,115</u>	<u>27,748,526,136</u>	<u>30,136,374,342</u>	<u>6,822,909,950</u>	<u>23,313,464,392</u>

The Group's year-end balance of inventories included no capitalised borrowing costs (2024: Nil).

At the year end, no inventories were pledged as security by the Group (2024: Nil).

(2) An analysis of provision for impairment of inventories of the Group is as follows

	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Raw materials	1,763,382,653	750,500,225	(1,022,330,273)	1,491,552,605
Work in progress	1,104,535,176	1,749,909,698	(1,229,440,053)	1,625,004,821
Finished goods	3,954,314,368	3,197,964,847	(4,273,322,526)	2,878,956,689
Consumables	677,753	-	(677,753)	-
Total	<u>6,822,909,950</u>	<u>5,698,374,770</u>	<u>(6,525,770,605)</u>	<u>5,995,514,115</u>

V. Notes to key items of the consolidated financial statements (continued)

9. Contract assets

	2025			2024		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Contract assets	<u>398,590,711</u>	<u>5,508,809</u>	<u>393,081,902</u>	<u>151,647,876</u>	<u>776,390</u>	<u>150,871,486</u>

Changes in provision for impairment of contract assets are as follows:

	Opening balance	Additions during the year	Reversals during the year	Written-off during the year	Closing balance
Provision for bad and doubtful debts	<u>776,390</u>	<u>5,505,272</u>	<u>(710,077)</u>	<u>(62,776)</u>	<u>5,508,809</u>

Based on the Group's historical experience, there are no significant differences in the incidence of losses among different customer groups. Accordingly, the Group treats all contract assets as a single portfolio and recognizes impairment provisions based on collective assessment of credit risk characteristics.

As at 31 December 2025, the carrying amount of contract assets subject to collective impairment based on credit risk characteristics amounted to RMB 398,590,711 (2024: RMB 151,647,876), with impairment provisions of RMB 5,508,809 (2024: RMB 776,390), representing an impairment ratio of 1.38% (December 31, 2024: 0.51%).

10. Other current assets

	2025	2024
VAT on tax credits	3,482,259,330	2,960,415,267
Input tax to be verified or deducted	614,835,747	503,287,770
Right to recover returned goods	193,068,473	166,513,664
Prepaid income taxes	144,329,925	112,183,664
Others	<u>375,328,391</u>	<u>211,607,620</u>
Total	<u>4,809,821,866</u>	<u>3,954,007,985</u>

BOE Technology Group Co., Ltd.
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V. Notes to key items of the consolidated financial statements (continued)

11. Long-term equity investments

	Balance at the beginning of the year	Balance at the beginning of the year	Movements during the year								Balance at the end of the year	Balance at the end of the year
	Carrying amount	Provision for impairment	Additions during the year	Reductions during the year	Investment (loss) /income under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends	Provision for impairment	Others	Carrying amount	Provision for impairment
Joint ventures	404,709,071	-	-	-	(34,772,030)	-	-	-	-	-	369,937,041	-
Associates												
Vusion Group SA (formerly named "SES ImagoTag SA Co., Ltd.")	4,890,298,637	-	-	(1,092,038,165)	118,386,682	55,898,192	216,894,790	-	-	129,175,962	4,318,616,098	-
Erdos BOE Energy Investment Co., Ltd.	1,027,841,294	777,858,312	-	-	(2,989,462)	-	-	-	-	-	1,024,851,832	777,858,312
Tianjin Xianzhilian Investment Centre (Limited Partnership)	1,689,914,532	-	-	(175,055,746)	64,525,979	-	-	(2,286,665)	-	-	1,577,098,100	-
Beijing Xindongneng Investment Fund (Limited Partnership)	922,008,650	-	-	-	8,470,345	(5,384,695)	-	(205,607,242)	-	-	719,487,058	-
Others	4,598,499,118	396,533,969	6,164,630,785	-	(72,446,227)	44,822,948	75,012,648	(184,299,836)	-	-	10,626,219,436	390,188,191
Sub-total	13,128,562,231	1,174,392,281	6,164,630,785	(1,267,093,911)	115,947,317	95,336,445	291,907,438	(392,193,743)	-	129,175,962	18,266,272,524	1,168,046,503
Total	13,533,271,302	1,174,392,281	6,164,630,785	(1,267,093,911)	81,175,287	95,336,445	291,907,438	(392,193,743)	-	129,175,962	18,636,209,565	1,168,046,503

As at 31 December 2025, certain associates invested by the Group suffered loss and the Group did not have an obligation to assume additional losses. Therefore, the Group discontinues recognising its share of further losses after the carrying amount of long-term equity investment is reduced to zero, the accumulated unrecognised investment losses amounted to RMB12,057,070 (2024: RMB11,456,900).

For the year ended 31 December 2025, foreign currency translation accounted for the change in the provision for impairment of the Group's long-term equity investments.

V. Notes to key items of the consolidated financial statements (continued)

12. Other equity investments

(1) Investments in other equity instruments

	Balance at the beginning of the year	Movements during the year			Balance at the end of the year	Dividend income recognised for the year	Accumulated gains or losses recognised in other comprehensive income ("-" for losses)
		Decrease in investments	Gains or losses recognised in other comprehensive income during the year ("-" for losses)	Foreign currency financial statement translation			
Listed equity instrument investment	257,558,368	(12,610,162)	93,589,635	(5,439,501)	333,098,340	10,925,263	(42,548,731)
Unlisted equity instruments investment	183,813,447	(1,746,310)	25,479,196	(4,427,481)	203,118,852	25,596,072	(81,388,212)
Total	441,371,815	(14,356,472)	119,068,831	(9,866,982)	536,217,192	36,521,335	(123,936,943)

(2) Investments derecognised during the year

	Fair value at derecognition	Accumulated gains transferred to retained earnings due to derecognition	Reason for derecognition
Listed equity instrument investment	12,610,162	5,209,080	Transfers out from disposal
Unlisted equity instruments investment	1,746,310	179,779	Transfers out from disposal
Total	14,356,472	5,388,859	

V. Notes to key items of the consolidated financial statements (continued)

13. Other non-current financial assets

	2025	2024
Financial assets at fair value through profit or loss	<u>2,874,055,003</u>	<u>2,735,680,042</u>

14. Investment properties

Investment property measured using the cost model

	Plant and buildings	Land use rights	Total
Cost			
Balance at the beginning of the year	1,708,322,341	785,342,177	2,493,664,518
Transfers from construction in progress	503,728,513	-	503,728,513
Others	<u>(17,311,456)</u>	<u>-</u>	<u>(17,311,456)</u>
Balance at the end of the year	<u>2,194,739,398</u>	<u>785,342,177</u>	<u>2,980,081,575</u>
Accumulated depreciation			
Balance at the beginning of the year	530,220,566	212,254,212	742,474,778
Additions during the year	<u>74,402,092</u>	<u>16,587,801</u>	<u>90,989,893</u>
Balance at the end of the year	<u>604,622,658</u>	<u>228,842,013</u>	<u>833,464,671</u>
Carrying amount			
At the end of the year	<u>1,590,116,740</u>	<u>556,500,164</u>	<u>2,146,616,904</u>
At the beginning of the year	<u>1,178,101,775</u>	<u>573,087,965</u>	<u>1,751,189,740</u>

Information regarding the Group's investment properties pledged as collateral is set out in detail in Note V.23.

V. Notes to key items of the consolidated financial statements (continued)

15. Fixed assets

	Plant and buildings	Equipment	Others	Total
Cost				
Balance at the beginning of the year	79,261,118,702	345,389,359,918	17,406,622,698	442,057,101,318
Purchase	48,274,483	858,350,949	2,053,538,603	2,960,164,035
Transfers from construction in progress	2,907,865,561	11,864,792,911	1,294,194,748	16,066,853,220
Transfers to construction in progress	-	(362,361,927)	(11,078,561)	(373,440,488)
Disposals or written-offs during the year	(30,842,317)	(1,022,636,273)	(368,493,337)	(1,421,971,927)
Written-down against government interest discounts	-	(314,194)	(9,953)	(324,147)
Others	(7,354,931)	(10,091,426)	(4,556,323)	(22,002,680)
Balance at the end of the year	<u>82,179,061,498</u>	<u>356,717,099,958</u>	<u>20,370,217,875</u>	<u>459,266,379,331</u>
Accumulated depreciation				
Balance at the beginning of the year	14,105,527,564	209,021,095,996	11,970,845,588	235,097,469,148
Additions during the year	2,288,458,185	32,491,936,604	2,388,540,832	37,168,935,621
Transfers to construction in progress	-	(243,033,721)	(7,229,326)	(250,263,047)
Disposals or written-offs during the year	(18,683,051)	(855,594,471)	(328,608,331)	(1,202,885,853)
Others	(117,084)	659,494	(2,164,985)	(1,622,575)
Balance at the end of the year	<u>16,375,185,614</u>	<u>240,415,063,902</u>	<u>14,021,383,778</u>	<u>270,811,633,294</u>
Provision for impairment				
Balance at the beginning of the year	4,203,745	1,812,759,153	238,249,761	2,055,212,659
Additions during the year	2,154,807	195,778,949	10,413,384	208,347,140
Transfers to construction in progress	-	(29,555,828)	(455,427)	(30,011,255)
Disposals or written-offs during the year	-	(59,900,202)	(22,374,157)	(82,274,359)
Others	293,205	3,883,883	(4,378)	4,172,710
Balance at the end of the year	<u>6,651,757</u>	<u>1,922,965,955</u>	<u>225,829,183</u>	<u>2,155,446,895</u>
Carrying amount				
At the end of the year	<u>65,797,224,127</u>	<u>114,379,070,101</u>	<u>6,123,004,914</u>	<u>186,299,299,142</u>
At the beginning of the year	<u>65,151,387,393</u>	<u>134,555,504,769</u>	<u>5,197,527,349</u>	<u>204,904,419,511</u>

The Group's fixed assets held for operating leases include buildings and structures, machinery and equipment.

The recoverable amount of the relevant asset group is determined by reference to its fair value less costs of disposal and the present value of its expected future cash flows. The cash flow forecast period is determined based on the estimated remaining useful life of the asset, the cash flows over the estimated remaining useful life of the asset are determined based on projected market conditions, and the pre-tax discount rate is determined with reference to comparable companies and the relevant capital structure.

As at 31 December 2025, fixed assets pending certificates of ownership totalled RMB3,536,731,228 and certificates of ownership is still being processed.

V. Notes to key items of the consolidated financial statements (continued)

16. Construction in progress

(1) Analysis of the Group's construction in progress is as follows

	2025			2024		
	Book value	Provision for impairment	Face value	Book value	Provision for impairment	Face value
BOE 8.6th-Generation AMOLED Production Line Project	26,932,073,883	-	26,932,073,883	6,998,733,015	-	6,998,733,015
BOE's 6th generation new semiconductor display device production line project	16,275,532,815	-	16,275,532,815	10,629,806,006	-	10,629,806,006
Others	9,798,723,344	63,205,922	9,735,517,422	12,607,947,968	77,470,892	12,530,477,076
Total	53,006,330,042	63,205,922	52,943,124,120	30,236,486,989	77,470,892	30,159,016,097

Information regarding the Group's construction in progress pledged as collateral is set out in detail in Note V.23.

V. Notes to key items of the consolidated financial statements (continued)

16. Construction in progress (continued)

(2) Movements of major construction projects in progress during the year

	Budget	Balance at the beginning of the year	Additions during the year	Transfers to fixed assets	Balance at the end of the year	Sources of funding	Percentage of actual cost to budget (%)
BOE 8.6th-Generation AMOLED Production Line Project	63,000,000,000	6,998,733,015	20,880,757,234	(947,416,366)	26,932,073,883	Self-raised funds and borrowings	44.75
BOE's 6th generation new semiconductor display device production line project	29,000,000,000	10,629,806,006	5,646,297,606	(570,797)	16,275,532,815	Self-raised funds and borrowings	67.58
Total	92,000,000,000	17,628,539,021	26,527,054,840	(947,987,163)	43,207,606,698		
				Accumulated capitalised interest at the end of the year	Interest capitalised in the current year	Interest rate for capitalisation in the current year (%)	
BOE 8.6th-Generation AMOLED Production Line Project				107,255,000	107,255,000		2.85
BOE's 6th generation new semiconductor display device production line project				150,804,218	60,587,809		2.35
Total				258,059,218	167,842,809		

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V. Notes to key items of the consolidated financial statements (continued)

17. Right-of-use assets

	Plant and buildings	Equipment	Others	Total
Cost				
Balance at the beginning of the year	1,075,962,333	15,913,107	190,446,902	1,282,322,342
Additions during the year	189,445,223	23,544,055	3,321,873	216,311,151
Reductions during the year	(41,233,160)	(2,277,085)	-	(43,510,245)
Translation differences	22,324,695	31,985	79,279	22,435,959
Balance at the end of the year	<u>1,246,499,091</u>	<u>37,212,062</u>	<u>193,848,054</u>	<u>1,477,559,207</u>
Less: Accumulated depreciation				
Balance at the beginning of the year	477,999,532	10,683,598	39,230,932	527,914,062
Charge for the year	134,136,929	9,168,445	11,080,777	154,386,151
Reductions during the year	(16,562,393)	(2,009,172)	-	(18,571,565)
Translation differences	6,482,642	29,039	28,769	6,540,450
Balance at the end of the year	<u>602,056,710</u>	<u>17,871,910</u>	<u>50,340,478</u>	<u>670,269,098</u>
Carrying amount				
At the end of the year	<u>644,442,381</u>	<u>19,340,152</u>	<u>143,507,576</u>	<u>807,290,109</u>
At the beginning of the year	<u>597,962,801</u>	<u>5,229,509</u>	<u>151,215,970</u>	<u>754,408,280</u>

V. Notes to key items of the consolidated financial statements (continued)

18. Intangible assets

	Land use rights	Patent and proprietary technology	Computer software	Others	Total
Cost					
Balance at the beginning of the year	8,330,914,335	6,386,074,855	2,540,120,486	816,647,150	18,073,756,826
Purchases	21,470,416	2,195,067,434	130,877,137	2,966,041	2,350,381,028
Transfers from construction in progress	711,755	-	225,562,667	-	226,274,422
Transfers from development costs	-	132,007,804	-	-	132,007,804
Disposals	-	-	(17,352,164)	(3,212,714)	(20,564,878)
Translation differences	(8,327,470)	115,219	(677,303)	(853,860)	(9,743,414)
Balance at the end of the year	<u>8,344,769,036</u>	<u>8,713,265,312</u>	<u>2,878,530,823</u>	<u>815,546,617</u>	<u>20,752,111,788</u>
Accumulated depreciation					
Balance at the beginning of the year	1,043,218,572	3,710,878,801	1,636,822,609	393,725,976	6,784,645,958
Charge for the year	215,593,052	629,445,715	249,811,013	55,819,936	1,150,669,716
Reductions during the year	-	-	(4,347,851)	(1,067,119)	(5,414,970)
Translation differences	(236,180)	115,219	(215,652)	(618,172)	(954,785)
Balance at the end of the year	<u>1,258,575,444</u>	<u>4,340,439,735</u>	<u>1,882,070,119</u>	<u>447,860,621</u>	<u>7,928,945,919</u>
Provision for impairment					
Balance at the beginning and end of the year	-	25,647,674	-	-	25,647,674
Carrying amount					
At the end of the year	<u>7,086,193,592</u>	<u>4,347,177,903</u>	<u>996,460,704</u>	<u>367,685,996</u>	<u>12,797,518,195</u>
At the beginning of the year	<u>7,287,695,763</u>	<u>2,649,548,380</u>	<u>903,297,877</u>	<u>422,921,174</u>	<u>11,263,463,194</u>

Information regarding the Group's Intangible assets pledged as collateral is set out in detail in Note V.23.

V. Notes to key items of the consolidated financial statements (continued)

19. Goodwill

(1) Goodwill

	Opening and closing balances
Chengdu BOE Display Sci-tech Co., Ltd. ("Chengdu Display Sci-tech")	537,038,971
Nanjing BOE Display Technology Co., Ltd. ("Nanjing Display Technology")	155,714,415
BOE Healthcare Investment & Management Co., Ltd.	146,460,790
Beijing Yinghe Century Co., Ltd.	42,940,434
BOE HC SemiTek Corporation ("HC SemiTek")	29,596,088
Beijing Zhonghe Ultra High Definition Collaborative Technology Center Co., Ltd	14,285,847
K-Tronics (Suzhou) technology Co., Ltd.	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.	<u>4,423,876</u>
Total	<u>939,022,885</u>

(2) Provision for impairment

	Opening and closing balances
Chengdu Display Sci-tech	147,755,754
BOE Healthcare Investment & Management Co., Ltd.	133,268,233
Beijing BOE Optoelectronics Technology Co., Ltd.	<u>4,423,876</u>
Total	<u>285,447,863</u>

The recoverable amount of the above-mentioned goodwill related asset group is determined using the method of estimating the present value of future cash flows. When estimating the present value of cash flows, the cash flows for the next 5 years are predicted based on market conditions. After 5 years, the cash flows for all years remain stable, with a sustainable growth rate of zero; The pre tax discount rate is determined based on comparable companies and related capital structures, ranging from 8% to 12%.

V. Notes to key items of the consolidated financial statements (continued)

20. Long-term prepaid expenses

	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Technology royalty fees prepaid	288,093,493	25,556,202	(70,966,130)	242,683,565
Others	<u>310,351,430</u>	<u>146,506,848</u>	<u>(99,940,270)</u>	<u>356,918,008</u>
Total	<u>598,444,923</u>	<u>172,063,050</u>	<u>(170,906,400)</u>	<u>599,601,573</u>

21. Deferred tax assets and liabilities

(1) Un-offset deferred tax assets

	2025		2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Accumulated losses	3,858,464,946	592,660,713	3,787,640,423	586,142,140
Provision for impairment of assets	1,193,828,451	202,710,490	813,547,069	139,856,263
Lease liabilities	863,232,852	209,142,446	502,310,310	110,285,658
Others	<u>4,638,706,196</u>	<u>727,001,284</u>	<u>1,298,567,979</u>	<u>206,999,637</u>
Sub-total	<u>10,554,232,445</u>	<u>1,731,514,933</u>	<u>6,402,065,781</u>	<u>1,043,283,698</u>

(2) Un-offset deferred tax liabilities

	2025		2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Revaluation due to business combinations involving entities not under common control and Depreciation of fixed assets	6,405,953,955	1,125,382,911	6,973,869,010	1,143,270,888
Long-term equity investments	1,375,231,979	257,307,379	1,487,863,171	282,505,936
Right-of-use assets	832,344,471	201,781,949	503,216,511	101,062,209
Others	<u>2,205,665,653</u>	<u>427,904,353</u>	<u>511,688,145</u>	<u>112,355,137</u>

BOE Technology Group Co., Ltd.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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Sub-total	<u>10,819,196,058</u>	<u>2,012,376,592</u>	<u>9,476,636,837</u>	<u>1,639,194,170</u>
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V. Notes to key items of the consolidated financial statements (continued)

21. Deferred tax assets and liabilities (continued)

(3) Deferred tax assets or liabilities presented at the net amount after offsetting

	2025		2024	
	Amount offset	Balance after offsetting	Amount offset	Balance after offsetting
Deferred tax assets	877,481,895	854,033,038	348,395,423	694,888,275
Deferred tax liabilities	877,481,895	1,134,894,697	348,395,423	1,290,798,747

(4) Details of unrecognised deferred tax assets

	2025	2024
Deductible temporary differences	24,246,481,675	23,454,408,247
Deductible tax losses	<u>74,771,356,495</u>	<u>66,975,969,671</u>
Total	<u>99,017,838,170</u>	<u>90,430,377,918</u>

As at 31 December 2025, the accumulated deductible temporary differences are mainly subsidiaries' impairment provisions of assets and accrual of expenses. 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 in consideration of prudence.

(5) Expiration of deductible tax losses for unrecognised deferred tax assets

	2025	2024
2025	-	637,426,137
2026	998,653,613	1,070,157,082
2027	1,094,402,070	1,431,984,146
2028	3,275,814,153	3,433,591,756
2029	6,708,515,639	6,862,197,069
2030	6,136,610,664	4,250,636,379
2031 and subsequent years	56,054,666,567	48,528,565,336
Non-fixed term	<u>502,693,789</u>	<u>761,411,766</u>
Total	<u>74,771,356,495</u>	<u>66,975,969,671</u>

BOE Technology Group Co., Ltd.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes to key items of the consolidated financial statements (continued)

22. Other non-current assets

	2025			2024		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Certificates of deposits and time deposits	10,908,234,286	-	10,908,234,286	13,348,874,212	-	13,348,874,212
Delay in levying value-added tax on imported equipment	2,455,616,492	-	2,455,616,492	-	-	-
Prepayment for construction and purchase of fixed assets	828,430,843	-	828,430,843	4,518,996,586	-	4,518,996,586
Others	<u>1,038,977,292</u>	<u>-</u>	<u>1,038,977,292</u>	<u>1,123,351,747</u>	<u>-</u>	<u>1,123,351,747</u>
Total	<u>15,231,258,913</u>	<u>-</u>	<u>15,231,258,913</u>	<u>18,991,222,545</u>	<u>-</u>	<u>18,991,222,545</u>

23. Assets with restrictive ownership titles or right of use

2025

	Book value	Carrying amount	Restriction	Details of restriction
Cash at bank and on hand	911,821,466	911,821,466	Note V.1	Note V.1
Notes receivable	391,939,462	391,939,462	Pledged	Endorsed with resource and pledged for the issuance of bills payable
Accounts receivable	473,936,004	467,691,850	Pledged	Pledged as borrowing
Investment properties	137,198,683	127,541,800	Mortgaged	As collateral for loans
Fixed assets	194,315,579,962	96,417,684,719	Mortgaged	As collateral for loans
Construction in progress	16,333,097,942	16,333,097,942	Mortgaged	As collateral for loans
Intangible assets	<u>1,869,141,730</u>	<u>1,581,562,962</u>	Mortgaged	As collateral for loans
Total	<u>214,432,715,249</u>	<u>116,231,340,201</u>		

V. Notes to key items of the consolidated financial statements (continued)

23. Assets with restrictive ownership titles or right of use (continued)

2024

	Book value	Carrying amount	Restriction	Details of restriction
Cash at bank and on hand	1,441,761,424	1,441,761,424	Note V.1	Note V.1 Endorsed with resource and pledged for the issuance of bills payable
Notes receivable	246,112,676	246,112,676	Pledged	Mortgaged as borrowing
Investment properties	154,510,137	154,510,137	Mortgaged	Mortgaged as borrowing
Fixed assets	237,348,939,293	126,896,353,640	Mortgaged	Mortgaged as borrowing
Construction in progress	11,473,130,082	11,473,130,082	Mortgaged	Mortgaged as borrowing
Intangible assets	2,264,095,450	1,954,974,874	Mortgaged	Mortgaged as borrowing
Other non-current assets	157,708,950	157,708,950	Others	Others
Total	<u>253,086,258,012</u>	<u>142,324,551,783</u>		

The amortization amount of intangible assets pledged as collateral in 2025 is RMB 53,096,009 (2024: RMB 60,476,811).

24. Short-term borrowings

	2025	2024
Unsecured borrowings	2,820,827,279	292,172,026
Guaranteed borrowings	472,623,423	1,027,353,266
Pledge borrowings	<u>361,570,735</u>	<u>243,791,874</u>
Total	<u>3,655,021,437</u>	<u>1,563,317,166</u>

As at 31 December 2025, no short-term loan was past due (2024: Nil).

25. Notes payable

	2025	2024
Bank acceptance notes	1,380,128,604	1,390,526,726
Commercial acceptance notes	<u>-</u>	<u>9,031,243</u>
Total	<u>1,380,128,604</u>	<u>1,399,557,969</u>

There is no due but unpaid bill payable at the end of the year. The bills above are all due within one year.

V. Notes to key items of the consolidated financial statements (continued)

26. Accounts payable

	2025	2024
Sales payments payable	<u>37,242,292,283</u>	<u>36,713,498,406</u>

As at 31 December 2025, the Group had no significant accounts payable with ageing of more than one year.

As at December 2025, amounts received by suppliers from commercial banks through platform services included in the Group's accounts payable amounted to RMB 857,558,695.

Such platform services are provided under cooperation between the Group and commercial banks, under which suppliers may voluntarily choose to receive payment from commercial banks in advance. The payment terms of the Group's payables remain unchanged under this arrangement.

27. Contract liabilities

	2025	2024
Sale of goods	<u>2,223,451,538</u>	<u>2,083,836,158</u>

Contract liabilities primarily relate to the Group's advances from goods purchase and sale contracts. The Group receives a certain proportion of advances as agreed in contract when entering into the contract with customers. The revenue related to the contracts will be recognised when the Group satisfies its performance obligations

As at 31 December 2025, the Group had no significant contract liabilities with ageing of more than one year.

For the year 2025, the amount of revenue recognized by the Group that was derived from the beginning carrying amount of contract liabilities amounted to RMB 1,871,844,676 (2024: RMB 2,779,202,988).

28. Employee benefits payable

(1) Employee benefits payable

	Balance at the beginning of the year	Accrued during the year	Decrease during the year	Balance at the end of the year
Short-term employee benefits	4,028,727,032	19,514,838,498	(20,013,981,927)	3,529,583,603
Post-employment benefits (defined contribution plans)	45,247,997	2,020,695,949	(2,016,867,123)	49,076,823
Termination benefits	<u>2,033,359</u>	<u>33,794,507</u>	<u>(29,663,909)</u>	<u>6,163,957</u>
Total	<u>4,076,008,388</u>	<u>21,569,328,954</u>	<u>(22,060,512,959)</u>	<u>3,584,824,383</u>

V. Notes to key items of the consolidated financial statements (continued)

28. Employee benefits payable (continued)

(2) Short-term employee benefits

	Balance at the beginning of the year	Accrued during the year	Decrease during the year	Balance at the end of the year
Salaries, bonuses and allowances	2,710,530,885	15,586,552,008	(16,280,054,391)	2,017,028,502
Staff welfare	-	1,324,997,333	(1,324,997,333)	-
Social insurance	34,440,204	1,013,311,843	(1,010,362,928)	37,389,119
Medical and maternity insurance	32,300,536	945,719,302	(943,271,031)	34,748,807
Work-related injury insurance	2,139,668	67,592,541	(67,091,897)	2,640,312
Housing fund	24,714,192	1,163,370,130	(1,155,842,318)	32,242,004
Labour union fee, staff and workers' education fee	1,236,499,162	422,130,553	(240,633,251)	1,417,996,464
Other short-term employee benefits	<u>22,542,589</u>	<u>4,476,631</u>	<u>(2,091,706)</u>	<u>24,927,514</u>
Total	<u>4,028,727,032</u>	<u>19,514,838,498</u>	<u>(20,013,981,927)</u>	<u>3,529,583,603</u>

(3) Post-employment benefits – defined contribution plans

	Balance at the beginning of the year	Accrued during the year	Decrease during the year	Balance at the end of the year
Basic pension insurance	27,887,452	1,814,988,107	(1,812,632,971)	30,242,588
Unemployment insurance	928,073	61,389,090	(61,394,238)	922,925
Annuity	<u>16,432,472</u>	<u>144,318,752</u>	<u>(142,839,914)</u>	<u>17,911,310</u>
Total	<u>45,247,997</u>	<u>2,020,695,949</u>	<u>(2,016,867,123)</u>	<u>49,076,823</u>

29. Taxes and surcharges payable

	2025	2024
Corporate income tax	505,006,247	661,144,508
Urban construction tax	280,739,481	243,831,131
Education surcharges and local education surcharges	200,512,976	174,228,317
Value-added tax (VAT)	143,339,519	314,302,588
Individual income tax	48,931,710	42,608,326
Others	<u>140,685,599</u>	<u>140,491,726</u>
Total	<u>1,319,215,532</u>	<u>1,576,606,596</u>

V. Notes to key items of the consolidated financial statements (continued)

30. Other payables

	2025	2024
Dividends payable	40,884,271	42,861,753
Other payables	<u>20,848,554,111</u>	<u>20,785,100,817</u>
Total	<u>20,889,438,382</u>	<u>20,827,962,570</u>

Dividends payable

	2025	2024
Dividends payable on ordinary shares	<u>40,884,271</u>	<u>42,861,753</u>

Other payables

	2025	2024
Projects and equipment	15,453,753,037	15,590,702,070
Fund transaction (Note)	3,288,656,028	3,236,033,067
Margins and deposits	640,983,384	581,371,160
Equity transfer consideration	492,419,483	-
Repurchase obligation of restricted shares	16,947,000	228,786,210
Others	<u>955,795,179</u>	<u>1,148,208,310</u>
Total	<u>20,848,554,111</u>	<u>20,785,100,817</u>

The Group's significant other payables aged over one year are payables of projects and equipment.

Note: The Group's fund transaction payables as at 31 December 2025 were amounts and interest due to original controlling shareholders of Nanjing Display Technology and Chengdu Display Technology, with the interest rates of 2.175% and 0%, respectively.

31. Current portion of non-current liabilities

	2025	2024
Long-term borrowings due within one year(V.33)	25,492,734,175	42,892,065,934
Bonds payable due within one year(V.34)	103,778,356	-
Lease liabilities due within one year(V.35)	156,696,306	147,060,968
Long-term payables due within one year(V.36)	917,104,082	22,944,576
Other non-current liabilities due within one year(V.39)	<u>-</u>	<u>444,468,133</u>
Total	<u>26,670,312,919</u>	<u>43,506,539,611</u>

V. Notes to key items of the consolidated financial statements (continued)

32. Other current liabilities

	2025	2024
Warranty provisions	3,064,852,352	2,508,912,990
Others	<u>1,284,294,548</u>	<u>886,058,150</u>
Total	<u>4,349,146,900</u>	<u>3,394,971,140</u>

The other current liabilities of the Group were warranty provisions. The warranty provisions mainly relate 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.

33. Long-term borrowings

	2025	2024
Unsecured borrowings	67,800,359,549	79,443,787,211
Mortgage borrowings	55,206,407,133	60,149,714,863
Guaranteed borrowings	3,472,916,043	3,528,124,014
Pledged borrowings	<u>589,624,923</u>	<u>702,831,586</u>
Sub-total	127,069,307,648	143,824,457,674
Less: Long-term borrowings due within one year (V.31)	<u>25,492,734,175</u>	<u>42,892,065,934</u>
Total	<u>101,576,573,473</u>	<u>100,932,391,740</u>

As at 31 December 2025, The annual interest rate of the above borrowings is 1.20% to 5.50% (December 31, 2024: 1.20% to 6.37%).

34. Bonds payable

	2025	2024
Bonds payable	11,072,546,408	-
Less: Bonds payable due within one year (V.31)	<u>103,778,356</u>	<u>-</u>
Total	<u>10,968,768,052</u>	<u>-</u>

V. Notes to key items of the consolidated financial statements (continued)

34. Bonds payable (continued)

(1) Analysis of the Group's Bonds payable is as follows

	Par value	Coupon rate(%)	Issue date	Bond term	Issued amount	December 31, 2024	Issued in current period	Accrued interest as per par value	Discount premium	December 31, 2025	Default or not
25 BOE MTN001	2,000,000,000	2.23	2025/4/23	10 years	2,000,000,000	-	2,000,000,000	30,792,329	(5,617,377)	2,025,174,952	NO
25 BOE MTN002	1,000,000,000	2.23	2025/5/13	10 years	1,000,000,000	-	1,000,000,000	14,174,247	(2,895,537)	1,011,278,710	NO
25 BOE MTN003	1,000,000,000	1.77	2025/6/24	3 years	1,000,000,000	-	1,000,000,000	9,213,699	(2,470,296)	1,006,743,403	NO
25 BOE MTN004	1,000,000,000	1.70	2025/7/10	5 years	1,000,000,000	-	1,000,000,000	8,104,109	(2,617,655)	1,005,486,454	NO
25 BOE MTN005	1,000,000,000	1.70	2025/7/24	3 years	1,000,000,000	-	1,000,000,000	7,452,055	(2,469,247)	1,004,982,808	NO
25 BOE MTN006	1,000,000,000	1.79	2025/8/8	3 years	1,000,000,000	-	1,000,000,000	7,012,876	(2,513,541)	1,004,499,335	NO
25BOEK1	2,000,000,000	1.94	2025/6/13	5 years	2,000,000,000	-	2,000,000,000	21,472,876	(6,913,542)	2,014,559,334	NO
25BOEK2	1,000,000,000	1.95	2025/11/6	5 years	1,000,000,000	-	1,000,000,000	2,991,781	(2,884,110)	1,000,107,671	NO
25BOEK3	1,000,000,000	1.95	2025/11/14	5 years	1,000,000,000	-	1,000,000,000	2,564,384	(2,850,643)	999,713,741	NO
Total					11,000,000,000	-	11,000,000,000	103,778,356	(31,231,948)	11,072,546,408	

35. Lease liabilities

	2025	2024
Long-term lease liabilities	844,458,972	778,479,954
Less: Lease liabilities due within one year(V.31)	156,696,306	147,060,968
Total	687,762,666	631,418,986

In 2025, as a lessee, the Group elected the practical expedient for short-term leases, leases of low-value assets and sub-leased right-of-use assets, and the related income and expenses were immaterial.

36. Long-term payables

	2025	2024
Long-term payables	3,265,140,355	144,022,447
Less: Long-term payables due within one year(V.31)	917,104,082	22,944,576
Total	2,348,036,273	121,077,871

V. Notes to key items of the consolidated financial statements (continued)

37. Provisions

	Balance at the beginning of the year	Accrued during the year	Decrease during the year	Balance at the end of the year
Outstanding litigation	<u>1,652,566</u>	<u>-</u>	<u>1,652,566</u>	<u>-</u>

38. Deferred income

	Balance at the beginning of the year	Additions during the year	Amounts recognised in other income	Other changes	Balance at the end of the year
Related to assets	3,579,152,245	3,920,678,415	(1,254,718,699)	(103,249,206)	6,141,862,755
Related to income	<u>965,465,686</u>	<u>293,699,530</u>	<u>(602,234,294)</u>	<u>(760,467)</u>	<u>656,170,455</u>
Total	<u>4,544,617,931</u>	<u>4,214,377,945</u>	<u>(1,856,952,993)</u>	<u>(104,009,673)</u>	<u>6,798,033,210</u>

39. Other non-current liabilities

	2025	2024
Contribution of non-controlling interests with redemption provisions	2,083,780,538	2,491,844,290
Deferred VAT on imported equipment	1,555,616,492	-
Others	<u>357,505,637</u>	<u>601,446,602</u>
Sub-total	3,996,902,667	3,093,290,892
Less: Other non-current liabilities due within one year(V.31)	<u>-</u>	<u>444,468,133</u>
Total	<u>3,996,902,667</u>	<u>2,648,822,759</u>

The contribution of non-controlling interests with redemption provisions is mainly due to the redemption obligation of the Company to the non-controlling interests of Fuzhou BOE. The Company recognises the above non-controlling interests contribution as a financial liability which is subsequently measured at the cost of amortisation and will be repurchased according to the agreed price and time.

V. Notes to key items of the consolidated financial statements (continued)

40. Share capital

	Balance at the beginning of the year	Cancellation of treasury shares	Balance at the end of the year
Total shares	<u>37,645,016,203</u>	<u>(231,135,739)</u>	<u>37,413,880,464</u>

During the year ended 31 December 2025, the Company cancelled 231,135,739 shares of treasury shares at China Securities Depository and Clearing Corporation Limited Shenzhen Branch. After the completion of the cancellation procedures, the total shares will be changed from 37,645,016,203 shares to 37,413,880,464 shares.

41. Other equity instruments

Financial instruments (including perpetual bonds) that remain outstanding are set out as follows:

	Balance at the beginning of the year		Decrease during the year		Changes in interest		Balance at the end of the year	
	Quantity	Carrying amount	Quantity	Carrying amount	Additions during the year	Paid during the year	Quantity	Carrying amount
22BOEY1	20,000,000	<u>2,043,402,946</u>	(20,000,000)	<u>(1,989,320,755)</u>	<u>15,917,809</u>	<u>(70,000,000)</u>	-	-

42. Capital reserves

	Balance at the beginning of the year	Additions during the year	Decrease during the year	Balance at the end of the year
Share premium	50,268,947,500	-	(715,417,371)	49,553,530,129
Other capital reserves	<u>1,938,626,206</u>	<u>367,805,387</u>	<u>-</u>	<u>2,306,431,593</u>
Total	<u>52,207,573,706</u>	<u>367,805,387</u>	<u>(715,417,371)</u>	<u>51,859,961,722</u>

43. Treasury shares

Item	Balance at the beginning of the year	Accrued during the year	Decrease during the year	Balance at the end of the year
Treasury shares	<u>1,216,490,683</u>	<u>1,499,835,264</u>	<u>(1,216,490,683)</u>	<u>1,499,835,264</u>

In 2025, pursuant to the resolutions of the Company's 11th Board of Directors' 4th meeting and 11th Supervisory Committee's 2nd meeting held on 18 April 2025, the Company approved the Proposals on Changing the Purpose and Cancellation of Repurchased Shares, the Proposal of Repurchase and Cancellation of Certain Restricted Shares, and the Proposal on the Fulfilment of the Conditions for the Release of Restricted Shares Granted under the 2020 Share Option and Restricted Share Incentive Plan during the Third Release Period of the Restricted Shares and the Fulfilment of the Conditions for the Third Exercise Period of the First Exercise Period of the Initial Grant of Share Options. Accordingly, the Company retired 228,882,900 treasury shares held at the beginning of the year and completed the vesting and retirement of restricted shares totaling 91,349,379 shares.

V. Notes to key items of the consolidated financial statements (continued)

44. Other comprehensive income

	Balance at the end of previous year attributable to shareholders of the Company	Movements during the year						Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: Income tax expenses	Less: Amount transferred from other comprehensive income to profit or loss	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non- controlling interests	Less: Transfer of other comprehensive income to retained earnings	
Items that will not be reclassified to profit or loss	(372,167,398)	158,507,084	2,865,856	-	133,910,381	21,730,847	2,857,173	(241,114,190)
Including: Other comprehensive income recognised under equity method	(136,978,893)	39,438,253	576,931	-	38,861,322	-	-	(98,117,571)
Changes in fair value of investments in other equity instruments	(235,188,505)	119,068,831	2,288,925	-	95,049,059	21,730,847	2,857,173	(142,996,619)
Items that may be reclassified to profit or loss	(799,656,466)	268,975,640	-	8,533,319	274,200,620	(13,758,299)	-	(525,455,846)
Including: Other comprehensive income recognised under equity method	(118,842)	55,898,192	-	8,533,319	47,364,873	-	-	47,246,031
Translation differences arising from translation of foreign currency financial statements	(799,537,624)	213,077,448	-	-	226,835,747	(13,758,299)	-	(572,701,877)
Total	(1,171,823,864)	427,482,724	2,865,856	8,533,319	408,111,001	7,972,548	2,857,173	(766,570,036)

V. Notes to key items of the consolidated financial statements (continued)

45. Surplus reserves

	Balance at the beginning of the year	Additions during the year	Balance at the end of the year
Statutory surplus reserve	3,590,083,170	156,075,845	3,746,159,015
Discretionary surplus reserve	<u>289,671,309</u>	<u>-</u>	<u>289,671,309</u>
Total	<u>3,879,754,479</u>	<u>156,075,845</u>	<u>4,035,830,324</u>

According to the provisions of the *Company Law* and the Company's Articles of Association, the Company appropriates 10% of the profit to the statutory surplus reserves. Where the accumulated amount of the surplus reserves reaches 50% or more of the Company's registered capital, further appropriation is not required.

46. Retained earnings

	2025	2024
Retained earnings at the beginning of the year	39,410,894,857	35,579,576,607
Net profits for the year attributable to shareholders of the Company	5,856,966,754	5,323,248,974
Less: Appropriation for statutory surplus reserve	156,075,845	307,923,188
Interest on holders of other equity instruments	15,917,809	70,000,000
Dividends to ordinary shares	1,870,694,023	1,129,073,743
Transfer of other comprehensive income to retained earnings	<u>(2,857,173)</u>	<u>(15,066,207)</u>
Retained earnings at the end of the year	<u>43,228,031,107</u>	<u>39,410,894,857</u>

V. Notes to key items of the consolidated financial statements (continued)

47. Operating income and operating costs

(1) Operating income and operating costs

	2025		2024	
	Income	Cost	Income	Cost
Principal activities	198,939,422,844	167,864,572,106	193,576,127,325	164,101,410,809
Other operating activities	5,650,800,044	4,737,471,905	4,804,478,336	4,120,538,764
Total	204,590,222,888	172,602,044,011	198,380,605,661	168,221,949,573
Including: Revenue from contracts with customers	203,856,384,395	172,481,660,922	197,588,200,093	168,118,876,665
Other income	733,838,493	120,383,089	792,405,568	103,072,908

(2) Breakdown information of operating income

Information on income of principal activities has been included in Note XV.

(3) Performance obligations

The main activity for the Group to generate revenue is the sale of goods, which is a performance obligation fulfilled at a certain point in time. The sales contracts / orders signed between the Group and its customers usually contain various trading terms. Depending on the trading terms, customers obtain control of the goods when the goods are received, or when they are received by the carrier. Revenue of sale of goods is recognised at that point in time.

For the transfer of goods with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for the amount expected to be returned, which are estimated based on the historical data. The Group recognises a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products). At each balance sheet date, the Group updates the measurement of the refund liability for changes in expectations about the amount of returns. The above assets and liabilities are adjusted accordingly.

(4) Relating to ordinary activities

Revenue and the related costs of the Group's sales before intended use are as follows:

	2025	2024
Operating income	888,691,487	852,474,207
Operating costs	950,313,161	820,315,992

V. Notes to key items of the consolidated financial statements (continued)

48. Taxes and surcharges

	2025	2024
Property tax	702,521,703	653,423,403
Urban maintenance and construction tax	250,665,161	214,651,232
Stamp duty	198,094,378	180,996,591
Education surcharges and local education surcharges	179,388,273	153,632,475
Land use tax	73,499,453	70,077,226
Others	21,383,377	23,365,969
Total	<u>1,425,552,345</u>	<u>1,296,146,896</u>

49. Selling expenses

	2025	2024
Staff costs and daily expenses	1,624,822,483	1,524,547,555
Others	<u>547,800,436</u>	<u>470,747,097</u>
Total	<u>2,172,622,919</u>	<u>1,995,294,652</u>

50. Administrative expenses

	2025	2024
Staff costs and daily expenses	3,512,116,851	3,781,534,288
Depreciation and amortisation	1,217,805,235	1,062,279,681
Others	<u>1,166,419,750</u>	<u>1,374,858,161</u>
Total	<u>5,896,341,836</u>	<u>6,218,672,130</u>

51. Research and development expenses

	2025	2024
Staff costs and daily expenses	5,710,005,753	5,570,963,161
Material and test expenses	3,586,849,188	3,331,371,532
Depreciation and amortisation	2,187,062,573	2,201,837,134
Others	<u>2,352,753,364</u>	<u>2,019,137,404</u>
Total	<u>13,836,670,878</u>	<u>13,123,309,231</u>

V. Notes to key items of the consolidated financial statements (continued)

52. Finance expenses

	2025	2024
Interest expense from loans and lease liabilities	3,501,308,472	4,335,040,880
Less: Interest income from bank deposits	1,828,272,699	2,285,948,395
Borrowing costs capitalised	209,166,239	301,781,000
Other financial expenses	<u>372,777,268</u>	<u>(522,924,115)</u>
Total	<u>1,836,646,802</u>	<u>1,224,387,370</u>

The interest rates per annum at which borrowing costs were capitalised by the Group was 2.35% ~ 3.46% for the year.

The capitalized amount of borrowing costs has been included in the construction in progress.

53. Other income

	2025	2024
Government grants related to assets	1,254,718,699	576,945,669
Government grants related to income	1,154,981,122	1,220,232,805
Weighted deduction of input VAT	485,021,852	462,974,895
Others	<u>20,707,574</u>	<u>28,324,197</u>
Total	<u>2,915,429,247</u>	<u>2,288,477,566</u>

The amount of government subsidies related to income received by the Group in 2025 and directly included in other income was RMB552,746,828.

54. Investment income/loss

	2025	2024
Income/(loss) from long-term equity investments accounted for using the equity method	81,175,287	(752,455,175)
Investment income from disposal of long-term equity investments	457,415,008	52,696,519
Investment income from disposal of financial assets held for trading	58,724,731	48,676,748
Dividend income from investments in other equity instruments	36,521,335	33,201,155
Including: Dividend income from investments in other equity instruments held at the balance sheet date	36,521,335	33,201,155
Others	<u>20,130,316</u>	<u>76,980,100</u>
Total	<u>653,966,677</u>	<u>(540,900,653)</u>

V. Notes to key items of the consolidated financial statements (continued)

55. Fair value gains

	2025	2024
Financial assets at fair value through profit or loss	<u>431,722,966</u>	<u>522,447,744</u>

56. Credit impairment losses

	2025	2024
Accounts receivable	60,494,566	106,324,987
Other receivables	2,992,597	5,790,193
Notes receivable	<u>3,074</u>	<u>9,934</u>
Total	<u>63,490,237</u>	<u>112,125,114</u>

57. Impairment losses of assets

	2025	2024
Impairment losses of inventories	3,792,398,952	3,270,730,264
Impairment losses of fixed assets	208,347,140	155,630,720
Impairment losses of contract assets	4,795,195	(41,265)
Impairment losses of construction in progress	-	10,445,089
Impairment losses of long-term equity investments	-	110,719,534
Impairment losses of intangible assets	-	25,647,674
Impairment losses of goodwill	<u>-</u>	<u>51,130,564</u>
Total	<u>4,005,541,287</u>	<u>3,624,262,580</u>

58. Gains on disposal of non-current assets (expressed with negative value for losses)

	2025	2024
Gains from disposal of fixed assets	29,963,580	96,788,213
Gains / (Losses) from disposal of right-of-use assets	597,789	(612,949)
Losses from disposal of intangible assets	<u>(132,765)</u>	<u>-</u>
Total	<u>30,428,604</u>	<u>96,175,264</u>

V. Notes to key items of the consolidated financial statements (continued)

59. Non-operating income

	2025	2024	Amount recognised in non-recurring gains and losses in 2025
Income arising from the excess of the acquirer's interest in the fair value of the acquiree's identifiable net assets over the cost of the investment	242,086,567	-	242,086,567
Gains from disposal of non-current assets	4,897,377	10,758,866	4,897,377
Others	<u>67,996,895</u>	<u>205,527,406</u>	<u>67,996,895</u>
Total	<u>314,980,839</u>	<u>216,286,272</u>	<u>314,980,839</u>

60. Non-operating expenses

	2025	2024	Amount recognised in non-recurring gains and losses in 2025
Donations provided	5,788,145	22,799,573	5,788,145
Losses from scrapping of non- current assets	25,716,740	9,315,968	25,716,740
Others	<u>32,134,891</u>	<u>29,175,134</u>	<u>32,134,891</u>
Total	<u>63,639,776</u>	<u>61,290,675</u>	<u>63,639,776</u>

61. Income tax expenses

	2025	2024
Current tax expense based on tax law and regulations	2,325,515,225	1,636,979,210
Changes in deferred tax assets/liabilities	<u>(318,687,664)</u>	<u>(696,599,459)</u>
Total	<u>2,006,827,561</u>	<u>940,379,751</u>

V. Notes to key items of the consolidated financial statements (continued)

61. Income tax expenses (continued)

The reconciliation between income tax expenses and profit before income tax is as follows:

	2025	2024
Profit before income tax	7,034,201,130	5,085,653,633
Income tax expense calculated at statutory tax rate	1,055,130,170	762,848,045
Effect of different tax rates applied by subsidiaries	(73,198,251)	(23,588,496)
Effect of non-deductible costs, expense, losses, etc	53,933,856	12,976,976
Tax effect of weighted deduction and tax preference	(1,400,551,871)	(1,344,141,676)
Utilisation of prior year tax losses	(891,615,988)	(634,192,216)
Tax effect of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current period	<u>3,263,129,645</u>	<u>2,166,477,118</u>
Income tax expenses	<u>2,006,827,561</u>	<u>940,379,751</u>

Note: Income tax expenses in mainland China are calculated based on profits and tax rates in mainland China, while income tax expenses in other regions are calculated based on profits and tax rates in the country or region where the business is located.

62. Earnings per share

	2025 RMB/share	2024 RMB/share
Basic earnings per share		
Going concern	0.16	0.14
Termination of operations	-	-
Diluted earnings per share		
Going concern	0.16	0.14
Termination of operations	-	-

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. The Group does not have any potential dilutive ordinary shares for the listed years.

V. Notes to key items of the consolidated financial statements (continued)

62. Earnings per share (continued)

The specific calculations for basic earnings per share and diluted earnings per share are as follows:

	2025	2024
Consolidated net profit attributable to shareholders of the company	<u>5,856,966,754</u>	<u>5,323,248,974</u>
Less: Current interest of other equity instruments	15,917,809	70,000,000
Less: Current dividends of restricted shareholders	<u>-</u>	<u>2,744,966</u>
Adjusted net profit attributable to ordinary shareholders of the Company	<u>5,841,048,945</u>	<u>5,250,504,008</u>
Weighted average number of ordinary shares outstanding (shares)	37,304,502,790	37,519,930,241
Basic earnings per share (RMB/share)	<u>0.16</u>	<u>0.14</u>

Weighted average number of ordinary shares is calculated as follows:

	2025	2024
Issued ordinary shares at the beginning of the year	37,324,783,924	37,457,807,349
Add: Weighted average of restricted shares released from sale restrictions during the period	60,048,627	69,144,539
Less: Weighted average number of ordinary shares repurchased in current period	<u>80,329,761</u>	<u>7,021,647</u>
Weighted average number of ordinary shares at 31 December	<u>37,304,502,790</u>	<u>37,519,930,241</u>

V. Notes to key items of the consolidated financial statements (continued)

63. Cash Flow Statement Line Item Notes

(1) Cash relating to operating activities

	2025	2024
Proceeds relating to other operating activities		
Government grants received	5,332,887,604	2,262,269,718
Restricted cash at bank and on hand as well as others related to operating activities	<u>2,561,034,754</u>	<u>339,696,656</u>
Total	<u>7,893,922,358</u>	<u>2,601,966,374</u>
Payments relating to other operating activities		
Period expenses paid, etc.	<u>5,276,712,758</u>	<u>7,349,209,291</u>

(2) Cash relating to investing activities

	2025	2024
Proceeds relating to other investing activities		
Restricted cash at bank and on hand as well as others related to investing activities	<u>325,253,271</u>	<u>2,485,332,205</u>
Payments relating to other investing activities		
Accrued interest on matured large-denomination certificates of deposit not yet collected	<u>189,207,236</u>	<u>-</u>

(3) Cash relating to financing activities

	2025	2024
Proceeds relating to other financing activities		
Restricted cash at bank and on hand as well as others related to financing activities	<u>293,613,208</u>	<u>-</u>
Payments for other financing activities		
Acquisition of non-controlling interests of subsidiaries	5,390,488,477	241,418,106
Repurchase of treasury shares	1,533,424,027	999,872,378
Repurchase of minority shareholder contributions with redemption clauses	435,063,753	-
Principal and interest related to leases and others	<u>278,482,232</u>	<u>614,027,613</u>
Total	<u>7,637,458,489</u>	<u>1,855,318,097</u>

V. Notes to key items of the consolidated financial statements (continued)

63. Cash Flow Statement Line Item Notes (continued)

(3) Cash relating to financing activities (continued)

Changes in liabilities arising from financing activities:

	Balance at the beginning of the year	Additions during the year		Reductions during the year		Balance at the end of the year
		Cash	Non-cash	Cash	Non-cash	
Short-term loans	1,563,317,166	4,396,812,258	35,557,524	(2,340,665,511)	-	3,655,021,437
Other payables	3,464,819,277	-	52,622,961	(5,224,334)	(206,614,876)	3,305,603,028
Dividends payable	42,861,753	-	2,029,424,933	(2,031,402,415)	-	40,884,271
Long-term loans (including non- current liabilities due within one year)	143,824,457,674	40,272,054,900	3,881,053,442	(60,908,258,368)	-	127,069,307,648
Bonds payable (including non- current liabilities due within one year)	-	11,000,000,000	103,778,356	-	(31,231,948)	11,072,546,408
Lease liabilities (including non- current liabilities due within one year)	778,479,954	-	272,911,463	(206,932,445)	-	844,458,972
Long-term payables (including non- current liabilities due within one year)	144,022,447	-	3,885,196	(26,715,125)	-	121,192,518
Other non-current liabilities (including non-current liabilities due within one year)	3,093,290,892	-	27,000,001	(435,063,753)	(601,446,602)	2,083,780,538
Total	152,911,249,163	55,668,867,158	6,406,233,876	(65,954,261,951)	(839,293,426)	148,192,794,820

V. Notes to key items of the consolidated financial statements (continued)

64. Supplementary Information to the Cash Flow Statement

(1) Supplementary information for the cash flow statement

Reconciliation of net profit / (loss) to cash flows from operating activities:

	2025	2024
Net profit / (loss)	5,027,373,569	4,145,273,882
Add: impairment losses	4,005,541,287	3,624,262,580
Credit impairment losses	63,490,237	112,125,114
Depreciation of fixed assets, investment properties and right-of-use assets	37,378,926,183	37,154,186,708
Amortisation of intangible assets	1,121,074,682	1,097,857,402
Amortisation of long-term deferred expenses	168,973,551	169,655,830
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(30,428,604)	(96,175,264)
Losses from scrapping of fixed assets and intangible assets /(gains)	20,819,363	(1,442,898)
Gains from changes in fair value	(431,722,966)	(522,447,744)
Financial expenses	2,929,596,217	1,910,873,352
Investment (gains)/ losses	(653,966,677)	581,941,421
Share-based payments	70,261,151	125,524,945
Increase /(decrease) in deferred income	2,253,415,279	(218,434,024)
Increase in deferred tax assets	(162,783,614)	(298,011,255)
Decrease in deferred tax liabilities	(155,904,050)	(404,560,340)
Increase in inventories	(8,218,887,542)	(2,464,527,331)
Decrease /(increase) in operating receivables	3,652,273,004	(3,667,418,533)
Increase in operating payables	1,701,901,454	6,399,187,934
Others	84,603,150	89,705,600
Net cash flows generated from operating activities	<u>48,824,555,674</u>	<u>47,737,577,379</u>

V. Notes to key items of the consolidated financial statements (continued)

64. Supplementary Information to the Cash Flow Statement

(1) Supplementary information for the cash flow statement (continued)

Change in cash and cash equivalents:

	2025	2024
Cash and cash equivalents at the end of the year	58,211,295,777	62,005,252,511
Less: Cash and cash equivalents at the beginning of the year	<u>62,005,252,511</u>	<u>52,092,981,748</u>
Net decrease/(increase) in cash and cash equivalents	<u>(3,793,956,734)</u>	<u>9,912,270,763</u>

(2) Details of cash and cash equivalents

	2025	2024
Cash and cash equivalents	<u>58,211,295,777</u>	<u>62,005,252,511</u>
Including: Cash on hand	1,355,467	1,528,764
Bank deposits available on demand	58,182,081,075	61,918,283,198
Other monetary funds available on demand	27,859,235	85,440,549
Closing balance of cash and cash equivalents	<u>58,211,295,777</u>	<u>62,005,252,511</u>

Note: The cash and cash equivalents disclosed above do not include bank deposits held for investment purpose, the interest accrued on bank deposits at the end of the period and the use of other Cash at bank and on hand subject to restrictions.

(3) Monetary funds other than cash and cash equivalents

	2025	2024	Reasons
Principal and interest on large certificates of deposit and fixed-term deposits for more than three months	13,099,822,932	10,805,611,280	Held for investment purposes
Restricted cash	<u>911,821,466</u>	<u>1,441,761,424</u>	Restricted in use or ownership
Total	<u>14,011,644,398</u>	<u>12,247,372,704</u>	

VI. Research and Development Expenses

1. Presentation by nature

	2025	2024
Staff costs and daily expenses	5,774,920,078	5,625,237,778
Material and test expenses	3,632,702,182	3,339,102,808
Depreciation and amortisation	2,204,236,151	2,213,563,118
Others	<u>2,371,203,164</u>	<u>2,027,370,403</u>
Total	<u>13,983,061,575</u>	<u>13,205,274,107</u>
Including: Research and development expenditures that are expensed	13,836,670,878	13,123,309,231
Research and development expenditures that are capitalised	146,390,697	81,964,876

2. Expenditures on research and development projects which are eligible for capitalisation

	Balance at the beginning of the year	Internal development	Recognised as intangible assets	Balance at the end of the year
HC SemiTek technology development project	<u>109,323,354</u>	<u>146,390,697</u>	<u>(132,007,804)</u>	<u>123,706,247</u>

VII. Changes in the scope of consolidation

Increases in the consolidation scope during the year were new subsidiaries established during the year, and the decreases in the consolidation scope were cancellations of subsidiaries during the year.

VIII. Interests in Other Entities

1. Interests in subsidiaries

(1) Composition of the Group

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest) percentage	
				Direct	Indirect
Founded by establishment or investment					
Ordos Yuansheng Optoelectronics Co., Ltd.	Ordos, China	Ordos, China	The production and operation of AMOLED and relevant products	100.00	-
Beijing BOE Vision-electronic Technology Co., Ltd.	Beijing, China	Beijing, China	Investment platform, sales of LCD	100.00	-
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum electronic products	57.89	-
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Management of engineering projects; property management services; lease of commercial buildings; lease of office space; enterprise management consulting	100.00	-
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	R&D, production and sales of LCD, back light for display and related components	94.70	-
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination	75.00	-
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display technical products and related services	100.00	-
			Provide comprehensive zero carbon comprehensive energy services, covering multiple dimensions such as comprehensive energy services, comprehensive energy utilization and zero carbon services	68.40	-
Beijing BOE Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	100.00	-
Beijing BOE Life Technology Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	70.09	-
Beijing Zhongxiangying Technology Co., Ltd.	Beijing, China	Beijing, China	Glass thinning processing and metal parts processing	84.00	-
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China			
	Hong Kong, China				
BOE Optoelectronics Holding Co.,Ltd	China	British Virgin Islands	Investment holding	100.00	-
BOE (Korea) Co.,Ltd.	Korea	Korea	Wholesale and retail trade	100.00	-
BOE Wisdom IOT Technology Co., Ltd.	Beijing, China	Beijing, China	Development, transfer, consulting and service of technology	100.00	-

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of Registered place business			Nature of business	Shareholding (or similar equity interest)	
					percentage	
					Direct	Indirect
Founded by establishment or investment (continued)						
Hefei BOE Zhuoyin Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of products related to OLED display device and auxiliary products	100.00	-	
Beijing BOE Land Co., Ltd.	Beijing, China	Beijing, China	Development, construction, property management and supporting service of industrial plants and supporting facilities; information consulting of real estate; lease of commercial facilities, commercial attendants and the supporting service facilities; motor vehicles public parking service	70.00	-	
Beijing Shiyan Technology Co., Ltd.	Beijing, China	Beijing, China	General items: technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion; Computer software, hardware and peripheral equipment manufacturing; Wholesale of computer software, hardware and auxiliary equipment; Retail of computer software, hardware and auxiliary equipment; Manufacturing of electronic components; Optoelectronic device manufacturing; Display device manufacturing; Mobile terminal equipment manufacturing; Virtual reality equipment manufacturing; TV manufacturing; Internet of Things equipment manufacturing; Sales of electronic products; Display device sales; Sales of mobile terminal equipment; Sales of communication equipment; Sales of IoT equipment; Computer and communication equipment leasing; Integrated circuit manufacturing; Integrated circuit design; IC sales; Integrated circuit chip and product manufacturing; Software development; Software sales; Import and export of goods; Technology import and export; Sales of Class I medical devices; Class I medical device production; Class I medical device leasing; Sales of Class II medical devices; Class II medical device leasing	73.01	-	

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest)	
				percentage	
				Direct	Indirect
Founded by establishment or investment (continued)					
Beijing BOE Marketing Co., Ltd.	Beijing, China	Beijing, China	Sales of communication equipment, hardware & software of computer and peripheral units, electronic products, equipment maintenance; development, transfer, consulting and service providing of technologies; import & export of goods and technologies, agency of import & export; manufacturing consignment of electronic products and LCD devices	100.00	-
Yunnan Invensight Optoelectronics Technology Co., Ltd.	Kunming, China	Kunming, China	Development, promotion, transfer, consultation and services of display technology; computer software, hardware and network system services; the construction, operations and management of e-commerce platform; product design; conference services; undertaking exhibitions and presentation activities; computer animation design; production, R&D and sales of OLED microdisplays and AR/VR whole widget; warehousing services; Project investments and management of the invested projects; import and export of goods and technologies; property leases, machinery and equipment leases	78.32	-
Beijing BOE Sensing Technology Co., Ltd.	Beijing, China	Beijing, China	Formation of X-ray sensors, microfluidic chips, biochemical chips, gene chips, security sensors, microwave antennas, biosensors, logistics network technology and other semiconductor sensors, technology testing, technical consulting, technical services, technology transfer	100.00	-
Hefei BOE Xingyu Technology Co., Ltd.	Hefei, China	Hefei, China	R&D, production and sales of Mini LED backlight components and Mini LED display module components	65.00	-
Dongfang Chengqi (Beijing) Technology Co., Ltd.	Beijing, China	Beijing, China	Intelligent administrative service solutions integrating property, business travel, procurement and consumption	100.00	-

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest)	
				percentage	
				Direct	Indirect
Founded by establishment or investment (continued)					
BOE Smart Technology Co., Ltd. Technology ("Smart Technology")	Beijing, China	Beijing, China	Provision of hardware and software integrated system solutions for the IoT market segment; intelligent city, intelligent transport, intelligent finance, intelligent park and the display terminal products such as the intelligent all-in-one machines	100.00	-
BOE Innovation Investment Co., Ltd.	Beijing, China	Beijing, China	Project investment and investment management	100.00	-
BOE Mled Technology Co., Ltd.	Beijing, China	Beijing, China	Mainly engaged in technology development, technology consultation, technology transfer and technical services; Software development; Basic software services; Application software services; Computer system services; Internet data services (data centers in Internet data services, except cloud computing data centers with PUE values above 1.4); Information processing and storage support services; General construction contracting, professional contracting and labor subcontracting; Equipment installation, maintenance and leases; Literary and artistic creation; Computer animation design; Product design; business management; Enterprise management consulting; Sales of computers, software and auxiliary equipment, electronic products	100.00	-
Beijing BOE Solar Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Technical services, technology development, technology consulting, technical exchange, technology transfer, technology promotion; manufacture of photovoltaic equipment and components; sales of photovoltaic equipment and components	100.00	-

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest) percentage	
				Direct	Indirect
Founded by establishment or investment (continued)					
Chengdu BOE Display Technology Co., Ltd. (Chengdu Display Technology)	Chengdu, China	Chengdu, China	Technical services, technology development, technology consulting, technical exchange, technology transfer, technology promotion; manufacturing of display devices [operations of branches]; sale of display devices; manufacturing of electronic components [operations of branches]; wholesale of electronic components; manufacturing of others electronic devices [operations of branches]; import and export of goods; import and export of technology; business management consulting; property management; non-residential real estate leasing; machinery and equipment leasing	52.63	-
Beijing BOE Chuangyuan Technology Co., Ltd. ("Chuangyuan Technology")	Beijing, China	Beijing, China	Manufacturing of display devices; sale of display devices; manufacturing of electronic components; wholesale of electronic components; technical services, technology development, technology consulting, technical exchange, technology transfer, technology promotion; import and export of goods; import and export of technology; business management consulting; property management; machinery and equipment leasing; manufacturing of other electronic devices	79.31	-
Mianyang BOE Electronic Technology Co., Ltd. ("Mianyang Electronic Technology")	Mianyang, China	Mianyang, China	Manufacturing of display devices; display device sales; manufacturing of electronic components; technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion; machinery and equipment leasing; intelligent control system integration; information system integration services; industrial control computer and system manufacturing; Internet of Things technical services; data processing service; sales of electronic products; sales of digital cultural creative technology and equipment; sales of semiconductor lighting devices; AI industry application system integration services; cloud computing equipment technology services; industrial Internet data service; Internet data service; semiconductor lighting device manufacturing; sales of new energy prime mover equipment; technology import and export	100.00	-
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of LCD	97.17	2.83

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VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest) percentage	
				Direct	Indirect
Founded by establishment or investment (continued)					
Beijing BOE Materials Technology Co., Ltd.	Beijing, China	Beijing, China	Sales of chemical products (excluding those requiring special licenses); sales of specialized electronic materials	100.00	-
Beijing BOE Robotics Co., Ltd.	Beijing, China	Beijing, China	Industrial design services; information system integration services; manufacturing of smart basic manufacturing equipment	100.00	-
Business combination involving entities not under common control					
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	Research and development, design, manufacture, and sale of new display devices and components	100.00	-
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	100.00	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	99.97	0.03
Chongqing BOE Optoelectronics Technology Co., Ltd.	Chongqing, China	Chongqing, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import and export of goods and technical consulting	100.00	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products (separate business site); self-support and agency for the import and export of various goods and technologies, except those goods and technologies that are restricted by the country or prohibited from import and export; business management consulting and services; property leases; machinery and equipment leases; technology development, transfer, consulting and services related to LCD products	88.35	-

BOE Technology Group Co., Ltd.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest) percentage	
				Direct	Indirect
Business combination involving entities not under common control (continued)					
BOE Healthcare Investment & Management Co., Ltd.	Beijing, China	Beijing, China	Investment management and project investment	100.00	-
Beijing Matsushita Colour Innovation Co., Ltd.	Beijing, China	Beijing, China	Property management, parking services, lease of commercial buildings, etc	88.80	-
Hefei BOE Display Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, R&D and production of products related to TFT-LCD and the supporting facility	36.67	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	Mianyang, China	Mianyang, China	R&D, production and sales of flexible AMOLED, the products are mainly used in smart phones, wearable devices, car display, AR/VR, etc	83.46	-
Wuhan BOE Optoelectronics Technology Co., Ltd. ("Wuhan BOE")	Wuhan, China	Wuhan, China	Investment and construction, research and development, production, sales, technology development, transfer, consult and services of thin-film transistor LCD devices and related products and supporting products	58.36	-
Chongqing BOE Display Technology Co., Ltd. ("Chongqing BOE Display")	Chongqing, China	Chongqing, China	R&D, manufacture and sales of semiconductor display devices, whole widget and relevant products, import and export of goods and technical consulting	38.46	-
Fuzhou BOE Display Technology Co., Ltd. ("Fuzhou BOE Display")	Fuzhou, China	Fuzhou, China	R&D, production and sales of semiconductor display device-related products and related products; import or export of goods or technology; display device and component, other electronic components, and technology development, technology transfer, technical consulting, related fields related to display devices and electronic products, technical services; business management consulting; property management; house rental; machinery and equipment rental	43.46	-
Nanjing Display Technology	Nanjing, China	Nanjing, China	R&D, production and sales of TFT-LCD panels, color filters and LCD machine modules; Providing services related to products and businesses, and other business activities related to the above;Self support and agency of import and export business of various commodities and technologies	80.83	-

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

	Principal place of business	Registered place	Nature of business	Shareholding (or similar equity interest)	
				percentage	
				Direct	Indirect
Business combination involving entities not under common control (continued)					
Chengdu Display Sci-tech	Chengdu, China	Chengdu, China	Mainly engaged in research and development, production, sales and technical services of TFT-LCD panels and modules, LCD displays, televisions, instruments, mechanical equipment and accessories; Engaged in the import and export of goods and technology	35.03	-
BOE HC SemiTek Corporation ("HC SemiTek")	Wuhan, China	Wuhan, China	Design, manufacturing, sales and business leasing of semiconductor materials and devices, electronic materials and devices, semiconductor lighting equipment, sapphire crystal growth and sapphire deep processing products; research and development, processing and manufacturing of integrated circuits and sensors, and providing technical services; import and export of self owned products and raw materials	22.92	-

As the Company has signed agreements of concerted action and other relevant agreements with other shareholders of Hefei Display Technology, Wuhan BOE, Chongqing BOE Display, Fuzhou BOE Display, Chengdu Display Sci-tech and HC SemiTek.

VIII. Interests in Other Entities (continued)

1. Interests in subsidiaries (continued)

(2) Material non-wholly owned subsidiaries

As of 31 December 2025, the Group had five subsidiaries with significant minority interests, and the total amount attributable to minority interests of the aforementioned companies was RMB 41,664,159,425; In 2025, the total amount of income attributable to minority shareholders of the aforementioned company was RMB 500,553,054, and the total amount of dividends paid to minority shareholders was RMB 57,454,123.

(3) Key financial information about material non-wholly owned subsidiaries

The following table sets out the key financial information of the above subsidiaries without offsetting internal transactions, but with adjustments made for the fair value adjustment at the acquisition date and any differences in accounting policies:

	2025	2024
Current assets	51,902,634,415	52,256,598,898
Non-current assets	98,799,305,507	116,061,033,390
Total assets	<u>150,701,939,922</u>	<u>168,317,632,288</u>
Current liabilities	31,436,137,204	40,120,432,015
Non-current liabilities	31,819,248,223	34,537,198,899
Total liabilities	<u>63,255,385,427</u>	<u>74,657,630,914</u>
Operating income	73,173,566,526	72,036,599,379
Net loss	(983,244,564)	(1,218,649,957)
Total comprehensive income	(1,076,903,724)	(1,195,869,163)
Cash inflows in operating activities	21,645,916,840	13,923,092,833

VIII. Interests in Other Entities (continued)

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:

	Before changes of interests	After changes of interests
Beijing Shiyan Technology	80.00%	73.01%
Chengdu Display Technology	50.25%	52.63%
Wuhan BOE	47.14%	58.36%
Hefei BOE Zhuoyin Technology	75.00%	100.00%
Beijing Zhongxiangying Technology	91.10%	70.09%
Yunnan Invensight Optoelectronics Technology	79.10%	78.32%

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

The changes in the shareholding of the Company in the owners of above-mentioned other subsidiaries were caused by the non-proportional capital increase of shareholders and the acquisition of non-controlling interests, which results in the increase of capital reserves by RMB 56,866,309.

3. Interests in joint ventures and associates

No material restrictions on transfers of funds from investees to the Group. The judgement basis of the Company and its subsidiaries to hold lower than 20% of the voting rights of other entities but have significant influence on the entity is due to the fact that the Company and its subsidiaries have seats in the board of directors of the entity, and the Company and subsidiaries of the Company may have significant influence on the entity through the representation of the directors in the process of formulating financial and operating policies.

The Group has no material joint ventures or associates. Please see Note V.11 for details of the summarised financial information of the joint ventures and associates.

IX. Financial instruments and related risks

1. Risks of financial instruments

The Group's activities expose it to a variety of financial risks: mainly include credit risk, liquidity risk and market risk. The risk management policy of this group is outlined below.

(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 is 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 7 to 180 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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer, therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. As at the balance sheet date, 38% (2024: 45%) of total accounts receivable and contract assets were due from the Group's five largest customers. In addition, the debtors of the Group that are neither past due nor impaired mainly relate to a wide range of customers for whom there was no recent history of arrearage.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As at 31 December 2025, the Group did not provide any other guarantees which would expose the Group to credit risk.

IX. Financial instruments and related risks (continued)

1. Risks of financial instruments (continued)

(2) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. 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 of authority. 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.

The tables below summaries the maturity profile of the Group's financial liabilities and lease liabilities based on the undiscounted contractual cash flows:

2025

	Within 1 year or on demand (inclusive)	1 to 10 years (inclusive)	Over 10 years	Total
Short-term borrowings	3,710,310,846	-	-	3,710,310,846
Notes payable	1,380,128,604	-	-	1,380,128,604
Account payable	37,242,292,283	-	-	37,242,292,283
Other payable	20,889,438,382	-	-	20,889,438,382
Bonds payable (including the portion due within one year)	321,054,745	11,997,111,945	-	12,318,166,690
Long-term borrowings (including the portion due within one year)	28,674,780,710	108,541,547,318	1,304,955,124	138,521,283,152
Lease liabilities (including the portion due within one year)	202,102,808	755,396,243	-	957,499,051
Other non-current liabilities (including the portion due within one year)	-	2,247,628,813	-	2,247,628,813
Long-term payable (including the portion due within one year)	1,010,590,571	2,638,985,304	-	3,649,575,875
Total	93,430,698,949	126,180,669,623	1,304,955,124	220,916,323,696

IX. Financial instruments and related risks (continued)

1. Risks of financial instruments (continued)

(3) Market risk

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 for fixed and floating rate interest-bearing instruments based on 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.

As at 31 December 2025, 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 shareholders' equity by RMB537,676,118 (2024: RMB502,552,533).

For non-derivative instruments at floating interest rates held at the balance sheet date that expose the Group to cash flow interest rate risk, the impact on net profit and owner's equity in the sensitivity analysis above reflects the effect of interest rate changes on interest expenses or income estimated on an annual basis. The analysis for the prior year was based on the same assumptions and methodologies.

Foreign Currency risk

In respect of cash at bank and on hand, accounts receivable and payable, and short-term loans 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 assets exposure USD3,037,027,933 (2024: net liabilities exposure: USD 2,564,028,518), translated into RMB 21,346,661,935 (2024: RMB 18,431,262,599), 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) Assuming all other risk variables remained constant, a 5% strengthening/weakening of the Renminbi against the US dollar at 31 December would have decreased/increased both the Group's shareholders' equity and net profit by the amount RMB 939,351,220 (2024: decreased/increased RMB 792,219,870).

The sensitivity analysis above assumes that the change in foreign exchange rates had 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 foreign currency financial statements. The analysis is performed on the same basis for the previous year.

IX. Financial instruments and related risks (continued)

2. Capital management

The Group's primary objective when managing capital is 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 risks and by securing access to financing at a reasonable cost.

The Group defines "capital" as including all components of equity, less unaccrued proposed dividends. The balances of related party transactions are not regarded by the Group as capital.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. In this regard, factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure. 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 (total liabilities divided by total assets). The capital management strategies exerted by the Group remained unchanged from 2024. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and to maintain an optimal capital structure to reduce the cost of capital.

X. Fair value disclosure

The following table presents the fair value information and fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level at which fair value measurement is categorised is determined by the lowest level input in the fair value hierarchy that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs:	unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
Level 2 inputs:	inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;
Level 3 inputs:	inputs that are unobservable for underlying assets or liabilities.

X. Fair value disclosure (continued)

1. Assets and liabilities measured at fair value

2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading	228,365,875	115,225,380	1,326,957,475	1,670,548,730
Including: Structured deposit and wealth management products	-	115,225,380	621,761,687	736,987,067
Investment in equity instruments	228,365,875	-	705,195,788	933,561,663
Receivable financing	-	-	585,672,349	585,672,349
Investments in other equity instruments	333,098,340	-	203,118,852	536,217,192
Other non-current financial assets	-	-	2,874,055,003	2,874,055,003
Including: Investment in equity instruments	-	-	2,874,055,003	2,874,055,003
Total	<u>561,464,215</u>	<u>115,225,380</u>	<u>4,989,803,679</u>	<u>5,666,493,274</u>

X. Fair value disclosure (continued)

1. Assets and liabilities measured at fair value (continued)

2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading	316,768,188	100,126,575	2,699,541,200	3,116,435,963
Including: Structured deposit and wealth management products	-	100,126,575	2,679,701,925	2,779,828,500
Investment in equity instruments	316,768,188	-	19,839,275	336,607,463
Receivable financing	-	-	472,537,400	472,537,400
Investments in other equity instruments	257,558,368	-	183,813,447	441,371,815
Other non-current financial assets	-	-	2,735,680,042	2,735,680,042
Including: Investment in equity instruments	-	-	2,735,680,042	2,735,680,042
Total	<u>574,326,556</u>	<u>100,126,575</u>	<u>6,091,572,089</u>	<u>6,766,025,220</u>

2. Level 1 fair value measurement

The Group uses the active market quote as the fair value of financial assets within Level 1.

The fair value of listed equity instrument investment and debt investment is determined at the market price.

3. Level 2 fair value measurement

Interest rate swaps included in derivative financial instruments are measured using valuation techniques consistent with swap models and present value methods. The model incorporates multiple market-observable inputs, including the counterparty's credit quality, spot and forward exchange rates, and interest rate curves. The carrying amount of interest rate swaps equals their fair value. The mark-to-market value of derivative financial assets represents the net amount after adjusting for credit valuation adjustments attributable to counterparty default risk associated with derivative instruments. Changes in counterparty credit risk do not have a material effect on the assessment of hedge effectiveness for derivatives designated in hedging relationships, nor on other financial instruments measured at fair value.

X. Fair value disclosure (continued)

4. Level 3 fair value measurement

For wealth management products measured at fair value, the fair value is determined based on the discounted cash flow method.

Receivables financing are notes receivable with short remaining maturities, for which the fair value determined is equal to the original carrying amount.

For unlisted equity instrument investments, the Group measures their fair value by applying valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information. The objective of using valuation techniques is to estimate 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 under current market conditions. Valuation techniques generally include the market approach, income approach and cost approach. The Group selects one or more of these valuation techniques based on actual circumstances to estimate the fair value of the relevant assets or liabilities. However, in limited circumstances, where recent information to determine fair value is insufficient, or where the range of reasonable fair value estimates is significant, and cost represents the best estimate of fair value within that range, cost may constitute an appropriate estimate of fair value within such range.

5. Fair value of assets and liabilities that are not measured at fair values

Fair value of long-term loans and bonds payable is determined by discounted future cash flow method with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 31 December 2025, its own default risk of long-term loans was evaluated as insignificant.

XI. Related party relationships and transactions

1. Information about the parent of the Company

Name of the parent	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
Beijing Electronics Holding Co., Ltd.	Area A, No.6, West 6th Street, Sanlitun, Chaoyang District, Beijing	Operation and management of state-owned assets within authorization, etc	7,007,391,319	0.73	12.45

The Company's ultimate controlling party is Beijing Electronics Holding Co., Ltd.

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VIII.1.

XI. Related party relationships and transactions (continued)

1. Joint ventures and associates of the Company

Associates and joint ventures that have related party transactions with the Group during this year or the previous year are as follows:

Name of entity	Relationship with the Company
Genewise Bio Co., Ltd. (Note 1)	Associates of the Group
Chongqing Maite Optoelectronics Co., Ltd.	Associates of the Group
Anxian Technology (Suzhou) Co., Ltd.	Associates of the Group
Ziyang Shuzhi Health Technology Co., Ltd.	Associates of the Group
Hefei Xinjingyuan Electronic Materials Co., Ltd	Associates of the Group
Hefei Jiangcheng Technology Co.,Ltd	Associates of the Group
Beijing Nittan Electronics Co.,Ltd.	Associates of the Group
Beijing Xindongneng Investment Management Co., Ltd.	Associates of the Group
Beijing Nissin Electronics Precision Component Co., Ltd.	Associates of the Group
TPV Display Technology (China) Limited	Associates of the Group
Xianyang Rainbow Optoelectronics Technology Co., Ltd	Associates of the Group
Dongfang Juzhi (Beijing) Technology Innovation Co., Ltd. and its subsidiaries	Associates of the Group and its subsidiaries
Biochain (Beijing) Science & Technology, Inc. and its subsidiaries	Associates of the Group and its subsidiaries
VusionGroup SA and its subsidiaries	Associates of the Group and its subsidiaries
Cnoga Medical Ltd. and its subsidiaries	Associates of the Group and its subsidiaries
Dongfang Yiyun Technology Group Co., Ltd. and its subsidiaries(Note 2)	Associates of the Group and its subsidiaries

Note 1: In 2025, Beijing BOE Microbiology Technology Co., Ltd. changed its name to Genewise Bio Co., Ltd.

Note 2: In 2025, Beijing BOE Art Cloud Technology Co., Ltd. changed its name to Dongfang Yiyun Technology Group Co., Ltd.

4. Other related parties

	Related party relationships
Beijing Electronics Holding Co., Ltd. and its subsidiaries	Controlling shareholder of the Company and under the same control of the ultimate holding company
Shanghai National Engineering Research Center of Digital Television Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
Shanghai New Vision Microelectronics Co., Ltd. and its subsidiaries	Associate of enterprise that is under the same control of the ultimate holding company
Beijing Jiaxun Feihong Electric Co., Ltd. and its subsidiaries	Others
Beijing DeHeng Law Office	Others
Hua Xia Bank Co., Ltd.	Others
China Minsheng Banking Corporation Limited	Others

Note: Hua Xia Bank Co., Ltd. was no longer a related party of the Company on 29 October 2025. China Minsheng Banking Corporation Limited was no longer a related party of the Company on 31 October 2024.

XI. Related party relationships and transactions (continued)

5. Related party transactions

The transactions below with related parties were conducted under normal commercial terms or relevant agreements.

(1) Purchases of goods and receiving of services from related parties

	2025	2024
Purchase of goods	821,964,710	1,036,110,867
Procurement of equipment	843,776,423	342,397,862
Receiving services	53,164,555	22,275,482
Payment of interest expenses	<u>4,398,172</u>	<u>29,228,902</u>
Total	<u>1,723,303,860</u>	<u>1,430,013,113</u>

(2) Sale of goods/rendering of services from related parties

	2025	2024
Sale of goods	2,210,762,312	3,276,078,507
Rendering of services	13,586,849	21,374,733
Interest income received	<u>20,661,288</u>	<u>38,696,473</u>
Total	<u>2,245,010,449</u>	<u>3,336,149,713</u>

(3) Leases

As the lessor

Type of assets leased	Lease income recognised in 2025	Lease income recognised in 2024
Investment properties	7,285,922	12,234,810

XI. Related party relationships and transactions (continued)

5. Related party transactions (continued)

(3) Leases (continued)

As a lessee

2025

	Type of assets leased	Rental expenses for practical expedient of short-term leases and the leases of low-value assets	Variable lease payments not included in the measurement of the lease liability	Rental payments	Assumed interest expenses from lease liabilities	Increased right-of-use assets
Beijing Electric Control Subsidiary	Fixed assets	2,113,959	4,258,747	66,601	3,864	1,545,796

2024

	Type of assets leased	Rental expenses for practical expedient of short-term leases and the leases of low-value assets	Variable lease payments not included in the measurement of the lease liability	Rental payments	Assumed interest expenses from lease liabilities	Increased right-of-use assets
Beijing Electric Control Subsidiary	Fixed assets	1,156,657	-	1,625,411	9,049	-
Associated enterprises of the Group	Fixed assets	341,135	-	-	-	-

(4) Remuneration of key management personnel

	2025	2024
Remuneration of key management personnel	48.48 million yuan	62.88 million yuan

The remuneration of key management personnel above does not include the one with respect to share-based payments scheme.

XI. Related party relationships and transactions (continued)

6. Receivables from and payables to related parties

(1) Receivables from related parties

	2025		2024	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Cash at bank and on hand	-	-	612,658,442	-
Accounts receivable	653,340,278	5,343,349	765,108,795	5,276,893
Prepayments	6,734,257	-	6,032,969	-
Other receivables	174,498,869	-	1,521,951	-
Contract assets	356,204	-	439,180	-
Other non-current assets	29,267,926	-	55,227,648	-

(2) Payables to related parties

	2025	2024
Accounts payable	233,053,726	314,617,966
Receipts in advance	204,018	202,505
Contract liabilities	17,414,743	15,549,505
Other payables	484,395,610	254,993,110
Current portion of non-current liabilities	-	6,358,950
Short-term borrowings	-	50,043,389
Long-term borrowings	-	98,608,350

7. Commitments of the related parties

As at balance sheet date, the commitments of the related parties, which are signed but not listed in financial statement are as following:

	2025	2024
Procurement of equipment	<u>264,512,396</u>	<u>237,948,651</u>

XII. Share-based payments

1. Equity instruments

Equity instrument are as follows:

	Granted during the year	Exercised during the year	Unlocked during the year	Forfeited during the year
	Quantity	Quantity	Quantity	Quantity
Senior management appointed by the Board of Directors	-	-	3,608,715	-
Technical experts, middle management and above level	-	-	85,487,825	2,252,839
Manager, senior technical cadre	-	-	-	179,807,865
Total	-	-	89,096,540	182,060,704

Equity instruments outstanding at the end of the year:

	Share options outstanding at the end of the year		Other equity instruments	
	Range of exercise prices	Remaining contractual life	Range of exercise prices	Remaining contractual life
Manager, senior technical cadre	RMB 5.479 /share	0.5 year	/	/

2. Equity-settled share-based payments

On 17 November 2020, the Board of Directors of the Company approved the implementation of share options and restricted share incentive plans from 2020. The shares for the share options and restricted share incentive plans are from the Company's Renminbi A-share ordinary shares repurchased from secondary market. Among them, the first-phase stock option and restricted share incentive plan has met all the exercisable conditions in 2024 and prior years. The details of the second-phase stock option incentive plan are as follows:

Grant date was 27 August 2021, the actual number of grantees was 110, and the number of grants is 33,000,000 shares, this grant was completed on 22 October 2021.

The share options are exercised in three phases after 24 months from the grant date. The exercise ratios for each phase are 34%, 33%, and 33%, respectively. The corresponding exercise dates are 2 years, 3 years, and 4 years from the grant date.

When the Company's performance meets the corresponding criteria, the proportion of exercisable rights of the above-mentioned share options is determined based on the business performance of the incentive object's operation and the contribution value of the incentive object. In accordance with the plan, the Company will deregister the current exercisable shares of the options obtained by the incentive objects if the exercise criteria stipulated in this plan are not met.

The costs of equity-settled share-based payments recognised for the 2025 year were RMB1,472,291, and the accumulated amount of equity-settled share-based payments recognised in the capital reserve amounted to RMB1,706,903,200.

XII. Share-based payments (continued)

2. Equity-settled share-based payments (continued)

The fair value of equity instruments at the grant date is determined based on the assessed fair value of the exercisable share options at each grant date;

At each balance sheet date during the vesting period, the best estimation is made according to the latest information, such as the number of employees who are granted options and the completion of performance indicators, and the number of equity instruments expected to vest is revised accordingly. On the vesting date, the estimated number is equal to the number of equity instruments that are ultimately vested.

XIII. Commitments

1. Significant commitments

	2025	2024
Contracts entered into but not performed or partially performed	13,708,563,799	28,280,123,927
Contracts authorised but not entered into	<u>69,745,879,437</u>	<u>85,050,646,514</u>
Total	<u><u>83,454,443,236</u></u>	<u><u>113,330,770,441</u></u>

The Group's contracts authorised but not entered into mainly included fixed assets and project equipment planned to purchase in subsequent years.

2. Contingencies

As of 31 December 2025, the Group has no material contingent liabilities requiring disclosure.

XIV. Events after the balance sheet date

On March 30, 2026, the Board of Directors of the Company held a meeting and proposed the profit distribution plan for the year 2025, recommending a cash dividend distribution of RMB 2,074,482,372 (i.e., a cash dividend of RMB 0.56 per 10 shares).

XV. Other significant events

1. Segment reporting considerations

The Group management reviews the operation performance and allocates resources according to the business segments below.

- (a) Display business — The display business integrates design and manufacturing of display devices and strives to offer TFT-LCD, AMOLED and other intelligent interface devices. This business focuses on providing high-quality smartphones, tablet PCs, laptops, monitors, TVs, vehicles and other display devices for customers.
- (b) IoT Innovation Business - Design integrated manufacturing models for system solutions, provide customers with highly competitive smart terminal products in fields such as tablets, laptops, displays, televisions, low-power consumption, IoT, 3D displays, etc., and create innovative IoT products and services that integrate software and hardware by integrating AI and big data functions.
- (c) Sensing Business - Design integrated manufacturing models for system solutions, focusing on FPXD, smart windows, industrial sensing, MEMS, and glass based sealing loading plate businesses. We provide customers with products and services including X-ray flat panel detector backboards, intelligent dimming windows and dimming system solutions, consumer electronics and industrial application solutions, advanced packaging carriers, and more.
- (d) MLED business - integrated model for research, development, manufacturing, sales, and integration of LED display solutions, focusing on devices and solutions, providing high-quality and highly reliable LED backlight products for TV, display, laptop, car, and other fields; besides, it provides Mini/Micro-LED display products with high brightness, strong reliability and high contrast for use in outdoor display, commercial display, transparent display, special display and other scenarios.
- (e) Smart medicine and engineering business - The smart medicine and engineering business is a professional service model, providing services and solutions in healthcare, intelligent rehabilitation, and medical-engineering integration products. Meanwhile, the smart medicine and engineering business is committed to building a closed loop of full-cycle health services with health management as the core, medical-engineering terminals as the traction, digital hospitals and rehabilitation communities as the support, to create an intelligent health management ecosystem, to connect testing equipment, healthcare personnel and customers, and to provide customers with the "prevision-treatment-nursing" full-chained health services.
- (f) Others - In addition to the above businesses, the Group provides software-hardware fusion and system integration solutions for different industries. Specifically, it includes multiple sub areas such as smart car connectivity, smart energy, industrial connectivity, and ultra high definition displays, providing customers with multifunctional and intelligent IoT sub scenarios and new experiences.

The main reason to separate the segments is that the Group independently manages the display business, IoT innovation business, sensor and application solutions, MLED and smart medicine and engineering and other businesses. As these business segments manufacture and sale 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.

XV. Other significant events (continued)

2. Accounting policies for the measurements of reporting segments

For the purposes of assessing segment performance, the Group's management regularly reviews the revenue and costs attributable to each reportable segment. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

	2025						Total
	Display business	IoT innovation business	Sensor business	MLED business	Smart medicine & engineering business	Others and offsetting	
Revenue	166,417,015,418	38,949,236,781	587,444,558	9,316,052,632	1,902,021,967	(12,581,548,468)	204,590,222,888
Cost of sales	144,918,410,654	34,398,776,981	429,092,455	8,755,995,359	1,918,849,507	(17,819,080,945)	172,602,044,011
	2024						Total
	Display business	IoT innovation business	Sensor business	MLED business	Smart medicine & engineering business	Others and offsetting	
Revenue	165,003,592,549	33,828,880,608	386,471,446	8,483,421,034	1,839,415,166	(11,161,175,142)	198,380,605,661
Cost of sales	143,955,472,188	30,247,926,452	304,425,278	7,993,316,575	1,899,758,297	(16,178,949,217)	168,221,949,573

The Group develops various businesses by using common assets and liabilities and therefore, it could not analyse assets and liabilities of each reportable segment respectively by business

XV. Other significant events (continued)

3. Secondary segment reporting (regional segments)

External revenue

The following table sets out information about the geographical location of the Group's operating income from external customers:

	Operating income from external customers	
	2025	2024
Mainland China	102,754,305,370	99,522,213,629
Other regions	101,835,917,518	98,858,392,032
Total	204,590,222,888	198,380,605,661

The geographical information is based on the location of customers receiving the services or goods.

Non-current assets

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 joint ventures. Most of the non-current assets in the Group are located in the Mainland China.

4. Major customers

The Group has 1 customer (2024: 1), the operating income from which is over 10% of the Group's total operating income. Revenue from this customer amounted to RMB 27,361,878,462 yuan (2024: RMB 29,896,086,331 yuan).

XVI. Notes to key items of the company financial statements

1. Accounts receivable

(1) An ageing analysis of accounts receivable is as follows:

	2025	2024
Within 1 year	1,757,974,878	3,217,732,115
1 to 2 years	102,626,142	1,322,026
2 to 3 years	1,028,594	785,947
Over 3 years	340,611,524	340,575,549
	2,202,241,138	3,560,415,637
Less: Provision for bad and doubtful debts	3,248,761	3,248,761
Total	2,198,992,377	3,557,166,876

XVIII. Notes to key items of the company financial statements (continued)

1. Accounts receivable (continued)

(2) Accounts receivable by provisioning method

2025

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	3,248,761	0.15	3,248,761	100.00	-
- Customers with low credit risk	2,198,784,663	99.84	-	-	2,198,784,663
Collective assessment					
- Customers with medium credit risk	207,714	0.01	-	-	207,714
Total	<u>2,202,241,138</u>	<u>100.00</u>	<u>3,248,761</u>	<u>0.15</u>	<u>2,198,992,377</u>

2024

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	3,248,761	0.09	3,248,761	100.00	-
- Customers with low credit risk	3,556,844,804	99.90	-	-	3,556,844,804
Collective assessment					
- Customers with medium credit risk	322,072	0.01	-	-	322,072
Total	<u>3,560,415,637</u>	<u>100.00</u>	<u>3,248,761</u>	<u>0.09</u>	<u>3,557,166,876</u>

(a) Criteria for collective assessment and details

Customer group	Basis
Customers with high credit risk	With special matters, litigations or the deterioration of customers' credit status
Customers with low credit risk	Banks, insurance companies, large state-owned enterprises and public institutions
Customers with medium credit risk	Customers not included in groups above

XVIII. Notes to key items of the company financial statements (continued)

1. Accounts receivable (continued)

(2) Accounts receivable by provisioning method (continued)

(b) Assessment of ECLs on accounts receivable

At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the expected loss rate. According to the Group's historical experience, different loss models are applicable to different customer groups.

(3) Details of allowance for doubtful debts

Movements of provisions for bad and doubtful debts:

Balance at the beginning and end of the year

Customers with high credit risk	3,248,761
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(4) Five largest accounts receivable and contract assets by debtor at the end of the year

As at 31 December 2025, the company of the five largest accounts receivable and contract assets of the Group at the end of the year is RMB1,831,932,830, representing 83% of the total accounts receivable and contract assets.

2. Other receivables

	2025	2024
Dividends receivable	457,514,291	1,625,667,171
Others	21,793,810,012	30,450,047,947
Total	22,251,324,303	32,075,715,118

Others

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

	2025	2024
Within 1 year	4,273,657,247	14,613,008,207
1 to 2 years	6,491,909,842	15,566,224,475
2 to 3 years	10,831,614,742	133,433,055
Over 3 years	200,586,721	141,331,367
	21,797,768,552	30,453,997,104
Less: Provision for bad and doubtful debts	3,958,540	3,949,157
Total	21,793,810,012	30,450,047,947

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

XVIII. Notes to key items of the company financial statements (continued)

2. Other receivables (continued)

(2) The other receivables categorised by nature

	2025	2024
Current accounts (Note)	21,548,637,554	30,195,532,432
Others	249,130,998	258,464,672
	<u>21,797,768,552</u>	<u>30,453,997,104</u>
Less: Provision for bad and doubtful debts	<u>3,958,540</u>	<u>3,949,157</u>
Total	<u>21,793,810,012</u>	<u>30,450,047,947</u>

Note : As of 31 December 2025 and 31 December 2024, the company's current accounts mainly consisted of loans receivable from subsidiaries.

(3) Other receivables by provisioning method

2025

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Amounts with high credit risk	3,958,540	0.02	3,958,540	100.00	-
- Amounts with low credit risk	<u>21,793,810,012</u>	<u>99.98</u>	<u>-</u>	<u>-</u>	<u>21,793,810,012</u>
Total	<u>21,797,768,552</u>	<u>100.00</u>	<u>3,958,540</u>	<u>0.02</u>	<u>21,793,810,012</u>

2024

	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Amounts with high credit risk	3,949,157	0.01	3,949,157	100.00	-
- Amounts with low credit risk	<u>30,450,047,947</u>	<u>99.99</u>	<u>-</u>	<u>-</u>	<u>30,450,047,947</u>
Total	<u>30,453,997,104</u>	<u>100.00</u>	<u>3,949,157</u>	<u>0.01</u>	<u>30,450,047,947</u>

XVIII. Notes to key items of the company financial statements (continued)

2. Other receivables (continued)

(3) Other receivables by provisioning method (continued)

The movements of the provision for bad debts provided for other receivables based on 12-month ECL and lifetime ECL respectively are as follows :

		Stage 3 Lifetime ECL (credit-impaired)
Balance at the beginning of the year		3,949,157
Additions during the year		9,383
Balance at the end of the year		<u>3,958,540</u>

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

As of 31 December 2025, the top five other accounts receivable in the company's book balance amounted to RMB17,171,574,287, accounting for 79% of the total year-end balance of other accounts receivable. The nature of the accounts receivable is mainly loans from subsidiaries, and after evaluation, no provision for bad debts is required.

3. Long-term equity investments

	2025	2024
Investments in subsidiaries	215,951,719,233	200,829,541,576
Investments in associates and joint ventures	<u>7,167,349,953</u>	<u>2,362,000,389</u>
Total	<u>223,119,069,186</u>	<u>203,191,541,965</u>

XVIII. Notes to key items of the company financial statements (continued)

3. Long-term equity investments (continued)

Investments in subsidiaries

Name of entity	Balance at the beginning of the year	Movements during the year			Balance at the end of the year	Balance of provision for impairment at the beginning of the year	Balance of provision for impairment at the end of the year
		Increase in investments	Share-based payments	Reductions during the year			
Chengdu BOE Optoelectronics Technology Co., Ltd.	25,144,351,769	-	122,344	-	25,144,474,113	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	22,349,926,566	-	(170,241)	-	22,349,756,325	-	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	15,245,602,817	444,468,133	40,579	-	15,690,111,529	-	-
Wuhan BOE	12,533,302,733	-	-	-	12,533,302,733	-	-
Ordos Yuansheng Optoelectronics Co., Ltd.	11,817,053,346	-	-	-	11,817,053,346	-	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	10,430,796,372	-	284,661	-	10,431,081,033	-	-
BOE Healthcare Investment & Management Co., Ltd.	10,136,833,696	1,030,000,000	-	-	11,166,833,696	-	-
Chongqing BOE Display	10,019,599,110	-	41,186	-	10,019,640,296	-	-
Beijing BOE Display Technology Co., Ltd.	9,049,663,743	-	324,964	-	9,049,988,707	-	-
Hefei Display Technology	8,984,024,522	-	-	-	8,984,024,522	-	-
Chengdu BOE Display Sci-tech	7,562,546,220	-	(48,503)	-	7,562,497,717	-	-
Chuangyuan Technology	7,427,158,963	4,075,108,700	(47,897)	-	11,502,219,766	-	-
Nanjing Display Technology	5,604,272,903	-	(48,503)	-	5,604,224,400	-	-
Beijing BOE Vision-electronic Technology Co., Ltd.	5,157,858,263	250,000,000	-	-	5,407,858,263	-	-
BOE Innovation Investment Co., Ltd.	4,777,308,507	1,032,500,000	-	-	5,809,808,507	-	-
Beijing BOE Sensing Technology Co., Ltd.	4,589,006,285	206,000,000	(129,662)	-	4,794,876,623	-	-
Chengdu Display Technology	4,499,865,000	6,999,535,000	40,579	-	11,499,440,579	-	-
Chongqing BOE Optoelectronics Technology Co., Ltd.	4,228,393,682	-	40,579	-	4,228,434,261	-	-
BOE Optoelectronics Holding Co., Ltd.	3,487,684,762	-	-	-	3,487,684,762	-	-
Smart Technology	2,936,444,400	72,210,000	-	-	3,008,654,400	-	-
Hefei BOE Optoelectronics Technology Co., Ltd.	2,779,559,286	-	-	-	2,779,559,286	-	-
BOE HC SemiTek Corporation	2,083,597,236	-	-	-	2,083,597,236	-	-
BOE Mled Technology Co., Ltd.	1,640,914,551	417,000,000	81,158	-	2,057,995,709	-	-
Yunnan Invsight Optoelectronics Technology Co., Ltd	1,522,715,006	-	(170,241)	-	1,522,544,765	-	-
Mianyang Electronics Technology	1,467,000,000	113,000,000	-	-	1,580,000,000	-	-
BOE (Hebei) Mobile Technology Co., Ltd.	1,356,796,294	-	-	-	1,356,796,294	-	-
Beijing BOE Energy Technology Co., Ltd.	858,892,813	-	-	-	858,892,813	-	-
BOE Optical Science and technology Co., Ltd.	670,638,292	-	40,579	-	670,678,871	-	-
Hefei BOE Zhuoyin Technology Co., Ltd.	606,269,816	276,401,977	-	-	882,671,793	-	-
Hefei BOE Xingyu Technology Co., Ltd.	507,153,667	-	-	-	507,153,667	-	-
Beijing Yinghe Century Co., Ltd.	360,643,405	-	40,579	-	360,683,984	-	-
Beijing BOE Solar Energy Technology Co., Ltd.	221,274,084	30,000,000	-	-	251,274,084	-	-
Beijing Shiyao Technology Co., Ltd.	168,899,524	-	-	-	168,899,524	-	-
Beijing Zhongxiangying Technologies Co., Ltd.	102,547,815	-	-	-	102,547,815	-	-
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	42,614,481	-	-	-	42,614,481	-	-
Beijing BOE Marketing Co., Ltd.	32,139,650	-	-	-	32,139,650	-	-
Fuzhou BOE Display	23,060,520	-	-	-	23,060,520	-	-
Beijing BOE Vacuum Electronics Co., Ltd.	20,211,313	-	-	-	20,211,313	-	-
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	16,614,833	-	-	-	16,614,833	-	-
Beijing BOE Technology Development Co., Ltd	13,156,190	-	-	-	13,156,190	-	-
Beijing BOE Land Co., Ltd.	10,236,970	-	-	-	10,236,970	-	-
Beijing BOE Life Technology Co., Ltd.	10,000,000	-	-	-	10,000,000	-	-
BOE KOREA Co.,Ltd	9,638,256	-	-	-	9,638,256	-	-
Beijing BOE Semi-conductor Co., Ltd.	9,450,000	-	-	-	9,450,000	-	-
Beijing Matsushita Colour Innovation Co., Ltd.	6,797,248	-	-	-	6,797,248	-	-
Beijing BOE Materials Technology Co., Ltd.	-	175,000,000	-	-	175,000,000	-	-
Others (note)	307,026,667	-	511,686	-	307,538,353	-	-
Total	200,829,541,576	15,121,223,810	953,847	-	215,951,719,233	-	-

Note: Others represented equity-settled share-based payments granted by the Company to employees of other subsidiaries.

For information about the major subsidiaries of the Company, refer to Note VIII.1.

XVIII. Notes to key items of the company financial statements (continued)

3. Long-term equity investments (continued)

Investment in joint ventures and associates

	Balance at the beginning of the year Book value	Balance at the beginning of the year Provision for impairment	Movements during the year						Balance at the end of the year Book value	Balance at the end of the year Provision for impairment
			Additions during the year	Reductions during the year	Investment (loss) /income under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends		
Associates										
Beijing Xindongneng Investment Fund (Limited Partnership)	922,008,650	-	-	-	8,470,345	(5,384,695)	-	(205,607,242)	719,487,058	-
Erdos BOE Energy Investment Co., Ltd.	135,677,369	-	-	-	(448,410)	-	-	-	135,228,959	-
Others	1,304,314,370	-	5,090,723,466	-	80,102,410	43,732,762	(21,939,236)	(184,299,836)	6,312,633,936	-
Total	2,362,000,389	-	5,090,723,466	-	88,124,345	38,348,067	(21,939,236)	(389,907,078)	7,167,349,953	-

XVIII. Notes to key items of the company financial statements (continued)

4. Other payables

	2025	2024
Dividends payable	6,451,170	6,451,170
Other payables	<u>3,541,040,003</u>	<u>3,464,889,503</u>
Total	<u><u>3,547,491,173</u></u>	<u><u>3,471,340,673</u></u>

Other payables

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

	2025	2024
Amounts due to / from subsidiaries	2,829,255,955	3,075,540,118
Equity transfer consideration	492,419,483	-
Repurchase obligation of restricted shares	-	211,839,210
Purchase of projects, equipment and intangible assets	136,799,852	94,897,198
Others	<u>82,564,713</u>	<u>82,612,977</u>
Total	<u><u>3,541,040,003</u></u>	<u><u>3,464,889,503</u></u>

5. Long-term borrowings

	2025	2024
Unsecured borrowings	47,002,821,293	52,243,655,504
Less: Long-term borrowings due within one year	<u>7,337,560,293</u>	<u>10,986,055,504</u>
Total	<u><u>39,665,261,000</u></u>	<u><u>41,257,600,000</u></u>

The interest rate of RMB long-term loans for the Company ranged from 1.20% to 2.90% in 2025 (2024: 1.20% to 3.10%).

6. Operating income and operating costs

(1) Operating income and operating costs

	2025		2024	
	Income	Cost	Income	Cost
Principal activities	4,861,848,847	24,566,651	5,514,699,140	9,430,925
Other operating activities	<u>98,818,512</u>	<u>13,273,953</u>	<u>43,411,212</u>	<u>2,028,596</u>
Total	<u>4,960,667,359</u>	<u>37,840,604</u>	<u>5,558,110,352</u>	<u>11,459,521</u>
Including: Revenue from contracts with customers	4,850,735,213	24,045,224	5,452,693,863	1,788,997
Other income	109,932,146	13,795,380	105,416,489	9,670,524

7. Investment income

	2025	2024
Income from long-term equity investments accounted for using the cost method	1,233,764,543	2,113,201,157
Income/(loss) from long-term equity investments accounted for using the equity method	88,124,345	(476,270,739)
Investment income from disposal of long-term equity investments	4,462,440	-
Others	<u>12,053,375</u>	<u>71,214,434</u>
Total	<u>1,338,404,703</u>	<u>1,708,144,852</u>

1. Non-recurring Gains and Losses: Items and Amounts

	2025
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	467,024,249
Public subsidies charged to current profits and losses (exclusive of public grants closely related to the Company's normal business operations, in compliance with national policies, enjoyed according to determined criteria, and with a continuous impact on the Company's profits and losses)	1,156,541,377
The profits or losses generated from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises and the profits or losses from the disposal of such financial assets and financial liabilities, except for the effective hedging business related to the company's normal business operations	490,447,697
Reversal of provision for impairment of receivables that have been individually tested for impairment	6,137,798
The income generated when the investment cost of acquiring subsidiaries, associates, and joint ventures is less than the fair value of the identifiable net assets of the invested entity that the enterprise should enjoy when obtaining the investment	242,086,567
Non-operating income and expenses other than the above	28,513,604
Sub-total	<u>2,390,751,292</u>
Income tax effects	<u>450,136,684</u>
Non-controlling interests effects after taxation	<u>313,987,379</u>
Total	<u>1,626,627,229</u>

2. Return on net assets and earnings per share

	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	4.39	0.16	0.16
Net profits attributable to ordinary shareholders of the Company before non-recurring gains and losses	3.17	0.11	0.11