

BOE TECHNOLOGY GROUP CO., LTD.

ABSTRACT OF THIRD QUARTER REPORT 2016

Section I Important Statements

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of BOE Technology Group Co., Ltd. (hereinafter referred to as “the Company”) warrant that the contents carried in this report are without any false record, misleading statement or material omission. And they shall be severally and jointly liable for the authenticity, accuracy and completeness.

All the directors attended the board meeting for the review of this Report.

Mr. Wang Dongsheng, Board Chairman, Mr. Chen Yanshun, President of the Executive Committee (CEO), Ms. Sun Yun, accounting head for the Report, and Ms. Yang Xiaoping, head of the accounting organ (head of accounting), hereby guarantee that the Financial Report carried in the Report is 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.

Section II Financial Highlights & Shareholder Changes

I Highlights of accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

☐ Yes ☒ No

Item	30 September 2016	31 December 2015	+/- (%)	
Total assets (RMB Yuan)	175,175,152,927.00	152,592,894,442.00	14.80%	
Net assets attributable to shareholders of the Company (RMB Yuan)	77,142,699,064.00	77,485,275,564.00	-0.44%	
Item	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB Yuan)	19,393,595,018.00	44.19%	45,841,905,735.00	25.87%

Net profit attributable to shareholders of the Company (RMB Yuan)	657,140,380.00	1494.35%	140,667,962.00	-92.94%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB Yuan)	509,396,071.00	403.10%	-1,800,301,317.00	-227.83%
Net cash flows from operating activities (RMB Yuan)	--	--	6,548,148,538.00	-16.41%
Basic earnings per share (RMB Yuan /share)	0.019	1,800.00%	0.004	-92.98%
Diluted earnings per share (RMB Yuan /share)	0.019	1,800.00%	0.004	-92.98%
Weighted average return on equity	0.85%	0.80%	0.18%	-2.41%

Unit: RMB Yuan

Item	January-September 2016	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-2,753,840.00	N/A
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents	0.00	N/A
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	1,791,803,165.00	N/A
Capital occupation charges on non-financial enterprises that recorded into current gains and losses	0.00	N/A
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments	105,228,293.00	N/A
Gain/loss on non-monetary asset swap	0.00	N/A
Gain/loss on entrusting others with investments or asset management	0.00	N/A
Asset impairment provisions due to acts of God such as natural disasters	0.00	N/A
Gain/loss on debt restructuring	0.00	N/A
Expenses for business reorganization, such as expenses for staffing, reorganization etc.	0.00	N/A
Gain/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	N/A
Current gains and losses of subsidies acquired from business combination under the same control as from period-begin to combination date	0.00	N/A

Gain/loss on contingent events irrelevant to the Company's normal business	0.00	N/A
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales, except for effective hedging related with normal businesses of the Company	131,735,488.00	N/A
Reversal of impairment provisions for the accounts receivable on which impairment tests were carried out separately	0.00	N/A
Gain/loss on external entrustment loans	0.00	N/A
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method	0.00	N/A
Effect on current gains/losses when a one-off adjustment is made to current gains/losses according to requirements of taxation, accounting and other relevant laws and regulations	0.00	N/A
Custody fee income when entrusted with operation	0.00	N/A
Non-operating incomes and expenses other than the above	24,651,172.00	N/A
Other gain/loss items that meet the definition of an extraordinary gain/loss	0.00	N/A
Less: Income tax effects	79,626,752.00	N/A
Minority interests effects (after tax)	30,068,247.00	N/A
Total	1,940,969,279.00	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

II Total number of shareholders and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	1,305,144 (Of which there were 1,258,749 Share A shareholders and 46,395 Share B shareholders)	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0
Shareholdings of top 10 shareholders			

Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
Beijing State-owned Capital Management Center	State-owned Corporation	11.56%	4,063,333,333	4,063,333,333		
Chongqing Capital Photoelectricity Investment Co., Ltd.	State-owned Corporation	8.53%	3,000,000,000	3,000,000,000	Pledged	955,000,000
Hefei Jianxiang Investment Co., Ltd.	State-owned Corporation	8.13%	2,857,142,857	2,857,142,857		
Hua An Fund – ICBC - Zhongrong International Trust – Zhongrong - RJ No. 1 Assembled Funds Trust Plan	Other	4.45%	1,564,126,904	0		
China Securities Finance Corporation Limited	Other	2.74%	963,281,982	0		
Beijing BOE Investment & Development Co., Ltd.	State-owned Corporation	2.34%	822,092,180	0		
Beijing Economic-Technological Investment & Development Corp.	State-owned Corporation	1.93%	677,423,641	0		
Hefei Raycom Projects Investment Co., Ltd.	State-owned Corporation	1.92%	675,026,803	0		
Beijing BDA Technological Investment Development Co., Ltd.	Other	1.60%	564,000,000	0		
Beijing Electronics Holdings Co., Ltd.	Nation	0.78%	273,735,583	0		
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder		Number of non-restricted shares held at the period-end		Type of shares		
				Type	Number	
Hua An Fund - ICBC - Zhongrong International Trust - Zhongrong - RJ No. 1 Assembled Funds Trust Plan		1,564,126,904		RMB ordinary shares		1,564,126,904
China Securities Finance Corporation Limited		963,281,982		RMB ordinary shares		963,281,982
Beijing BOE Investment & Development Co., Ltd.		822,092,180		RMB ordinary shares		822,092,180
Beijing Economic-Technological Investment & Development Corp.		677,423,641		RMB ordinary shares		677,423,641
Hefei Raycom Projects Investment Co., Ltd.		675,026,803		RMB ordinary shares		675,026,803

Beijing BDA Technological Investment Development Co., Ltd.	564,000,000	RMB ordinary shares	564,000,000
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary shares	273,735,583
Central Huijin Investment Ltd.	248,305,300	RMB ordinary shares	248,305,300
China Life Insurance Co., Ltd. – Traditional - General Insurance Products - 005L- CT001S	143,320,047	RMB ordinary shares	143,320,047
Chongqing Jiangbeizui CBD Investment Group Co., Ltd.	107,095,238	RMB ordinary shares	107,095,238
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	<p>1. Beijing State-owned Capital Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd..</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% shares of Beijing BOE Investment & Development Co., Ltd., which was the controlling shareholder of the latter.</p> <p>3. Beijing Economic-Technological Investment & Development Corp. held 49% shares of Beijing BDA Technological Investment Development Co., Ltd., the above mentioned companies were both controlled by the Beijing Economic - Technological Development Area Administration Committee and were the persons acting in concert.</p> <p>4. When the Company completed private offering of shares in 2014, Hefei Jianxiang Investment Co., Ltd., Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. maintained unanimous according to the declaration of intention from Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders of the Company through the agreement of the Voting Rights Exercising Agreement</p> <p>5. When the Company completed private offering of shares in 2014, Beijing State-owned Capital Operation and Management Center transferred the 70% shares directly held to Beijing Electronic Shareholding Co., Ltd. for managing through Shares Management Protocol, and Beijing Electronic Shareholding Co., Ltd. acquired the shareholders rights except for the disposition rights and equity rights attached to the equities; Beijing State-owned Capital Operation and Management Center maintained its voting rights of the rest 30% equity directly held by itself in accordance with Beijing Electronic Shareholding Co., Ltd. through the agreement of the Voting Rights Exercising Agreement.</p> <p>6. Chongqing Jiangbeizui CBD Investment Group Co., Ltd. held 12.25% equities of Chongqing Capital Photoelectricity Investment Co., Ltd. without being its controlling shareholder that was not the person acting in concert.</p> <p>7. 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>		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

☐ Yea ☒ No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

☐ Applicable ☒ Not applicable

Section III Significant Events

I Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Period-end/ Current period	Period-beginning/ Same period of last year	+/- (%)	Main reason for change
Notes receivable	1,219,908,043.00	362,053,092.00	237%	Notes were adopted more often in settlement.
Accounts receivable	13,672,569,024.00	8,192,514,361.00	67%	The sales revenue increased.
Long-term equity investments	2,002,226,109.00	1,260,302,959.00	59%	New investments
Short-term borrowings	1,508,353,191.00	5,091,974,830.00	-70%	Some bank loans were repaid.
Accounts paid in advance	593,145,184.00	226,447,504.00	162%	Advances to suppliers increased.
Accounts received in advance	629,706,242.00	386,538,903.00	63%	Advances from customers increased.
Other non-current assets	5,730,110,656.00	347,851,674.00	1547%	Prepayments for engineering and equipment increased.
Accounts payable	13,616,736,221.00	9,849,935,031.00	38%	Procurement increased as the Company was expanding.
Non-current liabilities due within one year	3,737,502,774.00	2,283,535,113.00	64%	Some long-term borrowings became due within one year.
Operating costs	39,817,142,861.00	28,386,284,793.00	40%	The sales increased.
Finance costs	1,840,072,506.00	1,049,846,691.00	75%	Increase in exchange loss and expensed interest
Non-operating revenue	1,933,773,186.00	655,288,420.00	195%	Increase in government subsidy

Corporate income tax	120,127,244.00	495,093,867.00	-76%	Decrease in earnings of the display device division as a result of the market decline
Net cash flows from financing activities	11,139,226,214.00	3,467,008,440.00	221%	A cash inflow due to the arrival of the funds raised through corporate bonds
Net increase in cash and cash equivalents	321,154,728.00	-3,886,230,683.00	108%	A cash inflow due to the arrival of the funds raised through corporate bonds

II Progress on significant events, as well as the influence and solutions

√ Applicable □ Not applicable

1. The Company disclosed the Announcement on the Resolution of the 3rd Session of the 8th Board of Directors on 28 July 2016 (Announcement No.: 2016-054), which approved the Proposal on the Capital Increase for Beijing BOE Energy Technology Co., Ltd. and the Company planned to increase the capital of Beijing BOE Energy Technology Co., Ltd. of RMB 0.8 billion Yuan by the self-owned funds for the investment on the ground construction/distributed photovoltaic power station projects with the specific information on the Announcement on the Capital Increase for Beijing BOE Energy Technology Co., Ltd. disclosed on 28 July 2016 (Announcement No.: 2016-055).
2. The Company disclosed the Announcement on the Resolution of the 3rd Session of the 8th Board of Directors on 28 July 2016 (Announcement No.: 2016-054), which approved the Proposal on Investment Adjustment to Generation 10.5 TFT-LCD Production Line Project and the Company planned to change the registered capital structure, the way of contribution and the arrival progress of the registered capital of the project with the specific information on the Announcement on Investment Adjustment to Generation 10.5 TFT-LCD Production Line Project disclosed on 28 July 2016 (Announcement No.: 2016-056).
3. On 15 July 2016, the Company disclosed the Preplan of Repurchasing Part of the Social Public Shares of the Company, which had been reviewed and approved by the 2016 3rd Extraordinary General Meeting. On 20 September, the Company executed the repurchase of part of the social public shares in the first time and up to 30 September, the Company accumulatively repurchased 21,129,700 shares of the Share A, with the specific information on the Announcement on the Progress of Repurchasing Part of the Social Public Shares disclosed on 11 October (Announcement No.: 2016-069).
4. On 20 August 2016, the Company disclosed the Announcement on the Resolution of the 2016 3rd Extraordinary General Meeting (Announcement No.: 2016-060), which elected Mr. Li Xuan as the Independent Director of the 8th Board of Directors of the Company.

Summary of the significant events	Disclosure date	Index of the interim report disclosure website
Announcement on Participating the Share Offering of Zhejiang Shengyang Technology Co., Ltd. and the Assets Purchasing Projects by Cash	20 Sep. 2016	www.cninfo.com.cn
Announcement on the Voluntarily Information Disclosure on Signing the Development Financial Cooperation Agreement	28 Sep. 2016	www.cninfo.com.cn

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform	N/A					
Commitments made in acquisition documents or shareholding alteration documents	N/A					
Commitments made in time of asset restructuring	N/A					
Commitments made in time of IPO or refinancing	Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Capital Photoelectricity Investment Co., Ltd.	Commitment concerning restricted shares	The shares acquired from this subscription shall not be transferred within 36 months from the first trading date of these newly increased shares in the private placement by the issuer.	8 Apr. 2014	36 months	In execution
	Hefei Raycom Projects Investment Co., Ltd.	Commitment concerning restricted shares	Voluntarily committed to lock up the whole held shares of the Company of 24 months since 9 January 2014.	9 Jan. 2014	24 months	Fulfilled
Commitments concerning stock ownership incentive	N/A					
Other commitments made to minority shareholders	Beijing Electronics Holdings Co., Ltd.	Commitment concerning	Committed not to decrease the shareholding during the shareholding increase execution period	31 Jul. 2015	6 months	Fulfilled

		others	and within 6 months after the completion of the execution of 231,700 unrestricted RMB ordinary shares increased by the directional asset plan.			
	Beijing BOE Investment Development Co., Ltd.	Commitment concerning others	Committed not to decrease the shareholding during the shareholding increase execution period and within 6 months after the completion of the execution of 6,311,100unrestricted RMB ordinary shares increased by the directional asset plan.	24 Aug. 2015	6 months	Fulfilled
	Whole Directors, Supervisors and Senior Executives	Commitment concerning others	Committed not to decrease the shareholding of the Company's shares within the future 6 months since 11 July 2015.	11 Jul. 2015	6 months	Fulfilled
	Beijing Electronics Holdings Co., Ltd., Beijing BOE Investment Development Co., Ltd., Hefei Raycom Projects Investment Co., ltd.	Commitment concerning others	Committed not to decrease the shareholding of the Company's shares within the future 6 months since 28 Jan 2016.	28 Jan. 2016	6 months	Fulfilled
	Beijing BDA Technological Investment Development Co., Ltd.	Commitment concerning others	Committed not to decrease the shareholding of the Company's shares within the future 6 months since 14 February 2016.	14 Feb. 2016	6 months	Fulfilled
Executed on time	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step	N/A					

IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

☐ Applicable ☒ Not applicable

V Securities investments

√ Applicable □ Not applicable

Variety of securities	Code of securities	Name of securities	Initial investment cost	Opening number of shares held	Opening shareholding percentage	Closing number of shares held	Closing shareholding percentage	Closing book value	Profit/loss in the Reporting Period	Accounting title	Source of securities
Stock	HK00903	TPV Technology	134,658,158.00	24,360,191	1.04%	24,360,191	1.04%	28,943,283.00	205,296.00	Financial assets available-for-sale	Subscribe
Stock	SH600658	Electronic Zone	90,160,428.00	9,819,493	1.69%	9,819,493	1.69%	120,386,984.00	2,641,444.00	Financial assets available-for-sale	Stock-for-stock
Stock	HK01963	Bank of Chongqing	120,084,375.00	25,195,000	0.93%	25,195,000	0.93%	137,929,704.00	6,651,480.00	Financial assets available-for-sale	Subscribe
Other securities investment held at the period-end			0.00	0	--	0	--	0.00	0.00	--	--
Total			344,902,961.00	59,374,684	--	59,374,684	--	287,259,971.00	9,498,220.00	--	--
Disclosure date of the board announcement on approval of the securities investment			N/A								
Disclosure date of the general meeting announcement on approval of the securities investment (if any)			N/A								

VI Investment 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 the Reporting Period

☒ Applicable ☐ Not applicable

Date of visit	Way of visit	Type of visitor	About
2016-07-01	Field research	Institution	Main discussion: 1. The operating situation, the future development strategy of the Company; 2. Industry conditions and development trend; 3. Situation of the several production lines of the Company;
2016-07-01	Teleconference	Institution	
2016-07-05	Teleconference	Institution	
2016-07-14	Teleconference	Institution	
2016-07-15	Field research	Institution	
2016-07-21	Field research	Institution	
2016-09-01	Field research	Institution	
2016-09-02	Field research	Institution	
2016-09-02	Field research	Institution	
2016-09-02	Teleconference	Institution	
2016-09-07	Field research	Institution	
2016-09-21	Teleconference	Institution	
2016-09-21	Field research	Institution	
2016-09-23	Field research	Institution	

Note: 59 institutions paid 14 visits in total to the Company during the Reporting Period for the purpose of research.

VIII Illegal provision of guarantees for external parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Board Chairman (signature): _____
Wang Dongsheng

Date of the Board's approval: 24 October 2016