

Stock Code: 200725

Stock Name: BOE B

Announcement No. 2018-052

BOE TECHNOLOGY GROUP CO., LTD.

THIRD QUARTER REPORT 2018 (SUMMARY)

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors 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.

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

Mr. Wang Dongsheng, the Company’s legal representative, Mr. Chen Yanshun, president of the Company’s Execution Committee (Chief Executive Officer), Ms. Sun Yun, the Company’s Chief Financial Officer, and Ms. Yang Xiaoping, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Part II Key Corporate Information

I Key Consolidated Financial Information

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

Yes No

Item	30 September 2018	31 December 2017	Change (%)
Total assets (RMB)	289,680,059,305.00	256,108,741,849.00	13.11%
Equity attributable to the listed	85,818,805,445.00	84,809,816,377.00	1.19%

Item	Q3 2018	YoY change (%)	Q1-Q3 2018	YoY change (%)
Operating revenue (RMB)	25,990,508,323.00	4.79%	69,464,413,289.00	0.08%
Net profit attributable to the listed company's shareholders (RMB)	403,860,235.00	-81.42%	3,379,066,735.00	-47.82%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	119,979,875.00	-93.68%	1,098,848,634.00	-81.43%
Net cash generated from/used in operating activities (RMB)	--	--	18,297,602,412.00	-1.05%
Basic earnings per share (RMB/share)	0.012	-80.65%	0.097	-47.57%
Diluted earnings per share (RMB/share)	0.012	-80.65%	0.097	-47.57%
Weighted average return on equity (%)	0.47%	-82.33%	3.92%	-50.75%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2018	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-17,906,941.00	N/A
Tax rebates, reductions and exemptions given with ultra vires approval or in lack of official approval documents	0.00	N/A
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	2,431,679,361.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	0.00	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 asset value of investees when making investments	9,317,244.00	N/A
Gain or loss on non-monetary asset swaps	0.00	N/A
Gain or loss on investments or assets entrusted to other entities for management	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	N/A
Gain or loss on debt restructuring	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	N/A
Gain or loss on over-fair value amount as a result of transactions with distinctly unfair prices	0.00	N/A
Current profit or loss on subsidiaries obtained in business combinations involving	0.00	N/A

enterprises under common control from period-beginning to combination dates, net		
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	0.00	N/A
Gain or loss on fair-value changes in trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	273,977,796.00	N/A
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	153,235.00	N/A
Gain or loss on loan entrustments	0.00	N/A
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using fair value method	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current profit or loss	0.00	N/A
Income from charges on entrusted management	0.00	N/A
Non-operating income and expense other than above	48,197,584.00	N/A
Other gains and losses that meet definition of exceptional gain/loss	0.00	N/A
Less: Income tax effects	313,681,228.00	N/A
Non-controlling interests effects (net of tax)	151,518,950.00	N/A
Total	2,280,218,101.00	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or 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.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2018

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		1,423,472 (including 1,384,020 A-shareholders and 39,452 B-shareholders)				
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
Beijing State-owned Capital Operation and Management Center	State-owned legal person	11.68%	4,063,333,333	0	N/A	0
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned legal person	7.62%	2,653,000,041	0	N/A	0
Hefei Jianxiang Investment Co., Ltd.	State-owned legal person	7.21%	2,510,142,953	0	N/A	0
Beijing Yizhuang Investment Holdings Co., Ltd	State-owned legal person	3.57%	1,241,423,641	0	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.36%	822,092,180	0	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	1.42%	493,694,620	0	N/A	0
National Social Security Fund Portfolio 108	Other	1.07%	371,014,227	0	N/A	0
Beijing Electronics Holdings Co., Ltd.	State-owned legal person	0.79%	273,735,583	0	N/A	0
Central Huijin Assets Management Co., Ltd	State-owned legal person	0.71%	248,305,300	0	N/A	0
China Securities Finance Corporation Limited	Other	0.38%	132,480,249	0	N/A	0
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares	Shares by type				
		Type	Shares			
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB-denominated ordinary stock	4,063,333,333			
Chongqing Ezcapital Opto-electronics	2,653,000,041	RMB-denominated	2,653,000,041			

Industry Investment Co., Ltd.		ordinary stock	
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB-denominated ordinary stock	2,510,142,953
Beijing Yizhuang Investment Holdings Co., Ltd	1,241,423,641	RMB-denominated ordinary stock	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB-denominated ordinary stock	822,092,180
Hong Kong Securities Clearing Company Ltd.	493,694,620	RMB-denominated ordinary stock	493,694,620
National Social Security Fund Portfolio 108	371,014,227	RMB-denominated ordinary stock	371,014,227
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB-denominated ordinary stock	273,735,583
Central Huijin Assets Management Co., Ltd	248,305,300	RMB-denominated ordinary stock	248,305,300
China Securities Finance Corporation Limited	132,480,249	RMB-denominated ordinary stock	132,480,249
Related or acting-in-concert parties among shareholders above	<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder.</p> <p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through 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.</p> <p>5. Except for the above relationships, the Company does not know any other connected party or acting-in-concert party among the top 10 shareholders.</p>		
Top 10 ordinary shareholders involved in securities margin trading	Naught		

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.

Yea No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Selected Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Unit: RMB

Item	30 September 2018 (or Q1~Q3 2018)	31 December 2017 (or Q1~Q3 2017)	Change (%)	Explanation of why
Inventories	12,178,965,256.00	8,957,719,381.00	36%	Mass production on new production lines and additions to the consolidation scope
Long-term equity investments	4,036,661,192.00	6,928,854,415.00	-42%	Shift of associate to subsidiary during the current period
Construction in progress	67,442,708,371.00	50,761,250,426.00	33%	Rise in investments in new constructions in the current period
Notes and accounts payable	22,096,470,048.00	16,749,587,533.00	32%	Rise in material purchases as a result of the production and sales ramp-up in the current period
Current portion of non-current liabilities	6,068,813,097.00	9,109,708,511.00	-33%	Repayment of bank loans in the current period
Finance costs	2,242,661,339.00	1,413,361,041.00	59%	Greater exchange loss and interest expenditure
Asset impairment loss	783,454,658.00	1,757,042,642.00	-55%	Decline in inventory valuation allowances, which were recorded at the lower of the cost and the net realizable value
Other investment	2,261,274,910.00	458,317,281.00	393%	Rise in government subsidies in the current period
Investment income	258,565,775.00	61,147,940.00	323%	Higher gains on wealth management products during the current period
Net cash generated from/used in financing activities	11,681,695,994.00	27,057,943,017.00	-57%	Rise in bank loan repayments in the current period

II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

1. The wholly-owned subsidiary, BOE Technology (Hong Kong) Co., Ltd., filed lawsuits to Beijing Municipal Higher People's Court against following Defendants: Letv Mobile Intelligent Information Technology (Beijing) Co., Ltd. (referred to as "Letv Mobile")

hereinafter) , TV Plus Holdings (Beijing) Limited, Leseil Mobile Technology (Beijing) Co., Ltd. and JiaYueting, with the total amount of claims being about US\$41.84 million. Beijing Municipal Higher People's Court issued Notice of Case Acceptance and Civil Ruling Paper for property preservation on 6 July 2017 and 31 July 2017 respectively. Letv Mobile raised the jurisdiction objection to Beijing Municipal Higher People's Court, which was rejected, and also instituted an appeal to the Supreme People's Court for verdict on jurisdiction objection. On 29 June 2018, the Supreme People's Court issued the final verdict to dismiss Letv Mobile's appeal and sustain the original ruling. For receivables corresponding to aforementioned amount of claims, the Company has counted provision for bad debts as per regulations in accounting standard accordingly; therefore, it has uncertain influences on the Company.

Overview of significant events	Disclosure date	index to disclosure website for interim report
Announcement on Connected Transaction regarding Participation in Beijing Electronic Control Industrial Investment Co., Ltd.	31 July 2018	www.cninfo.com.cn

III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Parties, Failed to Fulfill on Time during Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV 2018 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in net profit for year 2018, as well as explanation of why:

Applicable Not applicable

V Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying amount	Gain/Loss on fair-value changes in Reporting Period	Accumulated fair-value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying amount	Accounting title	Funding source
Domestically/ Overseas listed stock	HK00903	TPV Technology	134,658,158.00	Fair value method	21,584,703.00	0.00	-13,251,799.00	0.00	0.00	196,070.00	14,791,508.00	Available-for-sale financial assets	Self-funded
Domestically/ Overseas listed stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	108,996,372.00	0.00	23,298,083.00	0.00	0.00	1,875,523.00	69,973,707.00	Available-for-sale financial assets	Self-funded
Domestically/ Overseas listed stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	130,968,760.00	0.00	-15,895,655.00	0.00	0.00	3,033,233.00	104,188,720.00	Available-for-sale financial assets	Self-funded
Funds	BLK	BlackRock Global Allocation Fund (USD) A2	0.00	Fair value method	6,347,799.00	0.00	2,081,841.00	0.00	6,179,429.00	2,570,403.00	0.00	Available-for-sale financial assets	Self-funded
Domestically/ Overseas	HK06066	China Securities	70,041,364.00	Fair value	65,856,319.00	0.00	-24,453,603.00	0.00	0.00	0.00	45,587,761.00	Available-for-sale	Self-funded

listed stock				method								financial assets	
Domestically/ Overseas listed stock	HK01518	New century medical treatment	140,895,855.00	Fair value method	178,837,871.00	0.00	605,921.00	0.00	662,426.00	1,127,547.00	141,501,776.00	Available-for-sale financial assets	Self-funded
Domestically/ Overseas listed stock	HK00948	Z-Obee Holdings Ltd.	0.00	Fair value method	246,566.00	0.00	305,200.00	0.00	290,658.00	299,797.00	0.00	Available-for-sale financial assets	Self-funded
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			555,840,180.00	--	512,838,390.00	0.00	-27,310,012.00	0.00	7,132,513.00	9,102,573.00	376,043,472.00	--	--
Disclosure date of announcement on Board's consent for securities investments			N/A										
Disclosure date of announcement on general meeting's consent for securities investments			N/A										

VI Wealth Management Entrustment

Applicable Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from bank	Self-funded	1,257,000	583,200	0
Total		1,257,000	583,200	0

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

Applicable Not applicable

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

Applicable Not applicable

VII Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VIII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
3 July 2018	By one-on-one meeting	Institution	Performance of the Company for the first half of the year and industrial situation; Main operating information of the Company; Technology and product innovation; Future strategic layout.
4 July 2018	By one-on-one meeting	Institution	
5 July 2018	By one-on-one meeting	Institution	
12 July 2018	By one-on-one meeting	Institution	
17 July 2018	By one-on-one meeting	Institution	
18 July 2018	By one-on-one meeting	Institution	
26 July 2018	By one-on-one meeting	Institution	
29 August 2018	By one-on-one meeting	Institution	
13 September 2018	By one-on-one meeting	Institution	
20 September 2018	By one-on-one meeting	Institution	

IX Irregularities in Provision of Guarantees for External Parties

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

Chairman of the Board (signature): _____

Wang Dongsheng

Date of the Board's approval of this Report: 26 October 2018