

Stock Code: 000725, 200725

Stock Name: BOE-A, BOE-B

Announcement No. 2019-021

BOE TECHNOLOGY GROUP CO., LTD.

ANNUAL REPORT 2018 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2018 Annual 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 position 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 BOE Technology Group Co., Ltd. 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.

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

The Board has approved a final dividend plan for the ordinary shareholders for the Reporting Period. A cash dividend of RMB0.30 (tax inclusive) per 10 shares is to be distributed to all the shareholders, with no bonus issue from either profit or capital reserves.

This Report has been prepared as per the Chinese Accounting Standards for Business Enterprises and other relevant regulations.

KPMG Huazhen LLP has issued an independent auditor’s report with unmodified unqualified opinion for the Company.

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	--
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Tel.	010—64318888 ext.	--
E-mail address	liuhongfeng@boe.com.cn	--

2. Principal Activities or Products in the Reporting Period

Founded in April 1993, BOE Technology Group Co., Ltd. (“BOE”) is an IoT company providing intelligent interface products and services for information interaction and human health. In order to further promote the IoT transformation, satisfy different IoT application needs, and sharpen its competitive edges in market segments, BOE has restructured itself in 2018 into three major business divisions with seven business groups. Meanwhile, to further strengthen core marketing and technology abilities, as well as stimulate faster growth in the three business divisions of interface devices (D), smart IoT (S) and Smart Medicine and Engineering (H), specialized organizations have been set up, including the B2B Chief Sales Platform Officer, the OMO Chief Sales Platform Officer, the Branding and Global Market Center, the Information Technology Development Center, and the IoT AI&Big Data Center.

1. Interface Devices (D)

Division D consists of the Display and Sensor BG, and the Sensor and Application Solution BG. The Display and Sensor BG designs and manufactures related devices with a B2B model. The display device business offers TFT-LCD, AMOLED, Microdisplay and other intelligent interface devices for smartphones, tablet PCs, laptops, monitors, TVs, vehicles, electronic signs, tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, etc. And the sensor device business provides integrated design and manufacturing services of sensor devices for use in medical detection, household detection, communication and transportation, smart homes, etc. The Sensor and Application Solution BG provides sensor system solutions for B2B customers of medical imaging, microfluidics, smart screens, new antennas, home security, Mini LED and the like, with products including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, identification systems, etc.

2. Smart IoT (S)

Division S is divided into the Intelligent Manufacturing Service BG, the IoT Solution BG and the Digital Art IoT Platform BG. The Intelligent Manufacturing Service BG designs and manufactures, for its global B2B partners, the most competitive whole-widged smart manufacturing solutions of TVs, monitors, whiteboards, electronic signs, commercial display products, electronic tags, mobile terminals, among others. The IoT Solution BG offers software-and-hardware integrated solutions like supermarket retail solutions, marketing solutions, imaging solutions, smart conference solutions, context interaction solutions, handler advertisement solutions, education signal transmission solutions and smart microgrid solutions for B2B customers in IoT market segments such as smart retail, smart finance, digital hospitals, smart business offices, smart homes, smart transportation, smart education and smart energy. The

Digital Art IoT Platform BG with a B2C IoT platform model is committed to brightening everyday life with the beauty of art and offering the best user experience. The featured product, BOE iGallery, integrates terminal products with an App, as well as voice interaction and other information technologies with digital art, providing users with various services including artistic appreciation, art knowledge, art mall and visual aesthetics. It helps introduce art to everyone and unveils more beauty of art.

3. Smart Medicine and Engineering (H)

Division H includes the Mobile Healthcare IoT Platform BG and the Smart Healthcare Service BG. The Mobile Healthcare IoT Platform BG with a B2C IoT platform model, integrating smart terminals and apps, as well as based on AI and big data algorithms, enables users to enjoy personalized healthcare services without leaving home, including vital signs monitoring and analysis, AI-based disease risk prediction, health courses from experts, online diagnosis and registration for medical examination. The Smart Healthcare Service BG covers digital hospitals, digital human body, regenerative medicine, healthcare parks, etc. It offers B2C customers online-and-offline integrated professional healthcare services focused on digital medical care and supplemented by smart nursing home and healthcare park integrated solutions, as well as by industrial park operations and the like.

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

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

√ Yes □ No

Reason for retrospective restatement: accounting policy changes

Item	2018	2017		2018-over-2017 change (%)	2016	
		Original	Restated	Restated	Original	Restated
Operating revenue (RMB)	97,108,864,935.00	93,800,479,215.00	93,800,479,215.00	3.53%	68,895,658,963.00	68,895,658,963.00
Net profit attributable to the listed company's shareholders (RMB)	3,435,127,975.00	7,567,682,493.00	7,567,682,493.00	-54.61%	1,882,571,674.00	1,882,571,674.00
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	1,517,702,353.00	6,679,211,138.00	6,679,211,138.00	-77.28%	12,534,878.00	12,534,878.00
Net cash generated from/used in operating activities (RMB)	25,684,047,196.00	26,266,986,015.00	26,726,929,655.00	-3.90%	10,073,287,120.00	10,813,865,197.00
Basic earnings per share (RMB/share)	0.10	0.22	0.22	-54.55%	0.05	0.05
Diluted earnings per share (RMB/share)	0.10	0.22	0.22	-54.55%	0.05	0.05
Weighted average return on equity (%)	4.00%	9.25%	9.25%	-5.25%	2.40%	2.40%

Item	31 December 2018	31 December 2017		Change of 31 December 2018 over 31 December 2017 (%)	31 December 2016	
		Original	Restated		Restated	Original
Total assets (RMB)	304,028,491,385.00	256,108,741,849.00	256,108,741,849.00	18.71%	205,135,011,042.00	205,135,011,042.00
Equity attributable to the listed company's shareholders (RMB)	85,856,748,703.00	84,809,816,377.00	84,809,816,377.00	1.23%	78,699,988,493.00	78,699,988,493.00

Reason for accounting policy changes and situation for accounting error corrects:

According to relevant interpretations of stipulated in CK [2018] No.15, the Group will adjust the government subsidies received related to assets from "cash inflows from investing activities" to "cash inflows from operating activities" and present.

(2) Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Operating revenue	21,566,813,037.00	21,907,091,929.00	25,990,508,323.00	27,644,451,646.00
Net profit attributable to the listed company's shareholders	2,018,692,554.00	956,513,946.00	403,860,235.00	56,061,240.00
Net profit attributable to the listed company's shareholders before exceptional items	1,238,599,228.00	264,421,249.00	362,034,925.00	-347,353,049.00
Net cash generated from/used in operating activities	7,198,088,816.00	4,241,517,030.00	6,857,996,566.00	7,386,444,784.00

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes No

4. Share Capital and Shareholder Information at the Period-End

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

Unit: share

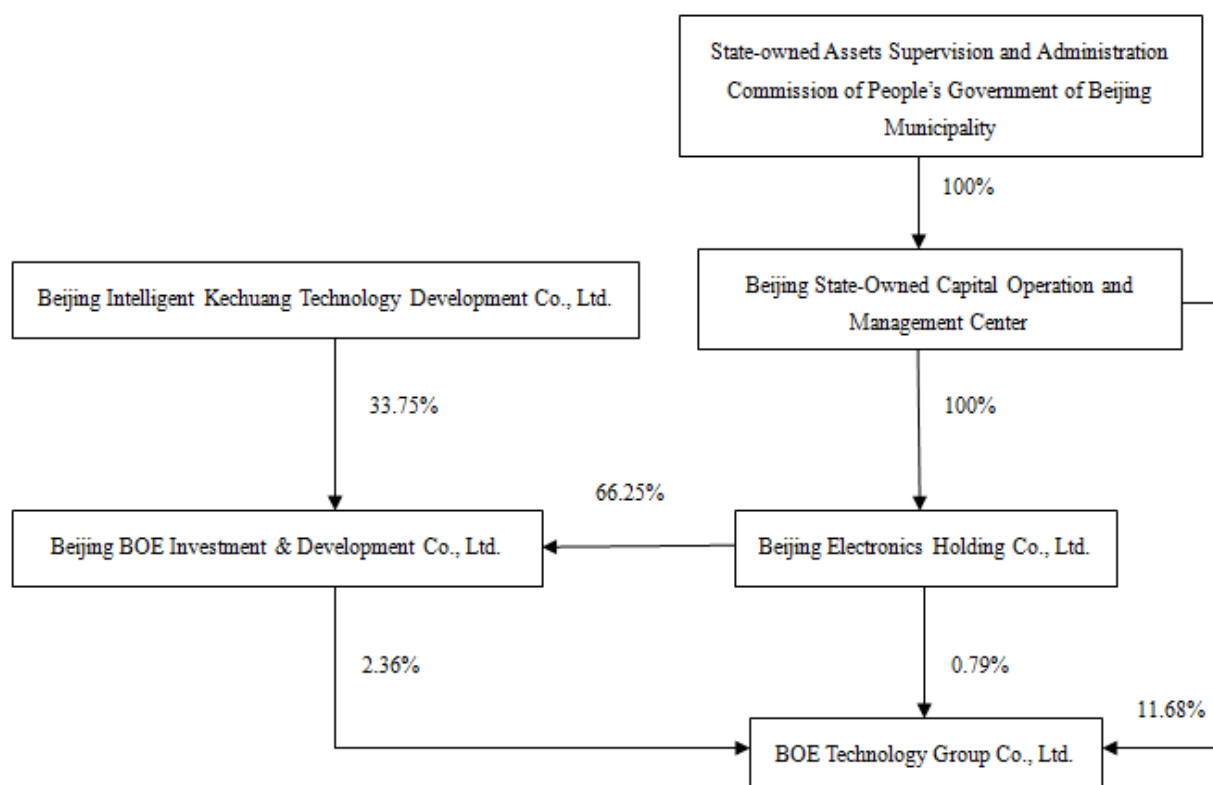
Number of ordinary shareholders	1,437,415 (including 1,397,946 A-shareholders and 39,469 B-shareholders)	Number of ordinary shareholders at the month-end prior to the disclosure of this Report			1,567,375 (including 1,527,778 A-shareholders and 39,597 B-shareholders)	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Restricted shares held	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	1.39%	483,208,365	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 Life Insurance Company Ltd.-dividends-individual dividends-005L-FH002 Shen	State-owned legal person	0.42%	144,840,427	0	N/A	0
China Securities Finance Corporation Limited	State-owned legal person	0.38%	132,480,249	0	N/A	0
Related or acting-in-concert parties among the 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 Ezcapital Opto-electronics Industry 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 involved in securities margin trading (if any)	None					

(2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

No preferred shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company

Notes: 1. Beijing Intelligent Kechuang Technology Development Co., Ltd. (Intelligent Kechuang) is used as a platform for the Company to implement equity incentives for its core technical and managerial personnel, who are the 20 nominal shareholders of Intelligent Kechuang. The ratios of their capital contributions to Intelligent Kechuang do not represent their actual equity percentage. The equities of Intelligent Kechuang are jointly owned by the awardees of the Company's equity incentive plans. The capital contribution ratios of the said 20 people are as follows: Wang Dongsheng 20%, Jiang Yukun 10%, Liang Xinqing 10%, Zhao Caiyong 6.667%, Shi Dong 6.667%, Chen Yanshun 6.667%, Song Ying 6.667%, Han Guojian 6.667%, Gong Xiaoqing 3.333%, Wang Yanjun 3.333%, Wang Jiaheng 3.333%, Liu Xiaodong 3.333%, Ren Jianchang 1.667%, Sun Jiping 1.667%, Zhang Peng 1.667%, Wang Aizhen 1.667%, Mu Chengyuan 1.667%, Xu Yan 1.667%, Hua Yulun 1.667% and Zhong Huifeng 1.667%.

2. When the Company completed a private offering of shares in 2014, Beijing State-Owned Capital Operation and Management Center transferred its 70% stake directly held in the Company to Beijing Electronics Holding Co., Ltd. for managing through a Shares Management Agreement, and Beijing Electronics Holding Co., Ltd. obtained the shareholder's rights other than the disposal and earnings rights attached to the 70% stake; and Beijing State-Owned Capital Operation and Management Center agreed in a Voting Rights Exercise Agreement to align itself with Beijing Electronics Holding Co., Ltd. when exercising its voting rights of the remaining 30% stake directly held by it in the Company.

5. Corporate Bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding 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	Maturity	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	21 March 2021	1,000,000	3.15%

Interest payment during the Reporting Period	On 21 March 2019, the Company completed the 2018 annual interest payout for the qualified investors of its 2016 corporate bonds and put-back.
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(2) Latest Rating and Rating Change

On 23 June 2017, United Credit Ratings Co., Ltd. (hereinafter referred to as "United Ratings") issued *the Tracking Rating Report of the 2017 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. On 24 June 2017, the tracking rating report of the current bonds by the United Ratings will be disclosed on www.szse.cn and www.unitedratings.com.cn with the public disclosure date of www.szse.cn not later than that of other trading places, media or other places.

On 20 June 2018, United Ratings issued *the Tracking Rating Report of the 2018 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. On 22 June 2018, the tracking rating report of the current bonds by the United Ratings will be disclosed on www.szse.cn and www.unitedratings.com.cn with the public disclosure date of www.szse.cn not later than that of other trading places, media or other places.

Before 26 May 2019, United Ratings will issue *the Tracking Rating Report of the 2019 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.* The Company will disclose the tracking rating analysis report on www.szse.cn in time. And please investors pay attention to it.

(3) Selected Financial Information of the Company for the Past Two Years

Unit: RMB'0,000

Item	2018	2017	Change
Debt/asset ratio	60.41%	59.28%	1.13%
Debt/EBITDA ratio	18.26%	23.73%	-5.47%
Interest cover (times)	1.62	3.89	-58.35%

Part III Operating Performance Discussion and Analysis

1. Business Overview of the Reporting Period

Is the Company subject to any industry-specific disclosure requirements?

No.

In 2018, the global economic environment was complicated. China's economic development entered into a new normal featuring a slower growth speed, structure optimization and driving force shift, transforming from an economy that is based on high-speed growth to one that relies on high-quality development; the fourth industrial revolution represented by IoT, AI, big data and life science and technology has come. Cross-field integration trend was obvious, and software-hardware integration and application integration and other innovative driving forces promoted the industry upgrading. The semi-conductor display industry entered into the adjustment phase in the second half of last year. Demands were weak in five major markets of the smart phone display screen, table PCs display screen, laptop display screen, monitors' display screen and TV display screen. As a result, prices of products of all sizes, especially TV display screen, were adjusted greatly. The expansion of flexible AMOLED markets was not realized as expected, and the fast release of production capacity made market competition fiercer.

2018 was a key year of BOE's innovative transformation towards an IoT company. The Company innovatively put forward the strategic thought of "Three Aspects of Rebalance" (i.e. realizing rebalance of heavy assets and light assets under the new normal of

economy of China; realizing rebalance of market opportunity and capacity rebuilding under the fourth industrial revolution; realizing rebalance of trade under the global political and economic new pattern) for deep thinking, divided the three major business divisions of Interface devices, smart IoT and Smart Medicine and Engineering into seven business groups (i.e. Display and Sensor BG, Sensor and Application Solution BG, Intelligent Manufacturing Service BG, IoT Solution BG, digital artbusiness group, Mobile Healthcare IoT Platform BG, Smart Healthcare Service BG) to meet demands of subdivided application supermarkets under the IoT context. Besides, BOE established B2B Chief Sales Platform Officer and OMO Chief Sales Platform Officer, enhanced client exploration and maintenance, established brand and global market promotion center, strengthened brand and market promotion, subdivided IT organization into CIO organization and information technology research development center to further improve information technology capacity. While perfecting the new system, BOE seized market opportunities, deeply explored subdivided markets, strengthened technical development, adjusted product structure, and enhanced lean management. As a result, for the year under review, BOE recorded operating revenue of about RMB97.1 billion and a net profit attributable to the listed company's shareholders of about RMB3.44 billion. Its operating performance still ranked among the top in the industry.

(I) The three major business divisions of D, S and H maintained fast development.

The shipment of complete display panels was ranking the first place in the world; Five major products of smart phone LCD, table PCs display screen, laptop display screen, displayer display screen and TV display screen realized the continuous improvement in market share, ranking the first place in the world. The first TFT-LCD Production Line of the highest generation in the world-- the 10.5th Generation BOE Hefei TFT-LCD Production Line realized fast improvement of the capacity and yield; The first AMOLED (flexible) production in the Mainland of China - Chengdu 6th generation of AMOLED (flexible) production line realized steady improvement of yield and supply for first-tire brand manufacturers; Planning and construction of Chongqing 6th generation of AMOLED (flexible) production, Mianyang 6th AMOLED (flexible) production line proceeded as scheduled; BOE announced to invest in the 4th AMOLED (flexible) production line - Fuzhou 6th generation of AMOLED (flexible) production line, further improving the capacity of BOE in supplying interface devices. Shipment quantity of smart service products was improved steadily. Shipment of complete machine of TV / displayers realized 18 million sets, ranking the 3rd and 4th place in the world respectively. Layout of the Life Science and Technology Industry Base was made quickly.

(II) Progress was made in innovation subdivision and application market exploration.

A significant growth was made in shipment and revenue of innovative products of Display and Sensor BG; Sensor and Application Solution BG realized a year-on-year growth of 200% of revenue and annual shipment growth of about 350% of the X-ray flat panel detector; Digital Art IoT Platform BG realized new users of about 123,000, enjoying a year-on-year growth of 6 times. Its platform works realized one million pieces, realizing work promotion quantity of more than five million times. What's more, it also established ITU international standards for digital artwork image display system, promoted AI voice painted screen, enhancing market influences and establishing its ecology in the industry preliminarily; In terms of commercial display products, many

benchmark projects have been finished and realized year-on-year growth of one time of revenue; Its smart retail electronic tag business occupied 50% of the market share, serving about 17,000 stores in 61 countries and regions. Quantity of stores newly developed in China increased quickly; Smart sleep instrument, portable ECG monitor and body fat scale and other products have been launched on the market successively; Mobile healthcare APP 3.0 was launched successfully; The independently planned and constructed Hefei BOE Hospital was put into use.

(III) Technical innovation ability kept improving.

The number of patent applications kept growing rapidly, and 9,585 new patents were applied for in the whole year, including 38% of overseas patents applied for. More than 4,000 patents in key fields such as OLED, sensing, AI, big data, etc. were applied for. More than 4,800 patents were recognized, including over 1,600 patents recognized by America; IFI Claims showed that the quantity of patents of BOE recognized by America ranked the 17th place in 2018 from the 21st place in 2017.

2. Significant Change to Principal Activities in the Reporting Period

Yes No

3. Product Category Contributing over 10% of Principal Business Revenue or Profit

Applicable Not applicable

Unit: RMB

Product category	Operating revenue	Operating profit	Gross profit margin	YoY change in operating revenue (%)	YoY change in operating profit (%)	YoY change in gross profit margin (%)
Interface devices	86,688,426,362.00	3,610,711,877.00	18.86%	1.81%	-63.60%	-5.85%
Smart IoT	17,499,500,352.00	101,837,331.00	11.03%	12.03%	-200.33%	3.62%

4. Business Seasonality to which Special Attention should Be Paid

Yes No

5. Significant YoY Changes in Operating Revenue, Cost of Sales and Net Profit Attributable to the Listed Company's Ordinary Shareholders or Their Compositions

Applicable Not applicable

6. Possibility of Listing Suspension or Termination

Applicable Not applicable

7. Matters Related to Financial Reporting

(1) YoY Changes to Accounting Policies, Accounting Estimates or Measurement Methods

Applicable Not applicable

Changes in accounting policies and reasons:

The Ministry of Finance issued the following interpretations and revisions of Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") in 2017 and 2018:

Notice on Revision and Issuing of Financial Statement Formats for General Enterprises in 2018 (CK [2018] No.15) and relevant interpretations

The Group begins to implement above-mentioned interpretations and revisions of ASBE from 1 January 2018 and adjusts relevant contents of accounting policies.

The main effects of adopting above-mentioned interpretations and revisions of ASBE by the Group are as follows:

(a) Interpretation No.9- 12

The Group adjusts relevant accounting policies in accordance with regulations stipulated in Interpretation No.9-12 governing the accounting treatment of net investment losses under the equity method, depreciation and amortization method for fixed assets and intangible assets, and identification and disclosure of related parties the key management personnel serves.

The adoption of interpretation No.9-12 makes significant effects on the Company's financial situation and operating results.

(b) Presentation of Financial Statements

The Group prepares the 2018 Financial Statements in accordance with the financial statement formats stipulated in CK [2018] No.15 and relevant interpretations and adjusts the presentation of comparative financial statements by retrospective adjustment method.

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

Applicable Not applicable

No such cases.

(3) YoY Changes to the Scope of Consolidated Financial Statements

Applicable Not applicable

During the Reporting Period, the Group incorporated 6 new subsidiaries, that is, Beijing BOE Sensor Technology Co., Ltd., Mianyang BOE Optoelectronics Co., Ltd., SES Imagotag SA, Beijing BOE Yiyun Technology Co., Ltd, Wuhan BOE Optoelectronics Technology Co., Ltd., and Chongqing BOE Display Technology Co., Ltd, with the Company respectively holding 100%, 81.35%, 73.93%, 95.92%, 14.58% and 38.46% interests in them.

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

Date of the Board's approval of this Report: 23 March 2019