

## Consolidated Balance Sheet

### For the Financial Year Ended 31 December 2018

Goertek Inc

| Subjects  | 2018                     | 2017                     |
|---|--------------------------|--------------------------|
|   | RMB                      | RMB                      |
| <b>Current Assets</b>   |                          |                          |
| Cash and cash equivalents   | 2,391,589,146.42         | 3,473,251,001.59         |
| Financial assets measured at fair value through profit or loss      | 32,133,630.86            |                          |
| Bill receivables and trade receivables                              | 7,211,084,876.57         | 6,330,745,729.23         |
| Bill receivables  | 19,154,863.05            | 40,182,134.84            |
| Trade receivables   | 7,191,930,013.52         | 6,290,563,594.39         |
| Prepayments   | 161,082,664.75           | 84,047,429.61            |
| Other receivables   | 59,673,955.49            | 107,051,079.80           |
| Closing inventories   | 3,548,509,753.70         | 2,994,630,931.07         |
| Other current assets  | 416,107,699.68           | 256,550,044.32           |
| <b>Total Current Assets</b>   | <b>13,820,181,727.47</b> | <b>13,246,276,215.62</b> |
| <b>Non-current Assets</b>   |                          |                          |
| Held-for-sale Financial Assets                                      | 328,150,813.02           | 361,241,930.55           |
| Long-term Investments   | 247,669,710.76           | 249,790,661.60           |
| Property, Plant and Equipments                                      | 11,117,324,474.69        | 9,567,075,958.26         |
| Construction -in-progress   | 1,320,210,388.77         | 865,304,267.42           |
| Intangible Assets   | 2,024,314,164.61         | 1,610,144,271.45         |
| Development Expenditure   | 303,168,566.45           | 270,186,885.72           |
| Goodwill  | 17,825,756.44            | 45,983,667.98            |
| Long-term Deferred Expenditure                                      | 144,790,491.79           | 113,225,558.70           |
| Deferred Tax Assets   | 205,031,113.95           | 108,649,002.20           |
| Other Non-current Assets  | 213,788,117.50           | 132,713,795.76           |
| <b>Total Non-current Assets</b>                                     | <b>15,922,273,597.98</b> | <b>13,324,315,999.64</b> |
| <b>Total Assets</b>   | <b>29,742,455,325.45</b> | <b>26,570,592,215.26</b> |
| <b>Current Liabilities</b>  |                          |                          |
| Short-term Borrowings   | 5,851,710,294.55         | 4,377,461,986.48         |
| Financial liabilities measured at fair value through profit or loss | 112,990,718.70           | 11,534,000.00            |
| Bill payables and trade payables                                    | 5,615,238,592.00         | 4,906,075,069.92         |
| Payment received in advance   | 104,206,438.76           | 59,179,431.23            |
| Salary Payables   | 549,438,543.14           | 495,611,673.86           |
| Tax Payables  | 91,032,452.99            | 224,853,660.87           |
| Other payables  | 97,207,084.94            | 79,965,624.55            |
| Interest payables   | 21,213,347.24            | 4,194,669.38             |
| Non-current Payables- current portion                               | 1,030,880,716.40         | 307,663,292.70           |
| <b>Total Current Liabilities</b>                                    | <b>13,452,704,841.48</b> | <b>10,462,344,739.61</b> |
| <b>Non-current Liabilities</b>                                      |                          |                          |
| Long-term Borrowings  | 606,423,511.34           | 995,743,710.00           |
| Deffered income   | 284,228,900.97           | 193,695,993.62           |
| Deffered tax liabilities  | 209,351,731.19           | 1,335,276.74             |
| <b>Total Non-current Liabilities</b>                                | <b>1,100,004,143.50</b>  | <b>1,190,774,980.36</b>  |
| <b>Total Liabilities</b>  | <b>14,552,708,984.98</b> | <b>11,653,119,719.97</b> |
| <b>Shareholders' Equity</b>   |                          |                          |
| Share Capital   | 3,245,103,948.00         | 3,245,103,948.00         |
| Capital Reserve   | 2,997,147,524.32         | 2,950,700,838.47         |
| Less: Treasury stock  | 294,766,978.02           |                          |
| Other Comprehensive Income  | -112,629,928.32          | -124,363,467.05          |
| Surplus reserve   | 1,061,825,823.19         | 969,734,402.72           |
| Retained Earnings   | 8,304,597,414.21         | 7,853,476,568.01         |
| Total equity attributable to shareholders of parent company         | 15,201,277,803.38        | 14,894,652,290.15        |
| Non-controlling interests   | -11,531,462.91           | 22,820,205.14            |
| <b>Total Shareholders' equity</b>                                   | <b>15,189,746,340.47</b> | <b>14,917,472,495.29</b> |
| <b>Total Liabilities and Equity</b>                                 | <b>29,742,455,325.45</b> | <b>26,570,592,215.26</b> |

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## Consolidated Statement of Comprehensive Income For the Financial Year Ended 31 December 2018

Goertek Inc

| Subjects   | 2018                     | 2017                     |
|--|--------------------------|--------------------------|
|  | RMB                      | RMB                      |
| <b>Revenue</b>   | <b>23,750,587,785.28</b> | <b>25,536,136,274.87</b> |
| Cost of goods sold   | 19,281,919,403.08        | 19,917,183,898.74        |
| Business tax and surcharges                                    | 141,651,156.04           | 138,863,265.36           |
| Selling and distribution costs                                 | 569,244,060.54           | 503,305,563.19           |
| General and administrative costs                               | 1,039,921,885.32         | 962,445,997.10           |
| R&D expenditure  | 1,334,266,411.46         | 1,232,642,043.50         |
| Financial costs  | 317,997,348.00           | 420,747,958.78           |
| Interest expenses  | 229,682,638.22           | 231,231,730.78           |
| Interest income  | 20,002,442.69            | 22,745,552.97            |
| Impairment loss on assets                                      | 248,495,716.44           | 84,183,826.97            |
| Add: Other income  | 262,529,031.39           | 239,341,954.42           |
| Investment income  | -82,076,441.09           | -3,479,811.68            |
| Share of profits from equity accounted investments             | -15,089,433.41           | -3,479,811.68            |
| Gain on fair value revaluation                                 | 9,675,417.79             |                          |
| Loss on disposal of fixed assets                               | -1,060,177.80            | -15,397,040.57           |
| <b>Operating profits</b>                                       | <b>1,006,159,634.69</b>  | <b>2,497,228,823.40</b>  |
| Add: Other operating income                                    | 10,003,086.92            | 14,909,652.60            |
| Less: Other operating expenses                                 | 22,823,474.57            | 11,676,403.52            |
| <b>Total operating profits</b>                                 | <b>993,339,247.04</b>    | <b>2,500,462,072.48</b>  |
| Less : Income tax expenses                                     | 148,866,618.87           | 393,707,476.08           |
| <b>Net operating profits</b>                                   | <b>844,472,628.17</b>    | <b>2,106,754,596.40</b>  |
| Net operating profits to NCI                                   | -23,250,033.30           | -32,471,568.24           |
| Net operating profits to shareholder of parent company         | 867,722,661.47           | 2,139,226,164.64         |
| <b>Other Comprehensive Income</b>                              | <b>9,538,303.77</b>      | <b>-87,351,942.83</b>    |
| Net fair value changes on available-for-sale financial assets  | 9,579,279.76             | -9,579,279.76            |
| Foreign currency translation adjustment                        | 2,154,258.97             | -74,667,909.64           |
| <b>Total Comprehensive Income</b>                              | <b>854,010,931.94</b>    | <b>2,019,402,653.57</b>  |
| Total comprehensive income attributable to parent shareholders | 879,456,200.20           | 2,054,978,975.24         |
| Total comprehensive income to NCI                              | -25,445,268.26           | -35,576,321.67           |
| <b>Earnings Per Share (EPS)</b>                                |                          |                          |
| Basic EPS  | 0.27                     | 0.68                     |

## Consolidated Statement of Cash Flows

### For the Financial year ended 31 Dec 2018

Goertek Inc

| Subjects   | 2018<br>RMB              | 2017<br>RMB              |
|--|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>  |                          |                          |
| Cash received from selling of goods and service  | 22,878,931,349.35        | 24,075,745,412.44        |
| Tax refund received  | 1,715,045,463.20         | 1,960,965,748.52         |
| Cash received from other operating activities  | 496,743,951.28           | 339,945,762.89           |
| <b>Cash inflow from operating activities</b>   | <b>25,090,720,763.83</b> | <b>26,376,656,923.85</b> |
| Cash payment for purchases of goods and services                                       | 16,935,151,754.70        | 17,418,641,836.92        |
| Cashment for staff-related expenses  | 4,179,347,508.94         | 3,646,842,724.75         |
| Tax paid   | 487,224,178.17           | 596,323,366.73           |
| Cash paid for other operating activities   | 1,212,589,350.05         | 1,183,851,960.46         |
| <b>Cash outflow from operating activities</b>  | <b>22,814,312,791.86</b> | <b>22,845,659,888.86</b> |
| <b>Net cash generated from operating activities</b>                                    | <b>2,276,407,971.97</b>  | <b>3,530,997,034.99</b>  |
| <b>Cash flow from investing activities</b>   |                          |                          |
| Gain on financial instrumens transaction and other investments                         | 73,879,628.16            |                          |
| Dividend received from equity investment and other                                     | 4,838,180.61             |                          |
| Proceeds from disposal of fixed assets, intangible assets and other non-current assets | 50,109,212.45            | 38,245,862.38            |
| Cash received from disposal of subsidies   | 15,120,659.32            |                          |
| Cash received from other operating activities  | 90,532,505.63            | 11,534,000.00            |
| <b>Cash inflow from investing activities</b>   | <b>234,480,186.17</b>    | <b>49,779,862.38</b>     |
| Payment for purchase of fixed assets, intangible assets and other non-current assets   | 4,239,899,280.09         | 3,546,328,329.14         |
| Cash paid for investments  | 257,421,841.29           | 275,337,645.99           |
| Cash paid for other investing activities   |                          | 4,510,437.00             |
| <b>Cash outflow from investing activities</b>  | <b>4,497,321,121.38</b>  | <b>3,826,176,412.13</b>  |
| <b>Net cash used from investing activities</b>   | <b>-4,262,840,935.21</b> | <b>-3,776,396,549.75</b> |
| <b>Cash flows from financing activities</b>  |                          |                          |
| Cash received from capital contribution  | 16,390,055.61            | 17,376,431.85            |
| Cash received from share issuance to minority shareholders                             | 6,335,269.30             | 7,965,041.85             |
| Proceeds from bank borrowings  | 8,461,079,276.43         | 7,141,099,340.26         |
| Cash received from other financing activities  | 1,026,335,775.26         | 2,335,354,330.13         |
| <b>Cash inflow from financing activities</b>   | <b>9,503,805,107.30</b>  | <b>9,493,830,102.24</b>  |
| Repayment of bank borrowings   | 6,774,458,640.18         | 6,286,102,432.93         |
| Dividend and interest payment  | 521,612,615.64           | 418,425,708.75           |
| Cash payment for other financing activities  | 1,577,736,577.82         | 2,238,307,343.82         |
| <b>Cash outflow from financing activities</b>  | <b>8,873,807,833.64</b>  | <b>8,942,835,485.50</b>  |
| <b>Net cash generated from financing activities</b>                                    | <b>629,997,273.66</b>    | <b>550,994,616.74</b>    |
| <b>Effects of exchange rate change on cash and cash equivalents</b>                    | <b>6,457,522.64</b>      | <b>-161,071,483.33</b>   |
| <b>Effects of exchange rate change on cash and cash equivalents</b>                    | <b>-1,349,978,166.94</b> | <b>144,523,618.65</b>    |
| Cash and cash equivalents at beginning of year   | 3,357,847,604.75         | 3,213,323,986.10         |
| <b>Cash and cash equivalents at end of year</b>  | <b>2,007,869,437.81</b>  | <b>3,357,847,604.75</b>  |