

Stock Code: 200725

Stock Name: BOE-B

Announcement No. 2018-050

BOE TECHNOLOGY GROUP CO., LTD.

INTERIM REPORT 2018 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2018 Interim Report of BOE Technology Group Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial condition and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

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

Independent auditor’s modified opinion:

Applicable Not applicable

Board-approved interim cash and/or stock dividend plan for ordinary shareholders:

Applicable Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

Board-approved interim cash and/or stock dividend plan for preferred shareholders:

Applicable Not applicable

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

Part II Key Corporate Information

1. Stock Profile

Stock name	BOE-A, BOE-B	Stock code	000725, 200725
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Liu Hongfeng	--	
Office address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China	--	
Tel.	010—64318888 ext.	--	
E-mail address	liuhongfeng@boe.com.cn	--	

2. Key Financial Information

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

Yes No

Item	H1 2018	H1 2017	Change (%)
Operating revenue (RMB)	43,473,904,966.00	44,605,027,995.00	-2.54%
Net profit attributable to the listed company's shareholders (RMB)	2,975,206,500.00	4,302,605,600.00	-30.85%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	978,868,759.00	4,017,844,109.00	-75.64%
Net cash generated from/used in operating activities (RMB)	11,439,605,846.00	10,638,591,266.00	7.53%
Basic earnings per share (RMB/share)	0.085	0.123	-30.89%
Diluted earnings per share (RMB/share)	0.085	0.123	-30.89%
Weighted average return on net assets (%)	3.45%	4.48%	-1.03%
Item	30 June 2018	31 December 2017	Change (%)
Total assets (RMB)	276,232,247,578.00	256,108,741,849.00	7.86%
Net assets attributable to the listed company's shareholders (RMB)	85,465,192,715.00	84,809,816,377.00	0.77%

3. Shareholders and Their Holdings at Period-End

Unit: share

Number of ordinary shareholders		1,423,193 (including 1,383,999 A-shareholders and 39,194 B-shareholders)				
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Pledged or frozen shares	
					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	State-owned	7.21%	2,510,142,953	0	N/A	0

Investment Co., Ltd.	legal person					
Beijing Yizhuang Investment Holdings Co., Ltd	State-owned legal person	3.57%	1,241,423,641	0	N/A	0
Beijing Investment Development Ltd.	BOE & Co., State-owned legal person	2.36%	822,092,180	0	N/A	0
National Social Security Fund Portfolio 108	Other	1.24%	429,993,527	0	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	1.20%	416,179,024	0	N/A	0
National Social Security Fund Portfolio 101	Other	0.96%	335,271,500	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
Connected 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>					
Shareholders conducting margin trading (if any)	N/A					

4. Change of Controlling Shareholder or Actual Controller in Reporting Period

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

Applicable Not applicable

The actual controller remained the same in the Reporting Period.

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

Applicable Not applicable

No preferred shareholders in the Reporting Period.

6. Corporate bonds

Does the Company have any corporate bonds publicly offered and listed on the stock exchange, which were undue before the date of this Report's approval or were due but could not be redeemed in full?

Yes.

(1) Bond Profile

Bond name	Abbr.	Bond code	Due date	Balance (RMB'0,000)	Coupon rate
The 2016 public offering of corporate bonds by BOE Technology Group Co., Ltd. for qualified investors (Phase I)	16BOE01	112358	31 March 2021	1,000,000	3.15%

(2) Selected Financial Information of the Company as at Period-End

Item	30 June 2018	31 December 2017	Change (%)
Gearing ratio	59.31%	59.28%	0.03%
Item	H1 2018	H1 2017	Change (%)
EBITDA-to-interest coverage (times)	5.66	8.43	-32.86%

Part III Operating Performance Discussion and Analysis

1. Business Overview of Reporting Period

Is the Company subject to any disclosure requirements for special industries?

No.

In the first half of 2018, the global economy was running steadily in a positive recovery. With a weakening display market, the Company firmly upheld its strategy of "Ecosystem: Open and Connected" and achieved good operating results in the industry. Also, the Reporting Period saw improvements in the Company's technological and product innovation with the Company applying for over 4,800 new patents in the period. Meanwhile, the Company has dominated all the markets of mainstream display products. Progress has been made in expansion in the innovative application market, with output rising over 140% year-on-year. Unit sales of all the "8425" high-definition products registered marked growth. With enhanced marketing, BOE iGallery saw improvements in both market recognition and unit sales. Cooperation on electronic labels for smart retail has been established with supermarkets across the globe. In the Internet of Vehicles (IoV) business, the Company strengthened cooperation with notable car makers and the TFT unit sales went up. The AMOLED average yield rate has exceeded 70% as at the end of this June, with shipments continuously delivered to well-known manufacturers. Additionally, the Company successfully held a suppliers' meeting and the first Digital Art Forum, as well as participating in various fairs and exhibitions at home and abroad (Japan, Europe, the U.S., etc.) to promote its advanced products and technologies including flexible AMOLED, 8K, micro display, mini-LED and QLED, as well as commercial display solutions and new retail solutions. These moves were aimed at boosting the Company's brand recognition.

(1) Display and Sensor Device

Various types of mobile phones with free form and bezel-less display realized mass production, 6.18-inch flexible products realized

1mm dynamic warping, and 5.99-inch flexible products realized dynamic floating appearance design. The OGM Tilt active-pen-based TPC product (the tablet PCs that supports metal mesh integrated touch technology and uses active pen) that realized initial release in the world achieved mass production in April; the 3.9mm MNT semi-set product, which is the thinnest in the world and first semi-integrated complete displayer product of BOE, succeeded in mass production; several types of innovative products were exhibited in domestic and overseas exhibitions, including the 7.56-inch QXGA Foldable (foldable product with resolution ratio being 2048 x 1536) that won Innovative Product and Application Award in 2018 China Electronic Information Expo (CITE). The construction of new production line was implemented as scheduled and realized phased target in advance; the 10.5th Generation BOE Hefei Production Line was completed in June; the pile foundation engineering of Kunming Microdisplay Project was completed on Jun. 25; the first 0.39-inch product was highlighted and realized SID sample display on May 23. The production capacity of the 8.5th Generation Chongqing and Fuzhou Production Lines reached a high respectively, with comprehensive yield rate improved continuously.

(2) IoT-Based Smart System

The Company innovated its iGallery business, optimized contents of APP function, and increased business performance rapidly, thus enjoying comparative growth of sales volume on moving base with 170%, newly developing 350,000 users, and increasing the amount of works transactions by fivefold. The layout of Smart Retail Business in China started to show effects; the cumulative number of brand owners and stores in market in regions as North China, Central China, Southern China and Sichuan, etc., reached 30 and 40 respectively. As for Smart Services, the Company optimized product structure, increased sales volume steadily, improved the sales ratio of high-efficient products as TVs and displayers, and made its new application business develop rapidly. In addition, BOE also promoted its project in progress steadily; for example, BOE Suzhou Industry Park Project was commenced successfully and Chongqing Smart Manufacturing Factory realized mass production. Moreover, Smart Energy PV Project achieved stable and high-efficient operation.

(3) Smart Healthcare Service

The Company defined business development strategy, focused on mobile healthcare products on the basis of Internet of health and life data, provided services as healthcare guidance, disease prevention and precision medicine through integrating digital hospitals, regenerative medicine and healthcare centers by virtue of life data, AI technology and professional medical team, and built an overall and full-life-circle healthcare service ecosystem. As for mobile healthcare, the Company focused on microfluidics, biological detection method and other technologies to independently research and develop biochips and family doctor equipment products, which form an integrated business development framework together with ecological chain products and APP service platform. For regenerative medicine, the Company completed establishing a system for heart diaphragm clinical research to promote animal experiment and clinical research. The operation preparation for Hefei BOE Hospital was in progress, and the Company continuously carried out on-line/off-line market promotion to improve its brand popularity; Chengdu BOE Hospital completed conceptual plan. For healthcare centers, the Company persisted in optimizing client structure continuously, and realized remarkable effect in project expansion. In addition, the Company also firmly promoted project planning for life science and technology industry base.

2. Matters Related to Financial Reporting

(1) Changes in Accounting Policies, Accounting Estimates or Measurement Methods Compared to Last Accounting Period

Applicable Not applicable

No such changes.

(2) Retrospective Restatements due to Correction of Material Accounting Errors in Reporting Period

Applicable Not applicable

No such cases.

(3) Changes in Scope of Consolidated Financial Statements Compared to Last Accounting Period

Applicable Not applicable

For the Reporting Period, the newly incorporated Beijing BOE Sensor Technology Co., Ltd., as well as Mianyang BOE Optoelectronics Co., Ltd. and SES Imagotag SA, both obtained by the Company through business combinations not under common control, were newly included into the Company's consolidated financial statements.

Chairman of the Board (signature): Mr. Wang Dongsheng

Date of the Board's approval of this Report: 24 August 2018