

Stock symbol: 000725, 200725

Stock name: BOE A, BOE B

Announcement No.: 2018-037

BOE TECHNOLOGY GROUP CO., LTD.

FIRST QUARTER REPORT 2018 (SHORT VERSION)

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Board as well as the Directors, Supervisors and senior management of BOE Technology Group Co., Ltd. (inclusive of its consolidated subsidiaries, the “Company”; exclusive of its subsidiaries, the “Parent Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions in this Report.

All the Company’s Directors have attended the Board meeting for the review of this Report.

Mr. Wang Dongsheng, the Company’s legal representative, Mr. Chen Yanshun, President of the Execution Committee (Chief Executive Officer) of the Company, 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 Financial Information

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

Yes No

Item	January-March 2018	January-March 2017	Change
Sales revenue (RMB)	21,566,813,037.00	21,854,974,362.00	-1.32%

Net income attributable to shareholders of the listed company (RMB)	2,018,692,554.00	2,413,015,650.00	-16.34%
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	966,342,404.00	2,301,442,129.00	-58.01%
Net cash flows from operating activities (RMB)	7,198,088,816.00	6,216,049,821.00	15.80%
Basic earnings per share (RMB/share)	0.058	0.069	-15.94%
Diluted earnings per share (RMB/share)	0.058	0.069	-15.94%
Weighted average return on equity (%)	2.35%	3.02%	-0.67%
Item	March 31, 2018	December 31, 2017	Change
Total assets (RMB)	262,729,417,350.00	256,108,741,849.00	2.59%
Equity attributable to shareholders of the listed company (RMB)	86,611,338,154.00	84,809,816,377.00	2.12%

Nonrecurring gains and losses:

Applicable Not applicable

Unit: RMB

Item	January-March 2018	Note
Gains and losses on disposal of non-current assets (inclusive of offset allowance for asset impairments)	2,268,256.00	N/A
Tax rebates, reductions and exemptions with ultra vires approval or in lack of duly approved document	0.00	N/A
Government subsidies charged to current profit and 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)	1,061,024,730.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current gains and losses	0.00	N/A
Income 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 assets of investees when making investments	0.00	N/A
Gains and losses on non-monetary asset swap	0.00	N/A
Gains and losses on investment or asset management entrustments to other entities	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	N/A
Gains and losses on debt restructuring	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	N/A
Gains and losses on over-fair value amount as a result of transactions with distinctly unfair prices	0.00	N/A
Current gains and losses on subsidiaries acquired through business mergers under same control from period-beginning to merger dates, net	0.00	N/A

Gains and losses on contingencies that do not arise in the Company's ordinary course of business	0.00	N/A
Gains and losses on changes in fair value of 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)	93,646,189.00	N/A
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	67,880.00	N/A
Gains and losses on loan entrustment	0.00	N/A
Gains and losses 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 gains and losses	0.00	N/A
Income from charges on entrusted management	0.00	N/A
Non-operating income and expense other than above	7,239,099.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	0.00	N/A
Less: Income tax effects	62,318,035.00	N/A
Non-controlling interests effects (net of tax)	49,577,969.00	N/A
Total	1,052,350,150.00	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

Applicable Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Top 10 Shareholders' Holdings at Period-End

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

Unit: share

Common shareholders at period-end	1,313,406 (including 1,275,197 A-share holders and 38,209 B-share holders)					
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares	
					Status	Shares
Beijing State-owned Capital Operation and Management	State-owned juridical	11.68%	4,063,333,333	0	N/A	0

Center	person						
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned juridical person	7.62%	2,653,000,041	0	N/A	0	
Hefei Jianxiang Investment Co., Ltd.	State-owned juridical person	7.21%	2,510,142,953	0	N/A	0	
Beijing Yizhuang Investment Holdings Limited	State-owned juridical person	3.57%	1,241,423,641	0	N/A	0	
Beijing BOE Investment & Development Co., Ltd.	State-owned juridical person	2.36%	822,092,180	0	N/A	0	
National Social Security Fund Portfolio 108	Other	1.27%	440,893,536	0	N/A	0	
Hong Kong Securities Clearing Company Ltd.	Other	1.01%	350,950,718	0	N/A	0	
Beijing Electronics Holding Co., Ltd.	On behalf of the government	0.79%	273,735,583	0	N/A	0	
Central Huijin Asset Management Co., Ltd.	Other	0.71%	248,305,300	0	N/A	0	
National Social Security Fund Portfolio 101	Other	0.69%	239,271,500	0	N/A	0	

Top 10 non-restricted shareholders

Name of shareholder	Non-restricted shares held at period-end	Type of shares	
		Type	Shares
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB common stock	4,063,333,333
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	2,653,000,041	RMB common stock	2,653,000,041
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB common stock	2,510,142,953
Beijing Yizhuang Investment Holdings Limited	1,241,423,641	RMB common stock	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB common stock	822,092,180
National Social Security Fund Portfolio 108	440,893,536	RMB common stock	440,893,536

Hong Kong Securities Clearing Company Ltd.	350,950,718	RMB common stock	350,950,718
Beijing Electronics Holding Co., Ltd.	273,735,583	RMB common stock	273,735,583
Central Huijin Asset Management Co., Ltd.	248,305,300	RMB common stock	248,305,300
National Social Security Fund Portfolio 101	239,271,500	RMB common stock	239,271,500
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 relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.</p>		
Shareholders conducting securities margin trading (if any)	N/A		

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common 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 Financial Statement Items and Explanation of why

Applicable Not applicable

1. Intangible assets as of March 31, 2018 increased 70% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period (January-March 2018).
2. Goodwill as of March 31, 2018 increased 268% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period.
3. Short-term borrowings as of March 31, 2018 decreased 30% compared to December 31, 2017, primarily driven by the repayment of certain bank loans in the Reporting Period.
4. Interest payable as of March 31, 2018 decreased 82% compared to December 31, 2017, primarily driven by the payment of interest on bonds and loans during the Reporting Period.
5. Deferred income as of March 31, 2018 increased 264% compared to December 31, 2017, primarily because the debt forgiveness received during the Reporting Period was considered governmental subsidies associated with assets and was thus recognized in deferred income.
6. Deferred income tax liabilities as of March 31, 2018 increased 59% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period.
7. Asset impairment losses went down 54% during the Reporting Period (January-March 2018) compared to the same period of last year (January-March 2017), primarily driven by a decrease in the inventory valuation allowance recorded for the Reporting Period according to the lower of cost and net realizable value.
8. Investment income went up 1434% during the Reporting Period compared to the same period of last year, primarily driven by the increase in income from investments in bank's wealth management products during the Reporting Period.
9. Other income went up 700% during the Reporting Period compared to the same period of last year, primarily driven by the increase in governmental subsidies during the Reporting Period.

II Progress, Influence and Solutions Associated with Significant Events

Applicable Not applicable

1. The Company respectively published Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-061) and Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-062) on November 22, 2017 and November 25, 2017. The Company's shareholder Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Optoelectronics Industry Investment Co., Ltd. were expected to reduce their holding shares no more than 1.00% of the company's general capital by means of the centralized bidding within 3 months after 15 business days upon the disclosure of such announcements. Up to January 15, 2018 and January 19, 2018, the above shareholders completed their reducing of holding shares.
2. On June 17, 2017, the Company issued Announcement on Purchasing Shares of SES-imagotag (NO.: 2017-036), the Company proposed to assign its wholly-owned subsidiary on its behalf to purchase more than 50.01% shares of SES and consolidate SES's financial statements together with the joint-venture company SPV established by the Company and the investment platform designated by the SES management. Up to March 16, 2018, SPV purchased 10,789,186 shares from SES in total by means of block trading and comprehensive offer, occupying 79.94% of SES's issued and outstanding shares, paid the total consideration Euros 323,675,580. Please refer to Announcement on Completing the Purchase of SES-imagotag Shares (NO.: 2018-017) issued on March 17, 2018 for

detailed information.

3. BOE Technology (HK) Limited, one of the Company's wholly-owned subsidiaries, filed a lawsuit before the Beijing High People's Court over a disputed sales contract against LeTV Mobile Intelligent Information Technology (Beijing) Co., Ltd. (hereinafter referred to as "LeTV Mobile"), LeTV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Mr. JiaYueting for approximately USD 41.84 million in total. The court issued the Case Acceptance Notice and the Civil Ruling for property preservation respectively on July 6, 2017 and July 31, 2017. The jurisdiction objection put forward by LeTV Mobile was rejected by the court, and has instituted an appeal on the ruling of such jurisdiction objection to the Supreme People's Court. Now, the absolute decree of the Supreme People's Court is pending. As for relevant receivables of this lawsuit, the Company has made relevant bad debt provision according to accounting standard. This case is now waiting for the court's trial. Therefore, its effects on the Company are uncertain.

4. The public corporate bonds (Phase 1) of BOE Technology Group Co., Ltd. in 2016 issued to qualified investors by BOE from March 21 to March 22, 2016 reach one year on March 21, 2017. The interest shall be settled once a year within interest accrual period based on the regulations. On March 16, 2018, BOE disclosed "16BOE01" 2017 Announcement of Interest Settlement (No.: 2018-016), specifying that the interest of 10 bonds is RMB31.5 (tax included).

Summary of significant event	Disclosure date	Index to related announcement
<i>Announcement on Investment in Construction of Chongqing 6th Generation AMILED (flexible) Production Line and on Related Transactions</i>	03/09/2018	www.cninfo.com.cn
<i>Announcement on Investment in Construction of Production Line for Wuhan Gaoshidai TFT-LCD and Its Matching Projects</i>	03/09/2018	www.cninfo.com.cn
<i>Announcement on Investment in BOE (Suzhou) Industrial Park</i>	03/09/2018	www.cninfo.com.cn

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

Applicable Not applicable

No such cases in the Reporting Period.

IV Operating Result Forecast for January-June 2018

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

Applicable Not applicable

V Securities Investments

√ Applicable □ Not applicable

Variety of security	Symbol of security	Name of security	Initial investment cost (RMB)	Opening holding (share)	Opening holding percentage	Closing holding (share)	Closing holding percentage	Closing book value (RMB)	Gain/loss in Reporting Period (RMB)	Accounting title	Source
Stock	HK00903	TPV Technology	134,658,158.00	24,360,191	1.04%	24,360,191	1.04%	18,985,975.00	196,070.00	Available-for-sale financial asset	Self-owned funds
Stock	SH600658	Electronic Zone	90,160,428.00	9,819,493	1.69%	9,819,493	1.23%	93,285,184.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK01963	Bank of Chongqing	120,084,375.00	25,195,000	0.93%	25,195,000	0.81%	123,121,264.00	0.00	Available-for-sale financial asset	Self-owned funds
Funds	BLK	BlackRock Global Allocation Fund A2 USD	4,004,297.00	16,989	0.06%	16,989	0.06%	6,019,693.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK06066	China Securities	70,041,364.00	11,387,500	0.16%	11,387,500	0.16%	59,570,389.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK01518	New Century Healthcare	141,558,280.00	21,550,000	4.49%	21,550,000	4.40%	187,139,483.00	0.00	Available-for-sale financial asset	Self-owned funds
Domestic/over seas stock	HK00948	Z-Obee Holdings Ltd.	0.00	145,306	0.02%	145,306	0.02%	266,360.00	0.00	Available-for-sale financial asset	Self-owned funds
Other securities investments held at the period-end			0.00	0	--	0	--	0.00	0.00	--	--
Total			560,506,902.00	92,474,479	--	92,474,479	--	488,388,348.00	196,070.00	--	--
Disclosure date of announcement on Board's consent for securities investment			N/A								

Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)	N/A
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VI Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII 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
01/10/2018	By one-on-one meeting	Institution	Main content discussed: 1. Performance of the Company and industrial situation; 2. Main operating information of the Company; 3. Technology and product innovation 4. Future strategic layout. See www.cninfo.com.cn for details.
01/15/2018	By one-on-one meeting	Institution	
01/16/2018	By one-on-one meeting	Institution	
01/17/2018	By one-on-one meeting	Institution	
01/19/2018	By phone	Institution	
01/22/2018	By one-on-one meeting	Institution	
01/24/2018	By one-on-one meeting	Institution	
01/25/2018	By one-on-one meeting	Institution	
03/01/2018	By one-on-one meeting	Institution	
03/07/2018	By one-on-one meeting	Institution	
03/08/2018	By one-on-one meeting	Institution	
03/09/2018	By one-on-one meeting	Institution	
03/12/2018	By one-on-one meeting	Institution	
03/13/2018	By one-on-one meeting	Institution	
03/14/2018	By one-on-one meeting	Institution	
03/15/2018	By one-on-one meeting	Institution	
03/16/2018	By one-on-one meeting	Institution	
03/20/2018	By one-on-one meeting	Institution	
03/21/2018	By one-on-one meeting	Institution	
03/22/2018	By one-on-one meeting	Institution	
03/23/2018	By phone	Institution	
03/26/2018	By phone	Institution	
03/29/2018	By phone	Institution	

VIII Irregularities in Provision of Guarantees for External Parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Money by Its Controlling Shareholder or 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: April 23, 2018