

Stock code : 000413,200413

Abbreviation: Dongxu Optoelectronic, Dongxu B

Announcement No.: 2016-095

Summary of 2016 Semi- Annual Report of Dongxu Optoelectronic Technology Co., Ltd.

1. Important notes

The summary is abstract from full-text of annual report, for more details information , investors should found in the full-text of annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Company Profile

| | | | |
|------------------------------------|------------------------------------|-----------------------------------|---------------|
| Stock abbreviation | Dongxu Optoelectronic, Dongxu B | Stock code | 000413、200413 |
| Changed stock abbreviation(If any) | Dongxu Optoelectronic, Dongxu B | | |
| Stock exchange for listing | Shenzhen Stock Exchange | | |
| Contact person and contact manner | Board secretary | Securities affairs Representative | |
| Name | Gong Xin | Wang Qingfei | |
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2.Main financial data and changes of shareholders

(1) Main financial data

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes No

| | Reporting period | Same period of last year | YoY+/- |
|--|------------------|--------------------------|-----------|
| Operating income (RMB) | 2,882,059,154.41 | 1,524,242,723.90 | 89.08% |
| Net profit attributable to the shareholders of the listed company (RMB) | 545,963,710.72 | 400,081,730.63 | 36.46% |
| Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB) | 459,894,653.13 | 182,980,317.37 | 151.34% |
| Cash flow generated by business operation, net (RMB) | 1,281,108,942.94 | 54,777,798.87 | 2,238.74% |
| Basic earning per share(RMB/Share) | 0.14 | 0.15 | -6.67% |
| Diluted gains per share(RMB/Share)(RMB/Share) | 0.14 | 0.15 | -6.67% |
| Weighted average ROE(%) | 3.79% | 5.14% | -1.35% |

| | As at the end of the reporting period | As at the end of last year | YoY+/- |
|---|---------------------------------------|----------------------------|--------|
| Gross assets (RMB) | 33,483,031,894.59 | 28,798,623,253.33 | 16.27% |
| Net assets attributable to shareholders of the listed Company (RMB) | 14,568,550,417.60 | 14,319,481,941.28 | 1.74% |

(2)Statement of shares held by top 10 shareholders

In shares

| Total Number of common shareholders at the end of the reporting period | | 218,235 (Including 199,516 shareholders holding A shares and 18,719 shareholders holding B shares) | | | | |
|---|---------------------------------------|--|------------------------------|--|-------------------|-------------|
| Shareholdings of the top 10 common shareholders | | | | | | |
| Name of the shareholder | Properties of shareholder | Share proportion % | Amount of common shares held | Conditional shares held at end of period | Frozen or pledged | |
| | | | | | Status of shares | Amount |
| Dongxu Group | Domestic Non-State-owned legal person | 21.64% | 829,975,697 | 459,882,697 | Pledge | 780,730,272 |
| Shijiazhuang Baoshi Electronic Group Co., Ltd. | Domestic Non-State-owned legal person | 8.67% | 332,382,171 | | Pledge | 329,776,648 |
| Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust | Other | 4.78% | 183,284,457 | 183,284,457 | | |
| Bosera Capital-Ping An Bank- Ping An Trust-Ping An Wealth* Huitai No.164 Single Fund Trust | Other | 4.36% | 167,155,426 | 167,155,426 | | |
| Guangzhou Securities-China Guangfa Bank-Guangzhou Securities No.2 Collective Asset Management Plan of Kumpeng Dingcheng | Other | 3.44% | 131,964,809 | 131,964,809 | | |
| HuaAn Future Asset-ICBC-No .1 Asset Management Plan of Dongxu Optoelectronic's Private | Other | 2.52% | 96,774,193 | 96,774,193 | | |

| Placement | | | | | | |
|--|---|-------|------------|--|------------|--|
| Dongxu Optoelectronic Technology Co., Ltd-Phase 1 for Employee Stock Ownership Plan | Other | 1.89% | 72,639,296 | | 72,639,296 | |
| China Securities Finance Co., Ltd. | State-owned legal person | 1.80% | 69,151,271 | | | |
| Kunshan Development Zone State-invested Holding Co., Ltd. | State-owned legal person | 1.15% | 43,988,269 | | 43,988,269 | |
| Bank of China — Huaxia New Economic Mixed Securities Investment Funds | Other | 0.95% | 36,608,098 | | | |
| Explanation on associated relationship or concerted action of the above shareholders | Among the top ten shareholders , Dongxu Group and Baoshi Group, Dongxu Optoelectronic – I Employee stock ownership plan have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 7 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies. | | | | | |
| Explanation on shareholders participating in the margin trading business(if any) | The top 10 tradable common shareholders Wang Wenxue, Zhangqing Jie by CSC Securities Co., Ltd. customer credit-backed securities trading account Securities Co., Ltd. customer credit-backed securities trading account were holding 15,300,592 shares, 7,227,822 shares, accounting for 0.4% and 0.19% of the total shares respectively. | | | | | |

(3)The top 10 preference share holders

Applicable Not applicable

The controlling no preference shareholders of the Company in the report period.

(4)Changing of controlling shareholder and practical controller of the Company.

Change of holding shareholder

Applicable Not applicable

No change of holding shareholder in the report period.

Change of substantial controller

Applicable Not applicable

No change of substantial controller in the report period.

III. Discussion and analysis by the management

2016 is an important year for the implementation of Dongxu Optoelectronic strategy, the Company in the first half of 2016 mainly focuses on the construction of advanced generation substrate production lines, deepens the market layout of the existing products, and vigorously promotes the lateral extension of the new material filed and steadily promotes its production and business activities. In the first half of 2016, led by the Board of Directors and the management, as well as with the tireless efforts of all staff, the Company's leading position in the liquid crystal glass substrate filed has been reinforced, with the smooth layout of the optoelectronic display materials and

graphene business, forming good industrial collaboration and clustering effects. During the reporting period, the Company achieves an operating income of RMB 2.882 billion, an increase of 89.08 percent over the same period in 2015 of RMB 1.524 billion; the net profit attributable to the parent Company of RMB 546 million, an increase of 36.46 percent over the same period in 2015 of RMB 400 million.

The Company's business in the first half of 2016 focuses on the following five aspects:

1. Strengthen its leading position in the liquid crystal glass substrate, and fill in the localization vacancy of generation 8.5

As of the reporting period, the Company has respectively ignited six G6 and seven G5 liquid crystal glass substrate production lines, and five production lines of each are mass production. In the first half, the liquid crystal glass substrate market is stabilized and good, the Company achieving sales income of RMB 537 million, an increase of 22.25 percent, compared with the same period in 2015. With the pre-construction and the accumulation of the operating experience, the yields of the Company's G5 and G6 liquid crystal glass substrate production lines continue to rise, up to over 90%. In the first quarter of 2016, Taiwan earthquake affected some panel makers' process, but because the Company has comprehensively covered the of mainstream customers in mainland China and Taiwan, and it has higher industrial safety and stability, the earthquake didn't affect the sales of the glass substrates, and the market in Taiwan went back to normal in the second quarter. In addition, in response to the upgrade pressure from the future display technology, the Company's LTPS (low temperature poly-silicon) glass substrate product development achieves substantive results.

Through years of technical reserves as well as ongoing research and development, drawing on the valuable experience in the successful operation of G5 and G6 liquid crystal glass substrate production lines, the Company has mastered the core production technology of generation 8.5 TFT-LCD glass substrates. To grasp the industry opportunities of the localization of liquid crystal glass substrates, closely follow the industry trend of the panel display products towards large-size and advanced generation, maintain its leading position in the domestic market, and strengthen the comprehensive competitiveness of the Company, in February 2016, the Company disclosed the nonpublic offering plan, intended to invest the generation 8.5 liquid crystal glass substrate production line, and this project was constructed to support the BOE generation 8.5 panel production line, situated in Rongqiao Development Zone, Fuzhou, and officially started construction in March of this year.

2. Continue to put forth the strength of high-end equipment business and expand intelligence manufacturing based on panel display

Glass substrate High-End Equipment and technical service, control system and other special equipment are mostly customized products, as it involves the core technology, confidentiality of the production process, and market competition, prior to 2014, the Company mainly provides design, production, manufacture, installation and technical service of the outfit for its subordinate company TFT-LCD glass substrate production line and hosting company aluminous cover glass production line. With the basic completion of the construction of its own production line, based on years of experience in the field of electronic glass equipment manufacturing, its high-end equipment business began to turn to the in vitro market and the Company develops in depth in the

The Company's independent research and development (R & D) breaks through the foreign blockade and lays a solid foundation for the front equipment with the highest-tech among the electronic equipment, against the background of the equipment replaces the manual labor in the industry manufacture, and high-efficient production, the Company's High-End Equipment and technical service business continued to expand, and gradually supplies products for the domestic high-end customers, but also gets involved in the panel industry equipment supply. During the reporting period, the Company's High-End Equipment and technical service business achieved an operation income of RMB 1.68 billion, and it has developed and reserved a large number of large group customers in intelligent application filed.

3. Industrial cluster effects begins to show due to the core photoelectric display material layout

For the realization of the strategic objective of being "China's largest manufacturer of optoelectronic display materials", closely follow the world trend of display technology and innovation, the Company, based on continuously consolidating and enhancing the foundation of the principal industry of liquid crystal glass substrate, combined with the main industry, continues to extend new business areas, and now it has successfully distributed three high-end display materials including sapphire, color filter and polaroid. During the reporting period, the Company carried out a partial sapphire business expansion and its market expansion is smooth, achieving an operating income of RMB 220 million, an increase of 400% over the same period in 2015, and the current products include large-size sapphire ingots, 2-6 inch sapphire crystal rods, 2 -6 inch sapphire substrates, optical

window materials, and it has the stable customers such as Xuzhou GAPSS OE Technology Co., Ltd., North Microelectronics, and Sino Nitride Semiconductor Co., Ltd.

The Company's 5th generation TFT-LCD color filter production line is under construction, and when achieving the production target it will effectively increase the added value of the existing G5 liquid crystal glass substrate products, and become a new profit growth point of the Company. In addition, in order to quickly seize the domestic large-size liquid crystal panel business' demand for polarizing plates, and effectively fill in the domestic vacancy of original volume production of polaroid, in February 2016, the Company, cooperating with the Sumitomo Chemical Company, one of the world's top three polaroid production companies, jointly march towards the polaroid industry, proposed to register a joint venture company, Wuxi Xuyou Material and Technology Co., Ltd., the Company invested about RMB 500 million, holding 51%, and now the antitrust review on the concentration of operations is conducted by the Commerce Department.

4. Fit the trend of new urbanization construction, and maintain the stability of the construction and installation services

As the Company's traditional business, the construction and installation business plays an important role in helping the production line construction, and contracting external projects, effectively reducing the Company's operating costs and enhancing the efficiency of the production line construction. With increasingly clear development strategy of the Company, the main task of the construction and installation business is to serve the existing core business, and play a role in production line construction and maintenance of factory buildings, and on the other hand, against the background of the current new urbanization policies, the construction and installation business shall use its advantages to maintain steady growth. The Company's construction and installation business is mainly done by Hebei Xubao and Sichuan Ruiyi, and achieved total operation income of RMB 435 million during the reporting period, essentially flat with a year earlier.

5. Parallel the asset acquisition and industrial fund, and complete the multi-point distribution of graphene business

Based on graphene's excellent performance in heat conduction and electrical conduction and transparency, the Company, as a leader in the field of optoelectronic display, is particularly concerned about its development and application in the field of flexible display, with the continuous progress of graphene business, the Company began to do a broader strategic layout of the graphene industry. In March 2016, the Company completed the acquisition of Shanghai Tanyuan Huigu Co., Ltd. through acquisition and capital increase, which is a company focusing on the mass production and application of grapheme, owing grapheme production technology, grapheme-based lithium-ion material and battery production technology, and this acquisition is significant for the Company to promote the industrialization of graphene. Currently, Shanghai Tanyuan Huigu and Beijing Xutan jointly become the promotion platform for the Company's industrial development and research and industrialization.

In addition to the development and research and industrialization platform, in March 2016, the Company incorporated a wholly owned subsidiary, Shenzhen Xuhui Investment, together with the Beijing Dongxu Huaqing, become the Company's graphene industry consolidation and investment and financing platform. During the reporting period, the Company set up the graphene industry development funds of a scale of RMB 100 million and of a scale of RMB 200 million respectively with the Administrative Committee of the New Energy Industrial Park in Taizhou and the People's Government of Jingyang District, Deyang, and the establishment of the industry funds contributes to accelerating the Company's layout of graphene industry. In addition, the Company signed the *Strategic Cooperation Agreement* respectively with Tianjin Dongli, China Innovation Alliance of the Graphene Industry (CGIA), Beijing Institute of Collaborative Innovation (BICI) to practice the global development strategy, and signed *Strategic Framework Agreement* with the Catalan Institute of Nanoscience and Nano Technology (ICN2) in Spain to develop the technical exploration, industrial application development, product promotion and information sharing and cooperation on graphene and other materials.

IV. Matters related to financial reporting

(1) Explain change of the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year.

Applicable Not applicable

The accounting policies, accounting estimates or measurement methods did not change in the reporting period.

(2) Explain retrospective restatement due to correction of significant accounting errors in the reporting period.

□ Applicable √ Not applicable

No correction of significant accounting errors in the reporting period.

(3) Explain change of the consolidation scope as compared with the financial reporting of last year.

√ Applicable □ Not applicable

1. Enterprise consolidation not under the same control

(1) Enterprise consolidation not under the same control in reporting period

In RMB'0000

| Name | Time-point of Obtained Equity | Obtained Cost of Equity | Ratio of Obtained Equity (100%) | Method of Obtained Equity | Purchasing Date | Determination Basis on the Purchasing Date | Income of Acquire from the Purchasing Date to the End of the Period | Net Profit of Acquire from the Purchasing Date to the End of the Period |
|--|-------------------------------|-------------------------|---------------------------------|---------------------------|-----------------|--|---|---|
| Shanghai Tanyuan Huigu New Material Technology Co., Ltd. | March 2016 | 7,345.45 | 50.50 | Purchase and add share | March 31, 2016 | Obtain a business license | 0.62 | -110.63 |

(2) Consolidation Cost and Goodwill

In RMB

| Items | Shanghai Tanyuan Huigu New Material Technology Co., Ltd. |
|---|--|
| Consolidation cost | |
| —Cash | 73,454,500.00 |
| Total Consolidation cost | 73,454,500.00 |
| Less: Reduction: Obtained Definable Net Assets Fair Proportion | 39,763,137.22 |
| Goodwill/ The Consolidation Cost is Less Than the Obtained Definable Net Assets Fair Proportion | 33,691,362.78 |

(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

| Items | Shanghai Tanyuan Huigu New Material Technology Co., Ltd. | |
|--------------------|--|-----------------------------|
| | Fair value on purchase date | Book value on purchase date |
| Assets: | | |
| Monetary fund | 65,834,772.59 | 65,834,772.59 |
| Account receivable | 1,600.00 | 1,600.00 |

| | | |
|--|---------------|---------------|
| Prepayments | 2,006,750.00 | 2,006,750.00 |
| Other account receivable | 457,262.00 | 457,262.00 |
| Inventories | 1,243,387.97 | 802,979.59 |
| Other current assets | 198,033.10 | 198,033.10 |
| Fixed assets | 1,847,248.70 | 1,939,350.28 |
| Intangible assets | 7,317,795.33 | 4,444,692.24 |
| Amortization of long-term prepaid expenses | 303,253.20 | 303,253.20 |
| Liabilities: | | |
| Account payable | 362,292.10 | 362,292.10 |
| Employees' wage payable | 37,656.00 | 37,656.00 |
| Other account payable | 71,269.20 | 71,269.20 |
| Net assets | 78,738,885.59 | 75,517,475.70 |
| Less: Minority equity | | |
| Net assets acquired | 78,738,885.59 | 75,517,475.70 |

2. Due to new subsidiaries set up in the current period

On March 8, 2016, Wuhu Dongxu Optoelectronic Technology Co.,Ltd set up Fuzhou Dongxu Investment Development Co., Ltd and holds 100% stake of Fuzhou Dongxu Investment Development Co., Ltd, of which the registered capital was RMB 10 million and the paid-in capital was RMB 0.00.

On March 17, 2016, Beijing Dongxu Huaqing Investment Co., Ltd as a general partner, Dongxu Optoelectronic Technology Co.,Ltd as a limited partner and Taizhou Golden Sun Energy Co., Ltd as a limited partner together set up Taizhou Dongxu Graphene Industry Investment Fund Management Center(Limited partnership). Such limited partnership company was incorporated in May 4, 2016, and the total amount of capital contribution agreed in the agreement was RMB 101 million, but as of June 30, 2016, the actual received amount of capital contribution was RMB 0.00. For the capital contribution, Taizhou Golden Sun Energy Co., Ltd subscribed the amount of capital contribution of RMB 75 million, Dongxu Optoelectronic Technology Co.,Ltd subscribed the amount of capital contribution of RMB 25 million, Beijing Dongxu Huaqing Investment Co., Ltd subscribed the amount of capital contribution of RMB 1 million which was agreed in the agreement by using the labor service as capital contribution, and meanwhile, upon the agreement, the three parties all agreed that they shall complete the capital contribution before December 30, 2016.

On March 31, 2016, Dongxu Optoelectronic Technology Co.,Ltd set up Shenzhen XuHui Investment Holdings Co.,Ltd, of which the registered capital was RMB 100 million and the paid-in capital was RMB 0.00.

On June 24, 2016, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd and Dongxu Optoelectronic Technology Co.,Ltd together set up a new company of Fuzhou Xufu Optoelectronic Technology Co.,Ltd, of which the registered capital is RMB 65.40 million, among which, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 54.50 million, Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 10.90 million, and the paid-in capital was RMB 0.00.

(4)Explanation of the Board of Directors and the Supervisor Committee concerning the “Non-standard audit report ” issued by the CPAs firm for the reporting period

Applicable Not applicable

Dongxu Optoelectronic Technology Co., Ltd.

Chairman of the board: Li Zhaoting

Issue day approved by the Board of Directors: August 29,2016