

ABSTRACT OF ANNUAL REPORT 2015

April 2016

Major Shareholders

As of December 31st, 2015, the total number of shareholders of Goertek Inc. was 49,244.

No	Name of Shareholders	Shareholding (%)	Number of shares held
1	Weifang Goertek Group Co.,Ltd	25.55%	390,028,684
2	Jiang Bin	17.60%	268,600,500
3	Jiang Long	3.29%	50,276,000
4	Huatai Securities — Goertek“Home No 1”ESOP Collective Asset Management	1.94%	29,579,500
5	China Foreign Economy and Trade Trust Co., Ltd — Springs Capital	1.08%	16,452,343
6	Central Huijin Assets Management Ltd	1.03%	15,786,900
7	Springs Capital (Beijing) — Springs Capital Growth Fund	0.96%	14,618,046
8	Norges Bank	0.95%	14,566,279
9	Ping An Trust Co., Ltd — Springs Capital	0.89%	13,652,793
10	Shandong International Trust Co., Ltd — Goertek “Home No 2”ESOP Collective Fund Trust	0.85%	13,021,748

Financial Highlights-Main Financial Data

	2015	2014	Changes
Revenue(RMB mn)	13,656.03	12,698.99	7.54%
Profits attributable to shareholders of The Parent Company(RMB mn)	1,251.14	1,657.39	-24.51%
Net cash flow generated from operating activities (RMB mn)	2,409.07	1,164.87	106.81%
Basic EPS(RMB)	0.82	1.09	-24.77%
ROE	14.08%	23.29%	-9.21%
	As at 31.12.2015	As at 31.12.2014	Changes
Total assets(RMB mn)	19,247.95	17,757.74	8.39%
Net assets attributable to shareholders of The Parent Company(RMB mn)	9,405.12	8,330.94	12.89%

During fiscal year 2015, The Company continued to strive for development of new technologies and new products through actively recruiting ideally talented mechanical teams (R&D). The proportion of R&D investment in the revenue for fiscal year 2015 was 7.12%(6.09% in fiscal year 2014). The significant increase in operating expenses year over year directly impact on the drop in the profit for fiscal year 2015.

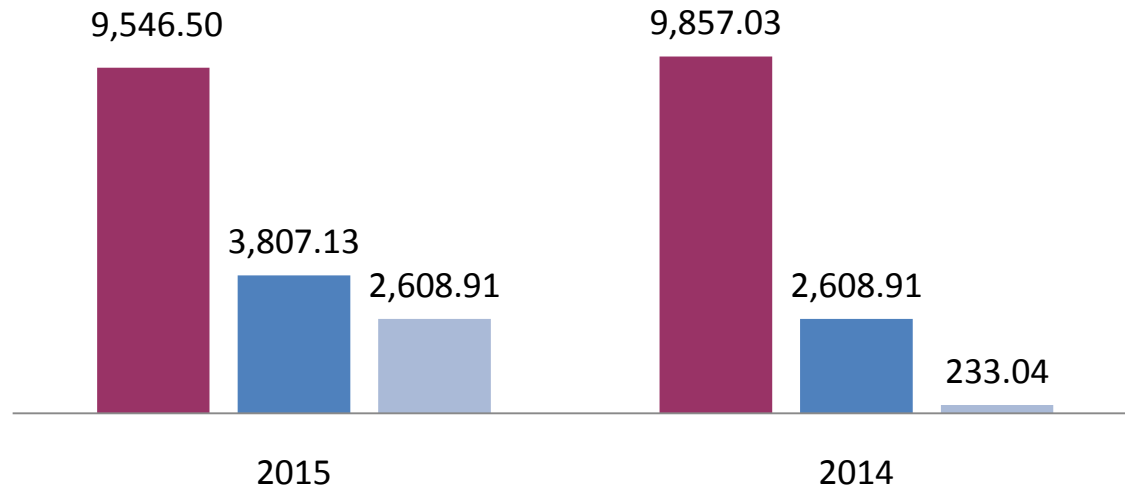
The net cash flow from operating activities was 2.4 billion RMB, an increase of 106.81% year over year. During fiscal year 2015, We attribute our efforts in receivables management as a driving force for the significant increase in cash flow.

Financial Highlights - Revenue

Revenue by product

(RMB mn)

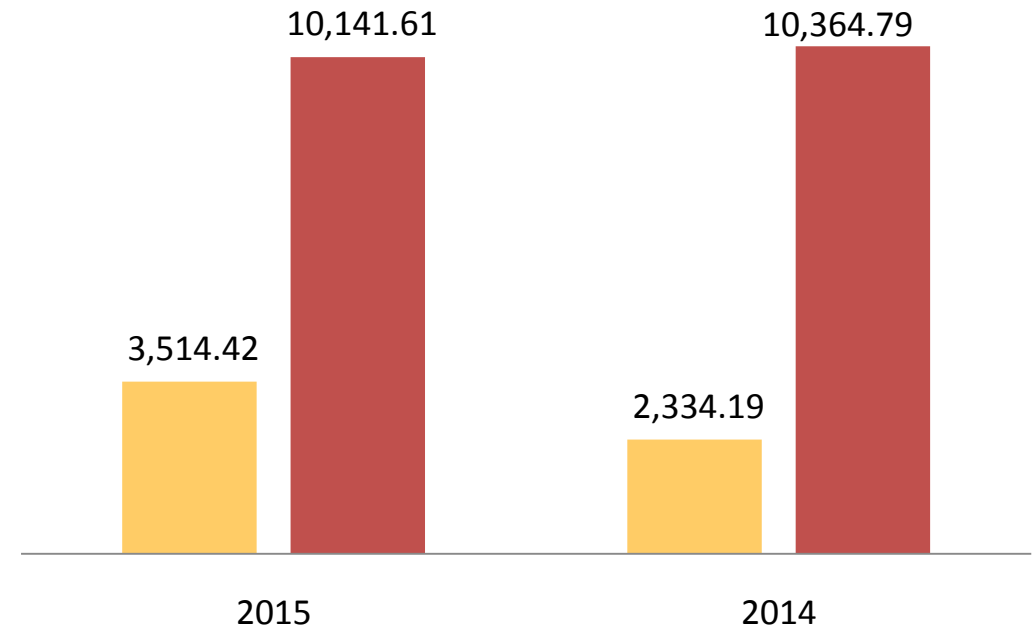
- Electro-acoustic components
- Electronic accessories
- Others



Revenue by region

(RMB mn)

- Domestic
- Overseas



Compared with FY 2014, the total revenue of the company increased 7.54%. By product category, the sales in electronic accessories increased by 45.93%; by geographical region, the domestic sales increased by 50.56%.

Financial Highlights - main business revenue, cost of goods sold (COGS) and gross profit margin (GPM)



	Revenue (RMB mn)	COGS (RMB mn)	GPM	Change in Revenue	Change in COGS	Changes in GPM
By industry						
Industry of Electro Component	13,353.63	10,040.75	24.81%	7.12%	10.95%	-2.59%
By product type						
Electro-acoustic components	9,546.50	7,142.84	25.18%	-3.15%	1.35%	-3.32%
Electronic Accessories	3,807.13	2,897.91	23.88%	45.93%	44.69%	0.65%
By Region						
Domestic	3,212.02	2,404.66	25.14%	52.87%	59.67%	-3.19%
Overseas	10,141.61	7,636.09	24.71%	-2.15%	1.22%	-2.50%

Core Competitiveness

**Executive
Management Team
and ideally talented
personnel/teams.**

- ◆ Highly qualified and competent leaders that have graduated from well-known colleges and universities.
- ◆ Dynamic and rich management experience in acoustic, optical, electrical, wireless communications, precision manufacturing and other specialty areas .

**Product
development
strategies that
integrate multiple
technological
fields**

- ◆ With integrated multiple technological product research and development platform
- ◆ Has established long-term strategic partnerships with leading universities and research institutions

**Industry leading
manufacturing
capabilities and
processes**

- ◆ Quickly mass produce precision products with Incredibly fast production of automated machinery and rapid re-purposing strategies
- ◆ Offering low-cost automatic or semiautomatic flexible production.

**Continuous
innovation**

- ◆ Constantly looking for desirable talent
- ◆ Focused on transformation and innovation to meet the shifting needs of the broader electronics industry
- ◆ Investing manpower and capital into new production capabilities

Going Forward

- **Development trends**

- I. Using of Internet of Things (IoT) technology will fuel the steady growth of newer technological fields
- II. Leading to the widely use of IoT applications in all areas
- III. (i.e. Smart Audio, Smart Home, Smart Wearable, Smart Entertainment, Smart Car, Robotics, Infotainment)

- **Competitions need to be faced**

- I. To retain and acquire major clients
- II. Research methodologies
- III. Application of new technologies
- IV. Lower purchasing and manufacturing costs

- **Ongoing innovation and transformation**

- I. Focusing on manufacturing capabilities
- II. Establishing Goertek as a world-renowned information industry
- III. Continuing to invest in R&D to fully utilize the Smart strategies

- **How Goertek will become a world leading enterprise in the information industry - Business focuses for this year**

- I. 1. Realization of our strategic goals
- II. 2. Establishing a globally-competitive and globally-interconnected marketing team.
- III. 3. Building and developing Goertek's unique values.
- IV. 4. Enhancing quality management

Thanks for your attention !