

Stock code : **000413,200413**

Abbreviation: Dongxu Optoelectronic, Dongxu **B**

Announcement No.: **2018-120**

TunghsuOptoelectronic Technology Co., Ltd.

The Summary of 2018 Semi-annual Report

August 2018

I. Important Notice

The summary is abstract from full-text of annual report, for more details information, investors should found in the full-text of annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Non-standard audit opinion tips

☐ Applicable ☒ Not applicable

The board discussed reporting period ordinary shares profit distribution plan or provident fund to share capital plan

☐ Applicable ☒ Not applicable

The board approved this reporting period preferred shares profit distribution plan

☐ Applicable ☒ Not applicable

II. Company Information

1. Company Profile

Stock abbreviation	Dongxu Optoelectronic, Dongxu B	Stock code	000413、200413
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Gong Xin	Wang Qingfei	
Add	Lin 5 Yard, No. 23 A Fuxing Road, Haidian District, Beijing, China.	Lin 5 Yard, No. 23 A Fuxing Road, Haidian District, Beijing, China.	
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2. Main financial data and financial Index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

☒ Yes ☐ No

Reasons for retrospective restatements:

Business merger under the same control.

	Reporting period	Same period of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Operating Gross income (Yuan)	11,129,851,790.88	4,641,285,527.91	4,876,438,604.10	128.24%
Net profit attributable to the shareholders of the listed company (Yuan)	858,296,089.08	635,855,750.37	637,480,381.47	34.64%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	811,345,478.77	559,990,548.41	564,088,026.98	43.83%
Cash flow generated by business operation, net (Yuan)	83,617,287.66	-1,414,361,686.97	-1,364,949,813.78	106.13%
Basic earning per share(Yuan/Share)	0.15	0.13	0.13	15.38%
Diluted gains per share(Yuan/Share)(Yuan/Share)	0.15	0.13	0.13	15.38%
Net asset earning ratio (%)	2.74%	2.84%	2.73%	0.01%
	As at the end of the reporting period	As at the end of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Gross assets (RMB)	66,693,831,497.63	67,683,329,226.91	68,610,779,546.18	-2.79%
Shareholders' equity attributable to shareholders of the listed company(RMB)	31,213,233,914.18	30,922,796,455.46	30,949,718,542.41	0.85%

3.Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	358,541 （Including 341,239 shareholders holding A shares and 17,302 shareholders holding B shares）					
Particulars about shares held above 5% by shareholders or top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held（%）	Number of shares held at period -end	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Tunghsu Group	Domestic Non-State-owned legal person	15.97%	915,064,091	791,889,488	Pledge	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171		Pledge	153,520,000
Shanghai Huimao Enterprise	Domestic Non	4.58%	262,626,262	262,626,262	Pledge	80,240,722

Management Co., Ltd.	-State-owned legal person					
China Fund Management Co., Ltd. — Huaxia Bank — TTCO Trust Co., Ltd. — TTCO Trust Co., Ltd. — Shunjing No.5 Single capital trust	Other	2.54%	145,759,116			
Minsheng Royal Fund Management Co., Ltd — Ping An Bank — Daye Trust Zengli 2 single Fund Trust	Other	1.70%	97,192,224	97,192,224		
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	Other	1.27%	72,639,296	72,639,296		
BeixinRuifeng Fund — China Merchants Bank — Daye Trust — Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032	62,095,032		
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non -State-owned legal person	1.07%	61,165,682		Pledge	55,265,682
Wanhe Securities — China Merchants Bank — Wanhe Securities and No.1 Collective asset management plan	Other	0.96%	55,246,500			
Nuoan Fund-Industrial Securities-Nanjing Shuangan Assets Management Co., Ltd.	Other	0.96%	55,246,487			
Explanation on shareholders participating in the margin trading business	Among the top ten shareholders, Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 8 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies.					
Notes to the shareholders involved in financing securities (if any)	Not applicable					

4. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

☐ Applicable ☒ Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

☐ Applicable ☒ Not applicable

There was no any change of the actual controller of the Company in the reporting period.

5. Statement of preferred shares held by top 10 shareholders

☐ Applicable ☒ Not applicable

Report period has no preferred shares statement

6. Corporate Bond

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

Yes

(1). Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Date Due	Bond Balance(RMB'0000)	Interest Rate
2015- corporate bond of Tunghsu Optoelectronic Technology Co., Ltd	15Tunghsu bonds	112243	May 19,2020	95,604.27	6.80%

(2). Financial indicators to the end of the reporting period

Ten thousand

Items	As at the end of the reporting period	As at the end of last year	YoY+/- (%) he same period
Debt ratio	52.04%	53.11%	-1.07%
	Reporting period	The same period of last year	At the same time rate of change
EBITDA interest coverage ratio	3.44	2.85	20.70%

III. .Operation situation discussion and analysis**I .Main Business the Company is Engaged in During the Report Period**

Whether the company needs to comply with the disclosure requirements of the particular industry
No

In 2018, Tunghsu will forge ahead. Under leadership of the company Board of Directors and management layer and unremitting efforts of all staff, the Company, centering on established strategic layout of the company in the first half year, optimizes the industrial structure positively, deepens the existing product market pattern and promotes strongly development of core business including new materials, high-end equipment manufacturing and new energy automobile, etc. to make each item of business increase stably and rapidly. During the reporting period, the Company achieves an operating income of RMB 11.13 billion , an increase of 128.24% over the same period in 2017; the net profit attributable to the parent Company of RMB 811 million, an increase of 43.83% over the same period in 2017.

The company's each business development status in the first half of 2018:

1. Product upgrade and high-generation glass substrate production line performance contribution level improvement

As the panel and glass substrate large size and high generation have become an industrial trend in recent years, the Company has liquid glass substrate products covering G5, G6 and G8.5 and is capable of providing each-type high-quality glass substrate product for down-stream clients.

Within the report period, its two G8.5 glass substrate production lines in Fuzhou were in good condition and received good production and sales achievements, which make its high-generation glass substrate product market share increased and glass substrate product structure optimized. As the high-generation glass substrate placement and investment projects develop continuously in the future and the company's technical accumulation in glass substrates for OLED display, the Company will have an improved core competitive force in such glass substrate field.

2. Curved cover glass layout and rapid formation of effective capacity

Within the report period, the Company implemented “curved display cover glass production project” based on Xuhong Optoelectronic and already formed the annual capacity of [5 million] pieces and supplied the same in batch to clients. The curved cover glass, with flexible, thin, transparent and clean, anti-fingerprint, anti-dazzle and good weather-resistance, etc. characteristics is applicable to the flexible display area as a strong measure adopted by the Company to follow OLED flexible display screen trend. At the same time, after the high aluminum cover glass substrate Sheet Production Line of Xuhong Optoelectronic was included into the Company's new material industrial system officially in October 2017, such product has set all-time new highs repeatedly through vigorous expansion of end clients and production process and sale type structure optimization and becomes an effective growth point for the Company's new material business.

3. With synergistic development, continue to advance the optical film, color filter, sapphire business

During the reporting period, Tengda Optical Film Business and Jiangsu Jixing Sapphire Business achieved rapid growth, and the supporting supply of Tenda Optics and Jiangsu Jixing Optoelectronic Display Materials had well enhanced the major customers' adhesiveness of the Company. In December 2017, the Company completed the first 5th generation color filter production line for TFT-LCD. During the reporting period, the Company actively promoted the work including the debugging of color filter production lines, customer development and sample certification. Currently, the Company has obtained orders from customers such as Longteng Optoelectronics. The Color filters has realized the bulk supply, which is conducive to increase the added value of products of the existing G5 liquid crystal glass substrates.

4. Obtaining big orders and new progress realization in grapheme material industrial application

Within the report period, Tunghsu Carbon, MS Technology and Tan Yuan Graphene, subsidiaries of the Company, concluded Graphene Application Product Strategic Partnership Agreement on expansion and sale of graphene electric heating products, graphene street lamp products and graphene anticorrosive paint, etc. with 15 downstream grapheme application enterprises, whose price reaches 610 million yuan. The grapheme material industrial application is getting better in the initial development period and will become an important supplement to its new material business system. In addition, the “lithium-ion secondary battery” (Tan Yuan G18650) project of Tan Yuan Graphene was deemed as “a high-tech outcome transformation project in Shanghai” by Shanghai High-tech Outcome Transformation Project Certification Office based on the macro-batch production technology of high-quality and low-cost grapheme and was included into the 1st Shanghai High-tech outcome transformation project in 2018.

5. High-end equipment business stable and continuous development

In recent years, under the background of domestic industrial manufacturing adopting equipment replacing labor for satisfying the intelligent and efficient production, the Company's high-end equipment business has steadily expanded and well developed, gradually supplying optoelectronic display materials and equipment, semiconductor equipment and other general-purpose equipment to domestic high-end customers. During the reporting period, the Company closely focused on the investment boom of domestic panel production lines and semiconductor production lines, continued to sign equipment business orders with BOE, CSOT, Visionox and other group customers in the intelligent application field, and actively explored the high-end equipment market in the semiconductor field. With the acceleration of investment in the domestic semiconductor production line, the semiconductor equipment business has a broad market space. The Company will strive to expand and develop the high-end equipment market in the semiconductor field, and make the high-end equipment business become another rapid growth point, thus providing new driving force for the steady development of the Company's high-end equipment business.

6. Business upgrade and intelligent robot platform company acquisition

The intelligent manufacturing is the development direction of the Company high-end equipment business industry upgrade. Within the report period, the Company realized its high-end equipment manufacturing business expansion into the intelligent platform robot field through acquisition of Shenzhen Sanbao Innovation Intelligence Co., Ltd. Next, it will combine its strong manufacturing industrialization basis, integrate advanced intelligent manufacturing technology, optimize its existing complete-set intelligent scene application capacity, improve its competition in high-end equipment business field, improve its whole business synergy and realize its high-end equipment business industrial upgrade.

7. Expansion into a new city: new energy automobile industry basis location in Jiangsu

Within the report period, to seize sufficiently development opportunities of national new energy automobile industry and speed up the industrial layout in new energy automobile field, the Company, based on its technical advantages in new energy automobile and local and investment environmental advantages of Suqian People's Government, concluded the *New Energy Automobile Project Investment Cooperation Agreement* with such government on construction of the production basis project with annual capacity of 5,000 new-energy passenger cars and 50,000 new-energy logistics cars through investment of 3 billion yuan in Suqian city. Then, the Company completes the industrial layout of new energy automobile industrial base in East, South, West, North China and will become a new-energy automobile manufacturer of important influence across country after such bases construction and putting into operation.

8. Step-by-step consolidation and synergic development of construction and installation business and electromunication business

Within the report period, in terms of construction and installation business, the Company obtained a series of engineering business orders in fields of underground comprehensive pipeline corridor, municipal infrastructure, sponge city and smart city, etc. based on strong comprehensive strength and various flexible business modes, which contribute to the Company's operation revenue and net profit increase correspondingly; the electromunication business as a supplement to its main business kept fast increase continuously and played a positive role to increase its industrial synergy and expand its business scale.

2.related to fianance report item

(1)The explain about accounting policies, accounting evaluation and accounting checking methods compared the last accounting year

☐ Applicable ☒ Not applicable

The report period has no change about accounting policies, accounting evaluation and accounting checking methods.

(2). The explain about having main accounting mistake and need retrospective restatement in report period

☐ Applicable ☒ Not applicable

(3).The explain about the change of combined statements range compared the last accounting year

☐ Applicable ☒ Not applicable

1.Notthe same controlled company merge

(1) Not the same controlled company merge in this year

See note eight for details.

Tunghsu Optoelectronic Technology Co., Ltd.

Chairman: Wang Lipeng

Issue day approved by the Board of Directors: August 30, 2018