

---

**BOE**

**THIRD QUARTER REPORT 2018**

**October 2018**

**京东方科技集团股份有限公司**  
**BOE TECHNOLOGY GROUP CO., LTD.**

## **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 company's shareholders (RMB)	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 enterprises under common control from period-beginning to combination dates, net	0.00	N/A
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	4,063,333,333			

		ordinary stock	
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	2,653,000,041	RMB-denominated ordinary stock	2,653,000,041
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 &amp; 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 &amp; 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</p>		

	Protocol of Voting Right. 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.
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	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	Self-funded

		Fund (USD) A2											financial assets	
Domestically/Overseas listed stock	HK06066	China Securities	70,041,364.00	Fair value method	65,856,319.00	0.00	-24,453,603.00	0.00	0.00	0.00	45,587,761.00	Available-for-sale financial assets	Self-funded	
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 (if any)			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.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by BOE Technology Group Co., Ltd.

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	53,087,082,081.00	57,128,659,576.00
Settlement reserve	0.00	0.00
Interbank loans granted	0.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes and accounts receivable	19,694,977,483.00	16,347,031,379.00
Including: Notes receivable	533,324,430.00	833,268,127.00
Accounts receivable	19,161,653,053.00	15,513,763,252.00
Prepayments	987,661,510.00	587,126,751.00
Premiums receivable	0.00	0.00
Reinsurance receivables	0.00	0.00
Receivable reinsurance contract reserve	0.00	0.00
Other receivables	724,420,493.00	818,024,132.00
Financial assets purchased under resale agreements	0.00	0.00
Inventories	12,178,965,256.00	8,957,719,381.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	0.00	17,303,152.00
Other current assets	12,465,582,300.00	15,924,433,978.00
Total current assets	99,138,689,123.00	99,780,298,349.00
Non-current assets:		
Loans and advances to customers	0.00	0.00
Available-for-sale financial assets	766,169,370.00	859,899,356.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00

Long-term equity investments	4,036,661,192.00	6,928,854,415.00
Investment property	1,268,961,384.00	1,296,662,205.00
Fixed assets	106,323,512,619.00	88,625,296,761.00
Construction in progress	67,442,708,371.00	50,761,250,426.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	5,383,958,273.00	2,982,664,308.00
R&D expense	0.00	0.00
Goodwill	841,479,045.00	197,963,688.00
Long-term prepaid expense	394,830,975.00	379,829,430.00
Deferred income tax assets	185,662,548.00	106,255,657.00
Other non-current assets	3,897,426,405.00	4,189,767,254.00
Total non-current assets	190,541,370,182.00	156,328,443,500.00
Total assets	289,680,059,305.00	256,108,741,849.00
Current liabilities:		
Short-term borrowings	1,563,009,194.00	3,249,736,430.00
Borrowings from central bank	0.00	0.00
Customer deposits and interbank deposits	0.00	0.00
Interbank loans obtained	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes and accounts payable	22,096,470,048.00	16,749,587,533.00
Advances from customers	789,492,542.00	781,324,522.00
Financial assets sold under repurchase agreements	0.00	0.00
Handling charges and commissions payable	0.00	0.00
Payroll payable	1,787,731,588.00	2,217,066,944.00
Taxes payable	673,476,286.00	775,621,146.00
Other payables	19,796,895,018.00	16,122,413,130.00
Reinsurance payables	0.00	0.00
Insurance contract reserve	0.00	0.00
Payables for acting trading of securities	0.00	0.00
Payables for underwriting of securities	0.00	0.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	6,068,813,097.00	9,109,708,511.00

Other current liabilities	1,102,987,556.00	730,709,590.00
Total current liabilities	53,878,875,329.00	49,736,167,806.00
Non-current liabilities:		
Long-term borrowings	91,696,478,647.00	78,973,633,010.00
Bonds payable	9,973,978,795.00	9,966,467,496.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Long-term payables	1,549,439,574.00	1,176,250,982.00
Long-term payroll payable	0.00	0.00
Provisions	16,457,010.00	16,457,010.00
Deferred income	8,115,602,224.00	2,261,955,307.00
Deferred income tax liabilities	1,340,866,351.00	563,302,910.00
Other non-current liabilities	10,418,882,740.00	9,130,244,495.00
Total non-current liabilities	123,111,705,341.00	102,088,311,210.00
Total liabilities	176,990,580,670.00	151,824,479,016.00
Owners' equity:		
Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	38,262,622,157.00	38,585,515,122.00
Less: Treasury stock	0.00	0.00
Other comprehensive income	-156,565,476.00	150,602,933.00
Specific reserve	0.00	0.00
Surplus reserves	889,640,475.00	889,640,475.00
General reserve	0.00	0.00
Retained earnings	12,024,709,526.00	10,385,659,084.00
Total equity attributable to owners of the Company as the parent	85,818,805,445.00	84,809,816,377.00
Non-controlling interests	26,870,673,190.00	19,474,446,456.00
Total owners' equity	112,689,478,635.00	104,284,262,833.00
Total liabilities and owners' equity	289,680,059,305.00	256,108,741,849.00

Legal representative: Wang Dongsheng

Chief Financial Officer: Sun Yun

Financial Officer: Yang Xiaoping



## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	4,737,795,583.00	2,990,801,501.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes and accounts receivable	41,692,757.00	39,897,385.00
Including: Notes receivable	1,000,000.00	0.00
Accounts receivable	40,692,757.00	39,897,385.00
Prepayments	58,539,027.00	10,315,083.00
Other receivables	1,924,663,029.00	1,835,131,720.00
Inventories	12,722,646.00	12,751,847.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	632,000,000.00	3,648,840,000.00
Other current assets	7,531,966.00	61,082,075.00
Total current assets	7,414,945,008.00	8,598,819,611.00
Non-current assets:		
Available-for-sale financial assets	103,453,247.00	149,269,107.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	139,837,379,654.00	121,193,680,391.00
Investment property	291,365,998.00	292,544,063.00
Fixed assets	963,926,933.00	982,985,346.00
Construction in progress	250,593,462.00	274,400,649.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	499,452,594.00	530,490,988.00
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term prepaid expense	108,134,949.00	112,776,691.00
Deferred income tax assets	98,549,668.00	150,206,185.00
Other non-current assets	301,965,295.00	480,909,226.00
Total non-current assets	142,454,821,800.00	124,167,262,646.00

Total assets	149,869,766,808.00	132,766,082,257.00
Current liabilities:		
Short-term borrowings	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes and accounts payable	42,992,846.00	50,152,503.00
Advances from customers	1,727,192,663.00	1,375,022,585.00
Payroll payable	170,319,668.00	283,000,193.00
Taxes payable	61,130,646.00	119,584,927.00
Other payables	7,391,716,205.00	10,032,392,970.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	3,090,000,000.00	4,031,840,000.00
Other current liabilities	0.00	0.00
Total current liabilities	12,483,352,028.00	15,891,993,178.00
Non-current liabilities:		
Long-term borrowings	26,720,000,000.00	23,943,000,000.00
Bonds payable	9,973,978,795.00	9,966,467,496.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Long-term payables	0.00	0.00
Long-term payroll payable	0.00	0.00
Provisions	0.00	0.00
Deferred income	5,742,736,897.00	130,652,127.00
Deferred income tax liabilities	0.00	0.00
Other non-current liabilities	19,150,000,000.00	7,600,000,000.00
Total non-current liabilities	61,586,715,692.00	41,640,119,623.00
Total liabilities	74,070,067,720.00	57,532,112,801.00
Owners' equity:		
Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	37,590,966,191.00	37,588,541,593.00
Less: Treasury stock	0.00	0.00

Other comprehensive income	153,154,008.00	192,097,489.00
Specific reserve	0.00	0.00
Surplus reserves	889,640,475.00	889,640,475.00
Retained earnings	2,367,539,651.00	1,765,291,136.00
Total owners' equity	75,799,699,088.00	75,233,969,456.00
Total liabilities and owners' equity	149,869,766,808.00	132,766,082,257.00

### 3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Revenue	25,990,508,323.00	24,803,328,149.00
Including: Operating revenue	25,990,508,323.00	24,803,328,149.00
Interest income	0.00	0.00
Premium income	0.00	0.00
Handling charge and commission income	0.00	0.00
2. Operating costs and expenses	26,024,312,239.00	22,425,267,847.00
Including: Cost of sales	21,245,420,721.00	19,040,130,225.00
Interest expense	0.00	0.00
Handling charge and commission expense	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount provided as insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium expense	0.00	0.00
Taxes and surcharges	200,057,483.00	144,335,774.00
Selling expense	751,560,070.00	760,132,128.00
Administrative expense	1,471,377,632.00	568,679,877.00
R&D expense	989,103,251.00	1,264,145,472.00
Finance costs	1,041,487,684.00	314,247,859.00
Including: Interest expense	852,142,227.00	524,655,338.00
Interest income	195,757,126.00	229,837,025.00
Asset impairment loss	325,305,398.00	333,596,512.00
Add: Other income	357,114,751.00	183,014,417.00

Investment income (“-” for loss)	91,641,762.00	41,985,789.00
Including: Share of profit or loss of joint ventures and associates	-2,412,689.00	4,320,922.00
Gain on changes in fair value (“-” for loss)	0.00	0.00
Foreign exchange gain (“-” for loss)	0.00	0.00
Asset disposal income (“-” for loss)	-431,247.00	527,112.00
3. Operating profit (“-” for loss)	414,521,350.00	2,603,587,620.00
Add: Non-operating income	32,215,068.00	45,382,701.00
Less: Non-operating expense	25,909,519.00	36,738,470.00
4. Profit before tax (“-” for loss)	420,826,899.00	2,612,231,851.00
Less: Income tax expense	279,701,576.00	412,765,482.00
5. Net profit (“-” for net loss)	141,125,323.00	2,199,466,369.00
5.1 Net profit from continuing operations (“-” for net loss)	141,125,323.00	2,199,466,369.00
5.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
Net profit attributable to owners of the Company as the parent	403,860,235.00	2,173,061,620.00
Net profit attributable to non-controlling interests	-262,734,912.00	26,404,749.00
6. Other comprehensive income, net of tax	-19,565,137.00	-21,113,647.00
Attributable to owners of the Company as the parent	-68,881,892.00	-4,000,944.00
6.1 Items that will not be reclassified to profit or loss	0.00	0.00
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
6.2 Items that may subsequently be reclassified to profit or loss	-68,881,892.00	-4,000,944.00
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-51,328,248.00	21,235,545.00
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.4 Effective gain/loss on cash flow hedges	0.00	0.00

6.2.5 Differences arising from translation of foreign currency-denominated financial statements	-17,553,644.00	-25,236,489.00
6.2.6 Other	0.00	0.00
Attributable to non-controlling interests	49,316,755.00	-17,112,703.00
7. Total comprehensive income	121,560,186.00	2,178,352,722.00
Attributable to owners of the Company as the parent	334,978,343.00	2,169,060,676.00
Attributable to non-controlling interests	-213,418,157.00	9,292,046.00
8. Earnings per share		
8.1 Basic earnings per share	0.012	0.062
8.2 Diluted earnings per share	0.012	0.062

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Wang Dongsheng

Chief Financial Officer: Sun Yun

Financial Officer: Yang Xiaoping

#### 4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Operating revenue	880,896,282.00	529,426,781.00
Less: Cost of sales	11,375,516.00	22,804,344.00
Taxes and surcharges	10,756,707.00	449,900.00
Selling expense	114,342.00	169,256.00
Administrative expense	208,556,956.00	145,362,352.00
R&D expense	333,106,008.00	247,715,348.00
Finance costs	287,967,713.00	131,735,582.00
Including: Interest expense	296,503,529.00	140,397,611.00
Interest income	10,680,666.00	13,503,667.00
Asset impairment loss	0.00	0.00
Add: Other income	230,746,114.00	10,259,445.00
Investment income (“-” for loss)	-2,272,624.00	4,182,766.00
Including: Share of profit or loss of joint ventures and associates	-2,281,972.00	4,320,922.00
Gain on changes in fair value (“-” for loss)	0.00	0.00
Asset disposal income (“-” for loss)	0.00	0.00
2. Operating profit (“-” for loss)	257,492,530.00	-4,367,790.00
Add: Non-operating income	1,026,267.00	211,963.00

Less: Non-operating expense	1,532,297.00	121,522.00
3. Profit before tax (“-” for loss)	256,986,500.00	-4,277,349.00
Less: Income tax expense	30,344,396.00	0.00
4. Net profit (“-” for net loss)	226,642,104.00	-4,277,349.00
4.1 Net profit from continuing operations (“-” for net loss)	226,642,104.00	-4,277,349.00
4.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
5. Other comprehensive income, net of tax	-4,076,480.00	-27,332,567.00
5.1 Items that will not be reclassified to profit or loss	0.00	0.00
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
5.2 Items that may subsequently be reclassified to profit or loss	-4,076,480.00	-27,332,567.00
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-4,076,480.00	-27,332,567.00
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
5.2.4 Effective gain/loss on cash flow hedges	0.00	0.00
5.2.5 Differences arising from translation of foreign currency-denominated financial statements	0.00	0.00
5.2.6 Other	0.00	0.00
6. Total comprehensive income	222,565,624.00	-31,609,916.00
7. Earnings per share		
7.1 Basic earnings per share	0.0065	-0.0001
7.2 Diluted earnings per share	0.0065	-0.0001

## 5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Revenue	69,464,413,289.00	69,408,356,144.00

Including: Operating revenue	69,464,413,289.00	69,408,356,144.00
Interest income	0.00	0.00
Premium income	0.00	0.00
Handling charge and commission income	0.00	0.00
2. Operating costs and expenses	68,169,468,906.00	61,820,017,178.00
Including: Cost of sales	56,390,002,852.00	51,275,396,814.00
Interest expense	0.00	0.00
Handling charge and commission expense	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount provided as insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium expense	0.00	0.00
Taxes and surcharges	502,623,237.00	500,036,766.00
Selling expense	2,046,342,664.00	1,988,692,991.00
Administrative expense	3,615,086,182.00	2,670,203,499.00
R&D expense	2,589,297,974.00	2,215,283,425.00
Finance costs	2,242,661,339.00	1,413,361,041.00
Including: Interest expense	2,279,883,467.00	1,756,184,975.00
Interest income	541,745,812.00	606,657,457.00
Asset impairment loss	783,454,658.00	1,757,042,642.00
Add: Other income	2,261,274,910.00	458,317,281.00
Investment income (“-” for loss)	258,565,775.00	61,147,940.00
Including: Share of profit or loss of joint ventures and associates	-31,991,268.00	-9,369,632.00
Gain on changes in fair value (“-” for loss)	0.00	0.00
Foreign exchange gain (“-” for loss)	0.00	0.00
Asset disposal income (“-” for loss)	-589,758.00	-2,593,427.00
3. Operating profit (“-” for loss)	3,814,195,310.00	8,105,210,760.00
Add: Non-operating income	128,856,936.00	98,913,684.00
Less: Non-operating expense	33,563,330.00	57,068,973.00
4. Profit before tax (“-” for loss)	3,909,488,916.00	8,147,055,471.00
Less: Income tax expense	939,270,136.00	1,353,027,097.00
5. Net profit (“-” for net loss)	2,970,218,780.00	6,794,028,374.00

5.1 Net profit from continuing operations (“-” for net loss)	2,970,218,780.00	6,794,028,374.00
5.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
Net profit attributable to owners of the Company as the parent	3,379,066,735.00	6,475,667,220.00
Net profit attributable to non-controlling interests	-408,847,955.00	318,361,154.00
6. Other comprehensive income, net of tax	-242,834,533.00	-35,115,613.00
Attributable to owners of the Company as the parent	-307,168,409.00	5,367,252.00
6.1 Items that will not be reclassified to profit or loss	0.00	0.00
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
6.2 Items that may subsequently be reclassified to profit or loss	-307,168,409.00	5,367,252.00
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-142,383,300.00	19,080,453.00
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.4 Effective gain/loss on cash flow hedges	0.00	0.00
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	-164,785,109.00	-13,713,201.00
6.2.6 Other	0.00	0.00
Attributable to non-controlling interests	64,333,876.00	-40,482,865.00
7. Total comprehensive income	2,727,384,247.00	6,758,912,761.00
Attributable to owners of the Company as the parent	3,071,898,326.00	6,481,034,472.00
Attributable to non-controlling interests	-344,514,079.00	277,878,289.00
8. Earnings per share		
8.1 Basic earnings per share	0.097	0.185
8.2 Diluted earnings per share	0.097	0.185

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.



**6. Income Statement of the Company as the Parent for Q1~Q3**

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Operating revenue	3,027,757,238.00	1,234,889,796.00
Less: Cost of sales	24,162,249.00	28,474,942.00
Taxes and surcharges	34,788,558.00	19,019,285.00
Selling expense	547,948.00	1,190,400.00
Administrative expense	535,278,413.00	387,637,790.00
R&D expense	826,657,662.00	689,780,098.00
Finance costs	666,905,601.00	337,091,462.00
Including: Interest expense	696,539,636.00	376,890,181.00
Interest income	31,590,749.00	51,167,887.00
Asset impairment loss	0.00	0.00
Add: Other income	763,173,779.00	19,888,228.00
Investment income (“-” for loss)	882,196,406.00	598,700,736.00
Including: Share of profit or loss of joint ventures and associates	-19,884,534.00	-9,369,632.00
Gain on changes in fair value (“-” for loss)	0.00	0.00
Asset disposal income (“-” for loss)	0.00	-110,106.00
2. Operating profit (“-” for loss)	2,584,786,992.00	390,174,677.00
Add: Non-operating income	4,344,115.00	2,442,585.00
Less: Non-operating expense	2,108,640.00	797,870.00
3. Profit before tax (“-” for loss)	2,587,022,467.00	391,819,392.00
Less: Income tax expense	244,757,659.00	7,327,135.00
4. Net profit (“-” for net loss)	2,342,264,808.00	384,492,257.00
4.1 Net profit from continuing operations (“-” for net loss)	2,342,264,808.00	384,492,257.00
4.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
5. Other comprehensive income, net of tax	-38,943,481.00	-21,301,621.00
5.1 Items that will not be reclassified to profit or loss	0.00	0.00
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00

5.2 Items that may subsequently be reclassified to profit or loss	-38,943,481.00	-21,301,621.00
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-38,943,481.00	-21,301,621.00
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
5.2.4 Effective gain/loss on cash flow hedges	0.00	0.00
5.2.5 Differences arising from translation of foreign currency-denominated financial statements	0.00	0.00
5.2.6 Other	0.00	0.00
6. Total comprehensive income	2,303,321,327.00	363,190,636.00
7. Earnings per share		
7.1 Basic earnings per share	0.0673	0.0110
7.2 Diluted earnings per share	0.0673	0.0110

## 7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	60,772,530,957.00	68,660,537,726.00
Net increase in customer deposits and interbank deposits	0.00	0.00
Net increase in borrowings from central bank	0.00	0.00
Net increase in loans from other financial institutions	0.00	0.00
Premiums received on original insurance contracts	0.00	0.00
Net proceeds from reinsurance	0.00	0.00
Net increase in deposits and investments of policy holders	0.00	0.00
Net increase in proceeds from disposal of financial assets at fair value through profit or loss	0.00	0.00
Interest, handling charges and commissions received	0.00	0.00
Net increase in interbank loans obtained	0.00	0.00
Net increase in proceeds from repurchase transactions	0.00	0.00

Tax rebates	6,005,730,169.00	6,141,348,934.00
Cash generated from other operating activities	4,515,605,387.00	1,189,087,137.00
Subtotal of cash generated from operating activities	71,293,866,513.00	75,990,973,797.00
Payments for commodities and services	38,238,359,784.00	43,814,203,995.00
Net increase in loans and advances to customers	0.00	0.00
Net increase in deposits in central bank and in interbank loans granted	0.00	0.00
Payments for claims on original insurance contracts	0.00	0.00
Interest, handling charges and commissions paid	0.00	0.00
Policy dividends paid	0.00	0.00
Cash paid to and for employees	7,486,983,925.00	6,008,117,704.00
Taxes paid	2,335,162,753.00	3,219,791,480.00
Cash used in other operating activities	4,935,757,639.00	4,457,853,330.00
Subtotal of cash used in operating activities	52,996,264,101.00	57,499,966,509.00
Net cash generated from/used in operating activities	18,297,602,412.00	18,491,007,288.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	56,395,382,400.00	16,678,325,660.00
Investment income	640,439,103.00	253,736,670.00
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	24,665,452.00	58,162,797.00
Net proceeds from disposal of subsidiaries or other business units	0.00	0.00
Cash generated from other investing activities	3,417,013,120.00	2,713,352,560.00
Subtotal of cash generated from investing activities	60,477,500,075.00	19,703,577,687.00
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	37,753,522,657.00	35,760,451,600.00
Payments for investments	54,265,549,688.00	30,495,761,172.00
Net increase in pledged loans granted	0.00	0.00
Net payments for acquisition of subsidiaries and other business units	0.00	8,399,081.00
Cash used in other investing activities	505,424,898.00	1,150,788,952.00
Subtotal of cash used in investing activities	92,524,497,243.00	67,415,400,805.00
Net cash generated from/used in investing activities	-32,046,997,168.00	-47,711,823,118.00
3. Cash flows from financing activities:		
Capital contributions received	4,212,024,400.00	11,505,150,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	4,212,024,400.00	11,505,150,000.00

Increase in borrowings obtained	28,080,875,769.00	32,033,861,904.00
Net proceeds from issuance of bonds	0.00	0.00
Cash generated from other financing activities	1,831,147,947.00	14,496,263.00
Subtotal of cash generated from financing activities	34,124,048,116.00	43,553,508,167.00
Repayment of borrowings	16,354,302,160.00	11,236,228,804.00
Payments for interest and dividends	5,874,569,087.00	4,307,704,845.00
Including: Dividends paid by subsidiaries to non-controlling interests	0.00	0.00
Cash used in other financing activities	213,480,875.00	951,631,501.00
Subtotal of cash used in financing activities	22,442,352,122.00	16,495,565,150.00
Net cash generated from/used in financing activities	11,681,695,994.00	27,057,943,017.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	827,974,389.00	-927,057,213.00
5. Net increase in cash and cash equivalents	-1,239,724,373.00	-3,089,930,026.00
Add: Cash and cash equivalents, beginning of the period	47,913,287,583.00	49,354,810,388.00
6. Cash and cash equivalents, end of the period	46,673,563,210.00	46,264,880,362.00

## 8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,396,625,349.00	879,853,858.00
Tax rebates	25,803,518.00	13,333,576.00
Cash generated from other operating activities	624,672,967.00	614,660,499.00
Subtotal of cash generated from operating activities	4,047,101,834.00	1,507,847,933.00
Payments for commodities and services	398,673,820.00	331,019,244.00
Cash paid to and for employees	699,458,250.00	539,284,451.00
Taxes paid	367,901,747.00	220,220,479.00
Cash used in other operating activities	234,107,331.00	2,862,076,874.00
Subtotal of cash used in operating activities	1,700,141,148.00	3,952,601,048.00
Net cash generated from/used in operating activities	2,346,960,686.00	-2,444,753,115.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	506,160,000.00	0.00
Investment income	785,144,132.00	1,605,616,700.00
Net proceeds from disposal of fixed assets, intangible	232,676.00	2,096.00

assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units	0.00	0.00
Cash generated from other investing activities	3,516,832,697.00	1,114,275,822.00
Subtotal of cash generated from investing activities	4,808,369,505.00	2,719,894,618.00
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	221,434,709.00	132,200,597.00
Payments for investments	18,757,457,360.00	17,159,624,980.00
Net payments for acquisition of subsidiaries and other business units	0.00	0.00
Cash used in other investing activities	200,000,400.00	700,921,165.00
Subtotal of cash used in investing activities	19,178,892,469.00	17,992,746,742.00
Net cash generated from/used in investing activities	-14,370,522,964.00	-15,272,852,124.00
3. Cash flows from financing activities:		
Capital contributions received	0.00	0.00
Increase in borrowings obtained	10,367,000,000.00	15,833,000,000.00
Net proceeds from issuance of bonds	0.00	0.00
Cash generated from other financing activities	16,993,246,939.00	3,880,581.00
Subtotal of cash generated from financing activities	27,360,246,939.00	15,836,880,581.00
Repayment of borrowings	3,932,732,992.00	0.00
Payments for interest and dividends	2,255,848,689.00	1,566,799,827.00
Cash used in other financing activities	7,500,000,000.00	609,376,971.00
Sub-total of cash used in financing activities	13,688,581,681.00	2,176,176,798.00
Net cash generated from/used in financing activities	13,671,665,258.00	13,660,703,783.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	98,891,103.00	-7,909,075.00
5. Net increase in cash and cash equivalents	1,746,994,083.00	-4,064,810,531.00
Add: Cash and cash equivalents, beginning of the period	2,990,801,501.00	7,548,700,412.00
6. Cash and cash equivalents, end of the period	4,737,795,584.00	3,483,889,881.00

## II Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.  Yes  No

These financial statements have not been audited by such an auditor.

Chairman of the Board (signature): \_\_\_\_\_  
Wang Dongsheng

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