

Stock Code: 200725

Stock Name: BOE-B

Announcement No. 2019-025

# **BOE TECHNOLOGY GROUP CO., LTD.**

## **FIRST 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. Wang Dongsheng, the Company’s legal representative, Mr. Chen Yanshun, President of the Execution Committee (Chief Executive Officer) of the Company, 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 Financial Information

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

Yes  No

Item	Q1 2019	Q1 2018	Change (%)
Operating revenue (RMB)	26,454,258,554.00	21,566,813,037.00	22.66%
Net profit attributable to the listed company's shareholders (RMB)	1,051,781,919.00	2,018,692,554.00	-47.90%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	352,304,432.00	1,238,599,228.00	-71.56%
Net cash generated from/used in operating activities (RMB)	6,164,241,385.00	7,198,088,816.00	-14.36%
Basic earnings per share (RMB/share)	0.030	0.058	-48.28%
Diluted earnings per share (RMB/share)	0.030	0.058	-48.28%
Weighted average return on equity (%)	1.22%	2.35%	-1.13%
Item	31 March 2019	31 December 2018	Change (%)
Total assets (RMB)	308,295,146,086.00	304,028,491,385.00	1.40%
Equity attributable to the listed company's shareholders (RMB)	87,077,785,020.00	85,856,748,703.00	1.42%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	265,209.00	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 )	718,192,876.00	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)	45,166,494.00	N/A
Reversed portion of impairment allowance for accounts receivable and contract assets which are tested individually for impairment	0.00	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	31,130,674.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	0.00	N/A
Less: Income tax effects	54,217,884.00	N/A
Non-controlling interests effects (net of tax)	41,059,882.00	N/A
Total	699,477,487.00	--

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 31 March 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 at the period-end	1,612,810 (including 1,573,114 A-shareholders and 39,696 B-shareholders)					
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
Beijing State-owned Capital Operation and Management Center	State-owned legal person	11.68%	4,063,333,333	0	N/A	0
Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd.	State-owned legal person	7.62%	2,652,813,041	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	1.13%	392,805,995	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
National Social Security Fund Portfolio 108	State-owned legal person	0.52%	180,722,899	0	N/A	0
China Securities Finance Corporation Limited	State-owned legal person	0.38%	132,480,249	0	N/A	0
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB ordinary share	4,063,333,333			
Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd.	2,652,813,041	RMB ordinary share	2,652,813,041			
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB ordinary share	2,510,142,953			

Beijing Yizhuang Investment Holdings Co., Ltd	1,241,423,641	RMB ordinary share	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Hong Kong Securities Clearing Company Ltd.	392,805,995	RMB ordinary share	392,805,995
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary share	273,735,583
Central Huijin Assets Management Co., Ltd	248,305,300	RMB ordinary share	248,305,300
National Social Security Fund Portfolio 108	180,722,899	RMB ordinary share	180,722,899
China Securities Finance Corporation Limited	132,480,249	RMB ordinary share	132,480,249
Related or acting-in-concert parties among the shareholders above	<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &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 Ezcapital 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 (if any)	None		

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 Key Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

1. The current portion of non-current liabilities as at 31 March 2019 rose 35% compared to 31 December 2018, primarily driven by the transfer of the current portion of long-term borrowings into this item in Q 1 2019.
2. Bonds payable as at 31 March 2019 declined 94% compared to 31 December 2018, primarily driven by the advance cashing of corporate bonds in Q 1 2019.
3. R&D expense went up 88% during Q 1 2019 compared to Q1 2018, primarily driven by a higher amount of R&D investment in Q1 2019.
4. Finance costs went up 58% during Q 1 2019 compared to Q1 2018, primarily driven by a smaller exchange loss and a higher interest expense resulted from the operation of new projects in Q1 2019.
5. Asset impairment loss went down 42% during Q 1 2019 compared to Q1 2018, primarily driven by a decrease in the inventory valuation allowance recorded in Q1 2019 according to the lower of cost and net realizable value.
6. Return on investment went down 84% during Q 1 2019 compared to Q1 2018, primarily driven by a decrease in mature wealth management products in Q1 2019.

### 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 Supreme People's Court made the final verdict and rejected the appeal of Letv mobile, upholding the original verdict. On 8 March 2019, this case was heard for the first time by Beijing Municipal Higher People's Court, waiting for the notice or judgment from the court for the next step. 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.
2. The corporate bonds (Phase I) of BOE Technology Group Co., Ltd. issued to public qualified investors from 21 March 2016 to 22 March 2016 reached 3 full years by 21 March 2019. According to regulations, the interest should be paid once per year during the interest-bearing period. According to the agreed put provisions from Prospectus of the Corporate Bonds (Phase I) of BOE Technology Group Co., Ltd. Issued to Public Qualified Investors in 2016, the Company published The First Reminder of No Adjustments to Coupon Rate of Corporate Bonds "16BOE01" and Implementation Measures for Put-backs by Investors (Announcement No.: 2019-001), The Second Reminder of No Adjustments to Coupon Rate of Corporate Bonds "16BOE01" and Implementation Measures for Put-backs by Investors (Announcement No.: 2019-003), and The Third Reminder of No Adjustments to Coupon Rate of Corporate Bonds "16BOE01" and Implementation Measures for Put-backs by Investors (Announcement No.: 2019-004) on 31 January 2019, 1 February 2019, and 12 February 2019 respectively. Investors can choose to sell all their holding

“16BOE01” or part of it back to the Company within the registered period of put-backs with the price of RMB100/piece (excluding interests). In accordance with the data provided by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the number of the put-backs of “16BOE01” was 96,705,976, and the price was RMB9,975,221,424.40 (including interests), and the remaining number for trusteeship was 3,294,024. The Company issued Announcement on Payment “16BOE01” Interest 2019 (Announcement No.: 2019-009) on 14 March 2019, in which the interest should be paid as per the standard of RMB31.5 (tax-inclusive) for every 10 bonds. 21 March 2019 was the payment date for capital and interests of this put-back declaration, and the Company has paid principal and the current interests to the bondholders of “16BOE01” declared effectively for put-back. The Company convened the 1<sup>st</sup> Meeting of Bondholders in 2019 for 2016 Corporate Bonds on 28 March 2019, which reviewed and approved the Proposal on Payment in Advance to 2016 Corporate Bonds of BOE Technology Group Co., Ltd, and the Company disclosed Announcement on Resolutions Made at the 1<sup>st</sup> Meeting of Bondholders in 2019 for 2016 Corporate Bonds (Announcement No.: 2019-022) on 29 March 2019. The Company paid the interests of “16BOE01” bonds from 21 March 2019 to 2 April 2019 and its principal on 3 April 2019. The Bonds was delisted on 3 April 2019, and the record date of payment for principal and interests was 2 April 2019. The trading of “16BOE01” was terminated on the trading system of Shenzhen Stock Exchange on 3 April 2019.

3. The Company issued Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (I) (Announcement No.: 2019-007) and Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (II) (Announcement No.: 2019-008) on 6 March 2019; shareholders of the Company as Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd. planned to reduce no more than 1.00% of general capital of the Company by means of centralized competitive bidding within 3 months after 15 working days since the issuance of each Announcement.

Summary of the significant event	Disclosure date	Index to the related announcement
Announcement on Project of Investing and Establishing Beijing BOE Life Science and Technology Industrial Base (Phase I)	26 March 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 Operating Performance Forecast for H1 2019

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2019, as well as explanation of why:



Applicable  Not applicable

## V Securities Investments

√ Applicable □ Not applicable

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	0.00	9,987,282.00	0.00	0.00	0.00	38,030,589.00	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	0.00	43,781,546.00	0.00	0.00	0.00	90,457,170.00	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	0.00	-11,584,716.00	0.00	0.00	0.00	108,499,659.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	44,412,575.00	0.00	-1,855,538.00	0.00	0.00	0.00	68,185,826.00	Other equity instruments investment	Self-owned funds

Domestic and overseas stock	HK01518	New Century Healthcare	140,848,850.00	Fair value method	125,909,255.00	0.00	-36,922,892.00	0.00	0.00	0.00	103,925,958.00	Other equity instruments investment	Self-owned funds
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	0.00	3,405,682.00	0.00	0.00	0.00	409,099,202.00	--	--
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										

## 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
17 January 2019	One-on-one meeting	Institution	Main contents: 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>
21 January 2019	One-on-one meeting	Institution	
22 January 2019	One-on-one meeting	Institution	
15 February 2019	One-on-one meeting	Institution	
25 February 2019	One-on-one meeting	Institution	
26 March 2019	One-on-one meeting	Institution	

## 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): Wang Dongsheng

Date of the Board's approval of this Report: 29 April 2019