

Stock Code: 200725

Stock Name: BOE-B

Announcement No. 2020-038

BOE TECHNOLOGY GROUP CO., LTD.

FIRST QUARTER REPORT 2020 (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, 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 2020	Q1 2019	Change (%)
Operating revenue (RMB)	25,879,940,117.00	26,454,258,554.00	-2.17%
Net profit attributable to the listed company's shareholders (RMB)	566,676,460.00	1,051,781,919.00	-46.12%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-502,352,271.00	352,304,432.00	-242.59%
Net cash generated from/used in operating activities (RMB)	5,223,671,919.00	6,164,241,385.00	-15.26%
Basic earnings per share (RMB/share)	0.014	0.030	-53.33%
Diluted earnings per share (RMB/share)	0.014	0.030	-53.33%
Weighted average return on equity (%)	0.50%	1.22%	-0.72%
Item	31 March 2020	31 December 2019	Change (%)
Total assets (RMB)	341,414,397,501.00	340,412,203,308.00	0.29%
Equity attributable to the listed company's shareholders (RMB)	99,656,561,800.00	95,058,129,055.00	4.84%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	1,848,285.00	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)	1,144,574,383.00	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)	20,043,116.00	N/A
Reversed portion of impairment allowance for accounts receivable and contract assets which are tested individually for impairment	3,428,992.00	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	2,520,384.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	0.00	N/A
Less: Income tax effects	33,103,140.00	N/A
Non-controlling interests effects (net of tax)	70,283,289.00	N/A
Total	1,069,028,731.00	--

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 2020**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	1,541,954 (including 1,501,699 A-shareholders and 40,255 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	
Hefei Jianxiang Investment Co., Ltd.	State-owned legal person	7.21%	2,510,142,953	0	N/A	0	
Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd.	State-owned legal person	5.81%	2,020,734,641	0	N/A	0	
Beijing Yizhuang Investment Holdings Co., Ltd	State-owned legal person	2.64%	919,731,500	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	2.11%	733,896,129	0	N/A	0	
Beijing Electronics Holdings Co., Ltd.	State-owned legal person	0.79%	273,735,583	0	N/A	0	
GCAMC-ICBC-Generali China-Selected Stock No.18 Asset Management Product	Domestic non-state-owned legal person	0.72%	249,251,600	0	N/A	0	
Central Huijin Assets Management Co., Ltd	State-owned legal person	0.71%	248,305,300	0	N/A	0	
GCAMC-ICBC-Generali China-Silk Road No.1 Asset Management Product	Domestic non-state-owned legal person	0.63%	218,095,100	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
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB ordinary share	2,510,142,953
Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd.	2,020,734,641	RMB ordinary share	2,020,734,641
Beijing Yizhuang Investment Holdings Co., Ltd	919,731,500	RMB ordinary share	919,731,500
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Hong Kong Securities Clearing Company Ltd.	733,896,129	RMB ordinary share	733,896,129
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary share	273,735,583
GCAMC-ICBC-Generali China-Selected Stock No.18 Asset Management Product	249,251,600	RMB ordinary share	249,251,600
Central Huijin Assets Management Co., Ltd	248,305,300	RMB ordinary share	248,305,300
GCAMC-ICBC-Generali China-Silk Road No.1 Asset Management Product	218,095,100	RMB ordinary share	218,095,100
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 & 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 & 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)	The shares held by Beijing Yizhuang Investment Holdings Co., Ltd. in the Company decreased by 7,140,300 shares due to engaging in securities financing.
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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. Asset impairment loss went up 380% during Q 1 2020 compared to Q1 2019, primarily driven by an increase in the inventory valuation allowance recorded in Q1 2020 according to the lower of cost and net realizable value.
2. Other income went up 62% during Q 1 2020 compared to Q1 2019, primarily driven by an increase in government subsidies in Q1 2020.
3. Income tax expense went down 56% during Q 1 2020 compared to Q1 2019, primarily driven by a decrease in earnings in Q1 2020.
4. Cash used in investing activities went down 30% during Q 1 2020 compared to Q1 2019, primarily driven by a decrease in expenses on construction of new projects in Q1 2020.
5. Net cash generated from financing activities went down 57% during Q 1 2020 compared to Q1 2019, primarily driven by decreases in specific borrowings for new projects and in capital increase by minority shareholders.

II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

1. On 18 October 2019, the Company disclosed the Announcement on the Company's Application for CSRC's Approval for its Public Issue of Renewable Corporate Bonds (Announcement No. 2019-052), and the Company received the No. [2019] 1801 Approval from CSRC. Based on the approval, the Company could publicly issue the renewable corporate bonds with the nominal value no more than RMB30 billion to qualified investors. On 29 October 2019, the Company disclosed the Announcement on the Result of Public Issue of Renewable Corporate Bonds (to Qualified Investors) (the First Issue) in 2019 (Announcement No. 2019-057), and the period during which the Company publicly issued renewable corporate bonds (to qualified investors) (the first issue) ("19BOEY1" for short; Code: 112741) was from 28 October 2019 to 29 October 2019. However, the issuing scale was RMB8 billion, and the bonds' ultimate nominal interest rate was 4.0%. On 29 February 2020, the Company disclosed the Announcement on the Result of Public Issue of Renewable Corporate Bonds (to Qualified Investors) (the First Issue) (Epidemic Prevention and Control Bonds) in 2020 (No. 2020-007), and the period during which the Company publicly issued renewable corporate bonds (to qualified investors) (the first issue) (Epidemic Prevention and Control Bonds) ("20BOEY1" for short; Code: 149046) was from 27 February 2020 to 28 February 2020. However, the issuing scale was RMB2 billion, and the bonds' ultimate nominal interest rate was 3.64%. On 20 March 2020, the Company disclosed the Announcement on the Result of Public Issue of Renewable Corporate Bonds (to Qualified Investors) (the Second Issue) (Epidemic Prevention and Control Bonds) in 2020 (Announcement No. 2020-013), and the period during which the Company publicly issued renewable corporate bonds (to qualified investors) (the second issue) (Epidemic Prevention and Control Bonds) ("20BOEY2" for short; Code: 149065) was from 18 March 2020 to 19 March 2020. However, the issuing scale was RMB2 billion, and the bonds' ultimate nominal interest rate was 3.54%.
2. The Company's wholly-owned subsidiary BOE Technology (HK) Limited filed a lawsuit on the sales contract dispute to the superior people's court in Beijing, and the defendants included LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd. (hereinafter referred to as "LETV Mobile"), LETV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Jia Yueting with the claimed amount of USD41.84 million in total. However, Beijing Municipal Superior People's Court respectively issued the Notice of Acceptance and the Civil Ruling Paper on Property Preservation on July 6, 2017 and July 31, 2017. LETV Mobile ever put forward the jurisdiction objection to Beijing Municipal Superior People's Court, which was rejected, and then

launched a lawsuit on the judgment of the jurisdiction objection to the Supreme People's Court. Finally, the Supreme People's Court made the final ruling, rejected the appeal of LETV Mobile and affirmed the original judgment. On 8 March 2019, the first hearing was held in Beijing Municipal Superior People's Court. On 19 February 2020, Beijing Municipal Superior People's Court issued the first instance judgment:

I. The defendant (LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd.) shall pay the plaintiff (BOE Technology (HK) Limited) the owed principal USD36,940,476.77 and the resulting interests (regarding the principal USD12,871,274.5 as the interest basis from 8 September 2016 to 1 March 2017, USD12,144,001.77 from 2 March 2017 to the actual payment day, USD16,172,935 from 13 October 2016 to the actual payment day, USD8,488,690 from 10 November 2016 to the actual payment day, and US134,850 from 8 December 2016 to the actual payment day; the annual interest rate shall be 6% (365 days)), as well as the liquidated damages (regarding the principal USD2,052,248.71 as the basis from 30 April 2017 to 1 July 2017, USD2,052,248.71 from 31 May 2017 to 1 July 2017, USD2,052,248.71 from 30 June 2017 to 1 July 2017, and USD36,940,476.77 from 2 July 2017 to the actual payment day; the penalty standard was 0.03% per day); under the *Installment Payment Agreement* within 10 days after the judgment took effect;

II. The defendant LETV Holdings (Beijing) Co., Ltd. shall burden the joint and several guarantee for the debt owed by LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd. Defined in the judgment (Item I);

III. After the Defendant LETV Holdings (Beijing) Co., Ltd. burdens the joint and several guarantee related to Item II, LETV Holdings (Beijing) Co., Ltd. shall have the right to claim compensation from LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd.;

IV. The defendant (LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd.) shall pay the plaintiff (BOE Technology (HK) Limited) the owed principal USD2,459,090.91 and the resulting interests (regarding the principal USD2,459,090.91 as the interest basis from 27 May 2017 to 19 August 2019 with the PBC's benchmark interest rate for loan during the same period as the standard; USD2,459,090.91 from August 20, 2019 to the actual payment day with the quoted interest rate of the loan market issued by the national inter-bank offer center as the standard; the year shall have 365 days) under the Purchase Order with the goods payment USD2.75 million;

V. Other claims of the plaintiff (BOE Technology (HK) Limited) shall be rejected.

If the defendant LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd. and LETV Holdings (Beijing) Co., Ltd. fails to fulfill their payment obligation as scheduled in the judgment, the Defendant shall pay the double debt interests during the delayed period according to Article 253 of *Civil Procedure Law of the People's Republic of China*.

The litigation fee was RMB1,465,371.63, of which, RMB5,371.63 shall be paid by the plaintiff BOE Technology (HK) Limited (already paid), and RMB1.46 million shall be jointly burdened by LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd. and LETV Holdings (Beijing) Co., Ltd. (payment within 7 days after the judgment took effect); the preservation fee was RMB5000, which shall be jointly burdened by LETV Mobile Intelligent Information Technology (Beijing) Co., Ltd. and LETV Holdings (Beijing) Co., Ltd. (payment within 7 days after the judgment took effect).

On 17 March 2020, BOE Technology (HK) Limited received the petition for appeal submitted by LETV Holdings (Beijing) Co., Ltd. to the court. Now, the court's notice is pending. The Company has calculated corresponding bad-debt provision for the account receivables equaling the above-mentioned claimed amount according to the accounting standards, which has uncertain influence on the Company.

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

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform	-	-	-	-	-	-
Commitments made in acquisition documents or shareholding alteration documents	-	-	-	-	-	-
Commitments made in time of asset restructuring	-	-	-	-	-	-
Commitment made in IPO or refinancing	-	-	-	-	-	-
Commitment made in stock ownership incentive	-	-	-	-	-	-
Other commitments made to minority shareholders	The directors, supervisors and senior managers of the Company	Other commitment	The Company's directors, supervisors and senior managers, based on their confidence in the Company's future development and their recognition of the corporate value, promise not to reduce or transfer any shares held in BOE (A shares), not to entrust others to manage specific shares, not to authorize others to execute their voting right by means of any agreement, trust or other arrangements and not to require the Company to repurchase any specific shares during the terms of office and within 6 months after their tenures expire so as to promote the Company's continuous, stable and healthy development and maintain the rights and interests of the Company and all shareholders. For any	21 February 2020	During the term as director, supervisor or senior manager, and in six months after the expiration of the term (the term determined when taking office).	Ongoing

			newly-added shares derived from the assignment of rights and interests including the share donation and the reserved funds converted into share capital during the period (corresponding to the specific shares), they shall still keep their promises till the commitment period expires.			
Fulfill on time or not	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)	None					

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	SH600658	Electronic Zone	90,160,428.00	Fair value method	72,585,692.00	0.00	-31,459,499.00	0.00	0.00	0.00	58,700,929.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	105,407,103.00	0.00	-49,998,062.00	0.00	0.00	0.00	89,549,873.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	68,545,920.00	0.00	-4,156,917.00	0.00	30,246,220.00	0.00	37,133,561.00	Other equity instruments investment	Self-owned funds
Domestic and overseas stock	HK01518	New Century Healthcare	140,848,850.00	Fair value method	53,586,259.00	0.00	-115,015,606.00	0.00	0.00	0.00	30,562,642.00	Other equity instruments investment	Self-owned funds
Other securities investments held at the			0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--

period-end											
Total	421,135,017.00	--	300,124,974.00	0.00	-200,630,084.00	0.00	30,246,220.00	0.00	215,947,005.00	--	--
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 Cash Entrusted for Wealth Management

Applicable Not applicable

Unit: RMB'0,000

Specific type	Capital resources	Amount incurred	Undue balance	Overdue amount
Bank financial products and structured deposit	Self-owned funds	716,300	473,900	0
Total		716,300	473,900	0

Note: Amount incurred refers to the maximum balance of cash entrusted for wealth management in the single day during the Reporting Period

Particulars of entrusted cash management with single significant amount or low security, bad liquidity, and no capital preservation

Applicable Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted asset management

Applicable Not applicable

VI Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Counterparty	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Beginning investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment allowance (if any)	Ending investment amount	Ending investment amount as % of the Company's ending net asset value	Actual gain/loss in the Reporting Period
Bank	Not a related party	Not	Foreign exchange forward contract	78,133.44	January 1, 2020	March 31, 2020	78,133.44	33,102.63	28,340.40	-	82,895.67	0.57%	339.68
Total				78,133.44	--	--	78,133.44	33,102.63	28,340.40	-	82,895.67	0.57%	339.68
Funding source				Self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of the announcement on the board's approval of the derivative investment (if any)				N/A									
Disclosure date of the announcement on the general meeting's approval of the derivative investment (if any)				N/A									
Analysis of risks and control measures associated with the derivative investments held in the Reporting Period (including but not limited to market, liquidity, credit, operational and legal risks, etc.)				As of the end of the reporting period, the financial derivatives held by the company are foreign exchange forward contracts, and the risks faced are related to the uncertainty of the foreign exchange market in the future. The company's control measures for the financial derivatives are as follows: the company controls the types of derivative transactions, reasonably matches the scale of derivative transactions, and the transactions must match with the company's production, operation and development planning, mainly for the purpose of cost locking and risk prevention.									

Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include measurement methods and related assumptions and parameters)	The fair value of the invested derivatives at the end of the reporting period shall be determined by reference to the market quotation of the external financial institutions.
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to the last reporting period	No major changes
Opinion of independent directors on derivative investments and risk control	N/A

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
2 January 2020	By phone	Institution	Main contents: 1. The main situations of the industry 2. Main operating information of the Company 3. Innovations of technology and products For details, see www.cninfo.com.cn
8 January 2020	On-site visit	Institution	
9 January 2020	On-site visit	Institution	
10 January 2020	On-site visit	Institution	
15 January 2020	By phone	Institution	
16 January 2020	On-site visit	Institution	
4 February 2020	By phone	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): Chen Yanshun

Date of the Board's approval of this Report: 27 April 2020