

Stock Code: 200725

Stock Name: BOE-B

Announcement No. 2019-058

# BOE TECHNOLOGY GROUP CO., LTD.

## THIRD QUARTER REPORT 2019 (SUMMARY)

### 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. Chen Yanshun, the Company’s legal representative, Mr. Liu Xiaodong, 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

Reasons for the retrospective restatements:

Changes to the accounting policies.

Item	30 September 2019	31 December 2018		Change (%)
		Before	Restated	Restated
Total assets (RMB)	324,400,678,094.00	304,028,491,385.00	304,028,491,385.00	6.70%
Equity attributable to the listed company’s shareholders (RMB)	86,762,736,301.00	85,856,748,703.00	85,856,748,703.00	1.06%

Item	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY change (%)
Operating revenue (RMB)	30,682,823,546.00	18.05%	85,722,032,233.00	23.40%
Net profit attributable to the listed company's shareholders (RMB)	183,791,110.00	-54.49%	1,852,239,559.00	-45.18%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-840,490,839.00	-332.16%	-189,000,405.00	-110.13%
Net cash generated from/used in operating activities (RMB)	--	--	16,526,989,409.00	-10.37%
Basic earnings per share (RMB/share)	0.005	-58.33%	0.053	-45.36%
Diluted earnings per share (RMB/share)	0.005	-58.33%	0.053	-45.36%
Weighted average return on equity (%)	0.21%	-55.32%	2.14%	-45.41%

Notes:

In the 2018 Annual Report, the net profit attributable to the listed company's shareholders before exceptional gains and losses was restated according to the audit results. According to the interpretations of the regulatory document CK [2018] No.15, government subsidies received, whether related to assets or income, shall be presented as cash generated from operating activities" in the cash flow statements. Above adjustment has no influence on total assets and equity attributable to the listed company's shareholders for the end of last year.

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-10,469,354.00	N/A
Tax rebates, reductions and exemptions with ultra vires approval or in lack of duly approved document	0.00	N/A
Government subsidies charged to current profit and loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards )	1,433,252,399.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current gains and losses	0.00	N/A
Income equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	0.00	N/A
Gains and losses on non-monetary asset swap	0.00	N/A
Gains and losses on investment or asset management entrustments to other entities	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	N/A
Gains and losses on debt restructuring	0.00	N/A

Restructuring costs in staff arrangement, integration, etc.	0.00	N/A
Gains and losses on over-fair value amount as a result of transactions with distinctly unfair prices	0.00	N/A
Current gains and losses on subsidiaries acquired through business mergers under same control from period-beginning to merger dates, net	0.00	N/A
Gains and losses on contingencies that do not arise in the Company's ordinary course of business	0.00	N/A
Gain or loss on fair-value changes in trading financial assets and liabilities and derivative financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and derivative financial assets and liabilities, and other creditors' investment (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	86,944,711.00	N/A
Reversed portion of impairment allowance for accounts receivable and contract assets which are tested individually for impairment	393,516.00	N/A
Gains and losses on loan entrustment	0.00	N/A
Gains and losses on fair value changes in investment property of which subsequent measurement is carried out using fair value method	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current gains and losses	0.00	N/A
Income from charges on entrusted management	0.00	N/A
Non-operating income and expense other than above	63,888,377.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	795,126,980.00	N/A
Less: Income tax effects	87,489,641.00	N/A
Non-controlling interests effects (net of tax)	240,407,024.00	N/A
Total	2,041,239,964.00	--

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

Item	Amount	Reason
Other gains and losses that meet definition of nonrecurring gain/loss	795,126,980.00	The Company undertook the transfer and share swap obligations for investments from non-controlling interests of the Company's subsidiary Hefei Xinsheng Optoelectronics Technology Co., Ltd. (hereinafter referred to as "Hefei Xinsheng"), which was recorded into financial liabilities as applicable accounting standards related to financial instruments. During the Reporting Period, the Company signed the Equity Transfer Agreement with Hefei Heping Investment Company Limited (hereinafter referred to as "Hefei Heping"), in which the Company was agreed to be transferred the 15.3846% shares in Hefei Xinsheng held by Hefei Heping. Once upon completion of this transfer, Hefei

		Xinsheng will be a wholly-owned subsidiary of the Company. The difference of RMB795,126,980.00 between the cash payment and carrying financial liabilities was recorded into the current profit or loss as required by standards.
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## II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

### 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		1,434,390 (including 1,394,366 A-shareholders and 40,024 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 Capital Opto-electronic Industry Investment Co., Ltd.	State-owned legal person	7.60%	2,643,863,541	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	3.36%	1,168,209,006	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	1.37%	477,597,769	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
Xiamen Hengxing Group Co., Ltd.	Domestic non-state-owned legal person	0.47%	163,345,478	0	N/A	0
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	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 ordinary stock	4,063,333,333			

Chongqing Capital Opto-electronic Industry Investment Co., Ltd.	2,643,863,541	RMB-denominated ordinary stock	2,643,863,541
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB-denominated ordinary stock	2,510,142,953
Beijing Yizhuang Investment Holdings Co., Ltd	1,168,209,006	RMB-denominated ordinary stock	1,168,209,006
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB-denominated ordinary stock	822,092,180
Hong Kong Securities Clearing Company Ltd.	477,597,769	RMB-denominated ordinary stock	477,597,769
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
Xiamen Hengxing Group Co., Ltd.	163,345,478	RMB-denominated ordinary stock	163,345,478
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 Opto-electronic 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 &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 Protocol of Voting Right.</p> <p>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.</p>		
Top 10 ordinary shareholders involved in securities margin trading	<p>The Company's shareholder Beijing Yizhuang Investment Holdings Co., Ltd. decreased its shareholding in the Company of 30,709,600 shares for involved in refinancing business.</p> <p>The Company's shareholder Xiamen Hengxing Group Co., Ltd. holds 42,926,898 shares through the securities margin trading account.</p>		

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.

Yes  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 Key Financial Statement Line Items and Explanation of why

Applicable  Not applicable

1. The Construction in progress as at 30 September 2019 rose 35% compared to 31 December 2018, primarily driven by increase with the progress of new projects in the Reporting Period.
2. Short-term borrowings as at 30 September 2019 rose 75% compared to 31 December 2018, primarily driven by optimization of debt structure and reduction of finance costs in the Reporting Period.
3. The current portion of non-current liabilities as at 30 September 2019 rose 88% compared to 31 December 2018, primarily driven by the transfer of the current portion of long-term borrowings into this item in the Reporting Period.
4. Bonds payable as at 30 September 2019 declined 96% compared to 31 December 2018, primarily driven by the advance cashing of corporate bonds in the Reporting period.
5. R&D expense went up 75% during the Reporting Period compared to the same period of last year, primarily driven by a higher amount of R&D investment in the Reporting Period.
6. Finance costs went down 38% during the Reporting Period compared to the same period of last year, primarily driven by reduction of finance costs arising from repayments of carrying convertible creditor's rights by the Company during the Reporting Period.
7. Asset impairment loss went up 51% during the Reporting Period compared to the same period of last year, primarily driven by an increase in the inventory valuation allowance recorded in the Reporting Period according to the lower of cost and net realizable value.
8. Return on investment went down 71% during the Reporting Period compared to the same period of last year, primarily driven by a decrease in mature wealth management products in the Reporting Period.
9. Net cash generated from/used in financing activities went up 38% during the Reporting Period compared to the same period of last year, primarily driven by the putting in place of the project company's investment funds as the progress of the new project.

## II Progress, Influence and Solutions with regard to 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 Jia Yueting, 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. The final verdict of the Supreme People's Court is that the appeal of Letv Mobile is

rejected and the original verdict is maintained. On 8 March 2019, the case was first heard in the Beijing Municipal Higher People's Court and the next step for the Company is to wait for notice or judgment from the court. 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.

Summary of the significant event	Disclosure date	Index to the related announcement
Announcement on Signing Supplementary Agreement of Cooperation Agreement on Life Science and Technology Industrial Base Project (II)	8 September 2019	www.cninfo.com.cn

Progress of any share repurchases:

Applicable  Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable  Not applicable

### **III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period**

Applicable  Not applicable

No such cases in the Reporting Period.



## IV Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Variety of security	Symbol of security	Name of security	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss of changes in fair value in the Reporting Period	Accumulative changes in fair value recorded into equities	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Capital source
Domestic and overseas stock	HK00903	TPV Technology	134,658,158.00	Fair value method	25,613,279.00	-24,470,177.00	-133,515,055.00	0.00	0.00	471,354.00	1,143,103.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	83,995,943.00	56,125,880.00	49,961,395.00	0.00	0.00	1,883,379.00	140,121,823.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	98,705,065.00	-4,000,184.00	-40,472,517.00	0.00	0.00	3,859,812.00	98,835,126.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	44,412,577.00	12,415,268.00	-12,468,379.00	0.00	0.00	2,044,411.00	58,945,138.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK01518	New Century	140,848,850.00	Fair value method	125,909,253.00	-72,588,144.00	-87,705,450.00	0.00	0.00	0.00	57,630,071.00	Other equity instruments investment	Self-owned funds

overseas stock		Healthcare										investment	
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			555,793,175.00	--	378,636,117.00	-32,517,357.00	-224,200,006.00	0.00	0.00	8,258,956.00	356,675,261.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment			N/A										
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)			N/A										

## V 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 and structural deposits	Self-funded	674,150	455,750	0
total		674,150	455,750	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

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable  Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
24 July 2019	One-on-one meeting	Institution	1. the main situations of the industry 2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
27 August 2019	By phone	Institution	
4 September 2019	One-on-one meeting	Institution	
12 September 2019	One-on-one meeting	Institution	
25 September 2019	One-on-one meeting	Institution	
25 September 2019	One-on-one meeting	Institution	
26 September 2019	One-on-one meeting	Individual	

## VIII Irregularities in the Provision of Guarantees

Applicable  Not applicable

No such cases in the Reporting Period.

## IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

Chairman of the Board (signature): Chen Yanshun

Date of the Board's approval of this Report: 30<sup>th</sup> October 2019