

Stock Code: 000725, 200725

Stock Name: BOE-A, BOE-B

Announcement No. 2020-037

BOE TECHNOLOGY GROUP CO., LTD.

ANNUAL REPORT 2019 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2019 Annual Report of BOE Technology Group Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

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. 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.

Mr. Chen Yanshun, the Company’s legal representative, Mr. Liu Xiaodong, President, Ms. Sun Yun, Chief Financial Officer, and Ms. Yang Xiaoping, head of the financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

All the directors of the Company except for the following attended in person the Board meeting for the review of this Report and its summary.

Name	Office title	Reason for not attending the meeting in person	Proxy entrusted to attend the meeting
Wang Chenyang	Director	Due to work	Li Yantao

The Board has approved a final dividend plan for the ordinary shareholders for the Reporting Period. A cash dividend of RMB0.20 (tax inclusive) per 10 shares is to be distributed to all the shareholders, with no bonus issue from either profit or capital reserves.

This Report has been prepared as per the Chinese Accounting Standards for Business Enterprises and other relevant regulations. KPMG Huazhen LLP has issued an independent auditor’s report with unmodified unqualified opinion for the Company.

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

1. Stock Profile

Stock name	BOE-A, BOE-B	Stock code	000725, 200725
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Stock exchange for stock listing	Shenzhen Stock Exchange	
Contact information	Board Secretary	Securities Representative
Name	Liu Hongfeng	Huang Rong
Office Address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China
Fax	010—64366264	010—64366264
Tel.	010—64318888 ext.	010—64318888 ext.
E-mail address	liuhongfeng@boe.com.cn	huangrong@boe.com.cn

2. Principal Activities or Products in the Reporting Period

Founded in April 1993, BOE Technology Group Co., Ltd. (“BOE”) is an IoT company providing intelligent interface products and services for information interaction and human health. In 2019, BOE adhered to its strategy of transforming further towards an IoT company. It kept promoting transformation and growth, tapping into IoT application needs and sharpening its competitive edges in market segments. Working with the B2B Chief Sales Platform Officer, the OMO Chief Sales Platform Officer, the Branding and Global Market Center, the Information Technology Development Center, and other professional service platforms, the three major business divisions of interface devices (D), smart IoT (S) and smart medicine and engineering (H) continued to enhance marketing, technological and systematic abilities and promote fast growth.

(1) Interface Devices (D)

Division D consists of the Display and Sensor BG, and the Sensor and Application Solution BG. The Display and Sensor BG designs and manufactures related devices with a B2B model. The display device business offers TFT-LCD, AMOLED, Microdisplay and other intelligent interface devices for smartphones, tablet PCs, laptops, monitors, TVs, vehicles, electronic shelf label (ESL), tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, interactive whiteboards, etc. And the sensor device business provides integrated design and manufacturing services of sensor devices for use in medical detection, household detection, communication and transportation, smart homes, etc. The Sensor and Application Solution BG provides sensor system solutions for B2B customers of medical imaging, biological detection, smart screens, microwave communication, fingerprint identification, industrial control and the like, with products including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, fingerprint identification systems, etc.

(2) Smart IoT (S)

Division S is divided into the Intelligent Manufacturing Service BG, the IoT Solution BG and the Digital Art IoT Platform BG. The Intelligent Manufacturing Service BG designs and manufactures, for its global B2B partners, the most competitive whole-widgit smart manufacturing solutions of TVs, monitors, electronic blackboards, electronic signs, commercial display products, electronic tags, self-service and mobile terminals, among others. Supported by AI and big data technologies, the IoT Solution BG focuses on segment markets and offers integrated IoT solutions of smart finance, digital hospitals, smart business offices, smart homes, smart

transportation, smart education and smart energy, empowering these industries. The Digital Art IoT Platform BG adopts an IoT platform model. Supported by paper display, digital art cloud platform, AI and other technologies, and cooperating with art organizations and artists, this BG offers various products and services including artistic appreciation, art knowledge, picture book reading, photo sharing, art mall and visual aesthetics.

(3) Smart Medicine and Engineering (H)

Division H includes the Mobile Healthcare IoT Platform BG and the Smart Healthcare Service BG. The Mobile Healthcare IoT Platform BG adopts a healthcare IoT platform model. It offers biochips, mobile detection devices and solutions, App products and services, eco-chain products, etc. Being people-oriented, it provides mobile healthcare terminals and services based on the home, community and hospital scenarios. It is building a healthcare IoT platform featuring “family, community and hospital collaboration”. The Smart Healthcare Service BG covers digital hospitals, digital human body, regenerative medicine, healthcare parks, etc. It offers B2C customers online-and-offline integrated professional healthcare services focused on digital medical care and supplemented by smart nursing home and healthcare park integrated solutions, as well as by industrial park operations and the like.

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

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

√ Yes □ No

Reason for retrospective restatement: accounting policy changes

Unit: RMB

Item	2019	2018	2019-over-2018 change (%)	2017	
			After	Before	After
Operating revenue (RMB)	116,059,590,164.00	97,108,864,935.00	19.51%	93,800,479,215.00	93,800,479,215.00
Net profit attributable to the listed company's shareholders (RMB)	1,918,643,871.00	3,435,127,975.00	-44.15%	7,567,682,493.00	7,567,682,493.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-1,166,793,317.00	1,517,702,353.00	-176.88%	6,679,211,138.00	6,679,211,138.00
Net cash generated from/used in operating activities (RMB)	26,083,079,194.00	25,684,047,196.00	1.55%	26,266,986,015.00	26,726,929,655.00
Basic earnings per share (RMB/share)	0.05	0.10	-50.00%	0.22	0.22
Diluted earnings per share (RMB/share)	0.05	0.10	-50.00%	0.22	0.22
Weighted average return on equity (%)	2.16%	4.00%	-1.84%	9.25%	9.25%

Item	31 December 2019	31 December 2018	Change of 31 December 2019 over 31 December 2018 (%)	31 December 2017	
			After	Before	After
Total assets (RMB)	340,412,203,308.00	304,028,491,385.00	11.97%	256,108,741,849.00	256,108,741,849.00
Equity attributable to the listed company's shareholders (RMB)	95,058,129,055.00	85,856,748,703.00	10.72%	84,809,816,377.00	84,809,816,377.00

Reasons for the changes to the accounting policies and correction of accounting errors:

In 2018, according to the interpretations of the regulatory document CK [2018] No.15, government subsidies received in 2017, whether related to assets or income, should be presented as "cash generated from operating activities" in the cash flow statements.

(2) Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Operating revenue	26,454,258,554.00	28,584,950,133.00	30,682,823,546.00	30,337,557,931.00
Net profit attributable to the listed company's shareholders	1,051,781,919.00	616,666,530.00	183,791,110.00	66,404,312.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses	352,304,432.00	299,186,002.00	-840,490,839.00	-977,792,912.00
Net cash generated from/used in operating activities	6,164,241,385.00	5,430,742,964.00	4,932,005,060.00	9,556,089,785.00

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

☐ Yes ☒ No

4. Share Capital and Shareholder Information at the Period-End

(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	1,224,363 (including 1,184,812 A-shareholders and 39,551 B-shareholders)		Number of ordinary shareholders at the month-end prior to the disclosure of this Report	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 at the period-end	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	

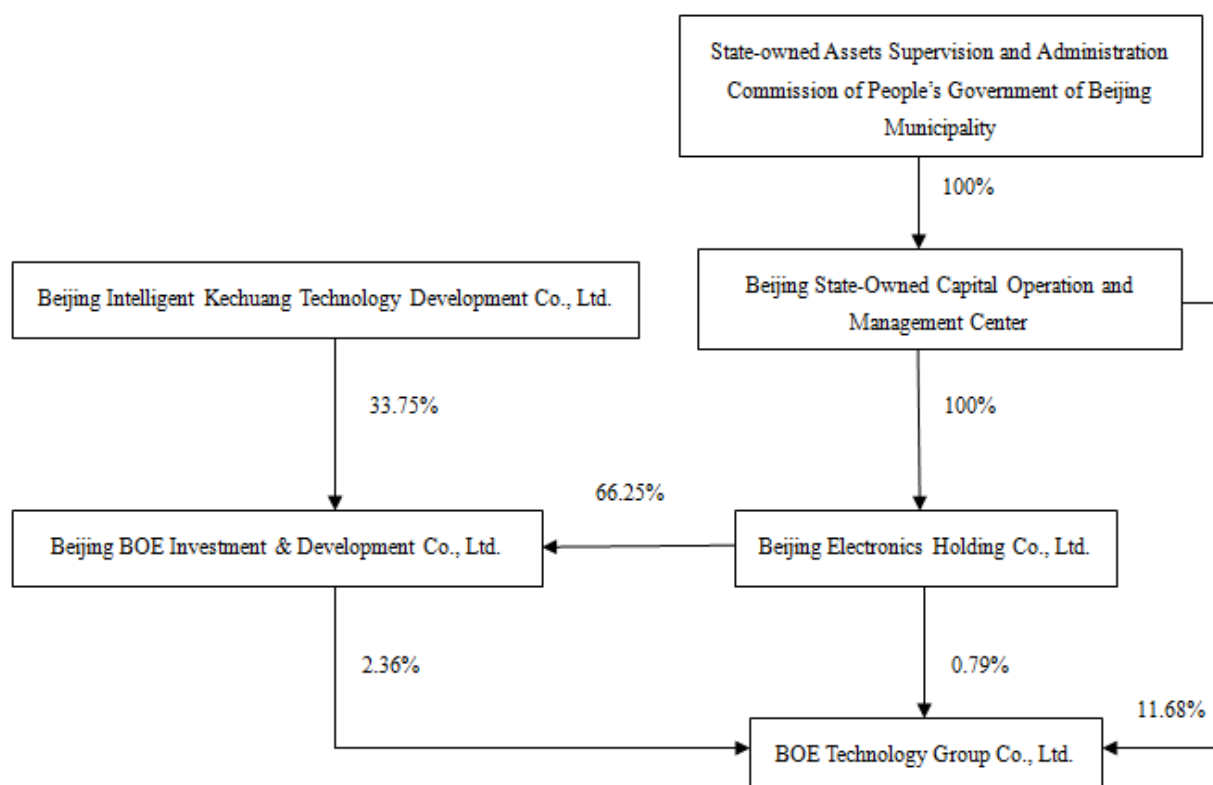
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned legal person	5.81%	2,020,734,641	0	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	3.82%	1,328,335,605	0	N/A	0
Beijing Yizhuang Investment Holdings Co., Ltd	State-owned legal person	2.63%	915,758,000	0	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.36%	822,092,180	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
Related or acting-in-concert parties among the shareholders above	1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd. 2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder. 3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronics 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. 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. 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.					
	Shareholders involved in securities margin trading (if any)					
		The shares held by Beijing Yizhuang Investment Holdings Co., Ltd. in the Company decreased by 11,113,800 shares due to engaging in securities financing.				

(2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

☐ Applicable ☒ Not applicable

No preferred shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company



Notes: 1. Beijing Intelligent Kechuang Technology Development Co., Ltd. (Intelligent Kechuang) is used as a platform for the Company to implement equity incentives for its core technical and managerial personnel, who are the 20 nominal shareholders of Intelligent Kechuang. The ratios of their capital contributions to Intelligent Kechuang do not represent their actual equity percentage. The equities of Intelligent Kechuang are jointly owned by the awardees of the Company's equity incentive plans. The capital contribution ratios of the said 20 people are as follows: Wang Dongsheng 20%, Jiang Yukun 10%, Liang Xinqing 10%, Zhao Caiyong 6.667%, Shi Dong 6.667%, Chen Yanshun 6.667%, Song Ying 6.667%, Han Guojian 6.667%, Gong Xiaoqing 3.333%, Wang Yanjun 3.333%, Wang Jiaheng 3.333%, Liu Xiaodong 3.333%, Ren Jianchang 1.667%, Sun Jiping 1.667%, Zhang Peng 1.667%, Wang Aizhen 1.667%, Mu Chengyuan 1.667%, Xu Yan 1.667%, Hua Yulun 1.667% and Zhong Huifeng 1.667%.

2. When the Company completed a private offering of shares in 2014, Beijing State-Owned Capital Operation and Management Center transferred its 70% stake directly held in the Company to Beijing Electronics Holding Co., Ltd. for managing through a Shares Management Agreement, and Beijing Electronics Holding Co., Ltd. obtained the shareholder's rights other than the disposal and earnings rights attached to the 70% stake; and Beijing State-Owned Capital Operation and Management Center agreed in a Voting Rights Exercise Agreement to align itself with Beijing Electronics Holding Co., Ltd. when exercising its voting rights of the remaining 30% stake directly held by it in the Company.

5. Corporate Bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

Yes.

(1) Bond Profile

Bond name	Abbr.	Bond code	Maturity	Balance (RMB'0,000)	Coupon rate
2019 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I)	19BOEY1	112741	For bonds issued during this period, 3 interest-bearing years shall be regarded as a cycle. At the end of each cycle, the issuer shall have the right to conditionally extend the issue of bonds for another cycle (3 years) or choose to fully redeem the due bonds at the end of the cycle.	800,000	4.00%
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I) (epidemic prevention and control bonds)	20BOEY1	149046	For bonds issued during this period, 3 interest-bearing years shall be regarded as a cycle. At the end of each cycle, the issuer shall have the right to conditionally extend the issue of bonds for another cycle (3 years) or choose to fully redeem the due bonds at the end of the cycle.	200,000	3.64%
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase II) (epidemic prevention and control bonds)	20BOEY2	149065	For bonds issued during this period, 3 interest-bearing years shall be regarded as a cycle. At the end of each cycle, the issuer shall have the right to conditionally extend the issue of bonds for another cycle (3 years) or choose to fully redeem the due bonds at the end of the cycle.	200,000	3.54%
Interest payment during the Reporting Period	No such cases as of the approval disclosure date of this report.				

(2) Latest Rating and Rating Change

Within the Reporting Period and the day of approved report issue, United Ratings Co., Ltd. conducted a rating for the Company's mature bonds, and corresponding credit rating report was disclosed via www.cninfo.com.cn. Relevant details are as follows:

Bond name	Corporate credit rating	Outlook on corporate rating	Credit rating of corporate bonds	Letter of credit rating	Date of report disclosure
19BOEY1	AAA	Stable	AAA	LH[2019]No.2141	23 October 2019
20BOEY1	AAA	Stable	AAA	LH[2020]No.236	25 February 2020
20BOEY2	AAA	Stable	AAA	LHPZ[2020]No.376	16 March 2020

It is estimated that United Ratings will issue the *Tracking Rating Report of the 2020 Renewable Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.* in late June 2020. The Company will disclose the tracking rating analysis report on www.szse.cn in time. And please investors pay attention to it.

(3) Selected Financial Information of the Company for the Past Two Years

Unit: RMB'0,000

Item	2019	2018	Change
Debt/asset ratio	58.56%	60.41%	-1.85%
Debt/EBITDA ratio	16.26%	18.26%	-2.00%
Interest cover (times)	1.14	1.62	-29.63%

Part III Operating Performance Discussion and Analysis

1. Business Overview of the Reporting Period

2019 saw the longest and deepest trough of the semi-conductor display industry in its history, with escalating oversupply and increasing competition. Meanwhile, uncertainties across the world such as a string of trade frictions, rising trade protectionism and geopolitical instability created downward pressure on the global economy. In the harsh market environment, BOE seized the opportunity to grow in this industry trough. It managed to achieve stable growth in operating revenue against a shrinking market size. For 2019, the Company recorded operating revenue of approximately RMB116.06 billion, up by around 19.51% year-on-year.

1. D, S, H Business Divisions Develop Simultaneously

The Interface Devices BD (D)

The display device's market status is steadily improved with the overall sales achieving a year-on-year growth of 16%. The market share of sales of smart phone LCD, tablet PC display screen, notebook computer display screen, display monitor and TV display continues its first ranking status; the display and sensors BD has successfully propelled its new production line construction, and the flexible AMOLED business has achieved its breakthrough. Meanwhile, Hefei 10.5th generation TFT-LCD production line produces in a full capacity; Mianyang 6th generation flexible AMOLED production and Wuhan 10.5th generation TFT-LCD production line realize the volume production; the pile foundation has been constructed for Chongqing 6th generation flexible AMOLED production line. As the sales of innovative applications realize a year-on-year growth of 50%, the market occupancy is largely improved. Similarly, the sensors and solutions business grows rapidly; the medical imaging BD shipment quantity realizes an increase of 70% when compared to that in the same period; the biological detection Flowcell product core customer-side occupancy monthly proportion exceeds 50%.

The Smart IoT BD (S)

With the improvement of intelligent manufacturing service and management quality, the full-screen series of products (without frames) have been completely introduced into various brand customers and put into volume production. The TV complete appliances' sales on the domestic market increase 180% when compared to that in the same period, and the Company has become the first-choice supplier for various strategic customers. The volume production and delivery are also materialized for various new applications including the commercial display, electronic table card, intelligent cash register and smart watch etc.. Meanwhile, IoT solutions BD has undertaken various demonstration projects including the National Day Performance and Daxing International Airport etc.; Smart Finance has provided over 1000 financial branches with corresponding intelligent upgrading service; smart retail overseas branch introduces the strategic investment and enhances the strategic cooperation; the Company has won the bidding of various intelligent renovation projects in China. As the digital art display system has been approved with the ITU international standard, it has further defined the international technical specifications for the digital artwork display. The platform-based professional works exceed

30,000, and the users upload over 1.5 million works. In fact, it has obtained the authorization from the Ministry of Culture and Tourism of the P.R.C to establish the national digital culture industry innovation center.

The Smart Medicine and Engineering BD (H)

With the improvement of the mobile health product system, more than 10 BOE brand products and 50 eco-chain products have realized their marketing; by obtaining the omni-channel qualification for selling and operating medical devices, the Company has improved the construction of online and offline marketing platforms, and the annual hardware sales have achieved a new high; the biological chip integration testing system has won the special support from Beijing Municipal Science and Technology Commission, and DEMO product development is also completed; now, great effort will be made to accelerate the implementation and application of various solutions including the chronic respiratory disease management, the CVD management, the diabetes management, the Smart Emergency, the Smart Health Care Community and the Smart Public Health and Physical Examination etc..

In terms of the health service, the outpatient visits of OASIS International Hospital achieve a year-on-year growth of 20%; since its opening in March, Hefei BOE Hospital has made its outpatient visits reach about 100,000. Meanwhile, it has begun to provide various level-4 surgeries and treated and cured 100 difficult diseases, and obtained the qualification of Anhui Provincial First Batch of Internet Hospitals; the regenerative medicine heart diaphragm finishes the cell detection conducted by NIFDC, the small animal test and the large animal preliminary experiment; as the health care park business is developing stably, various life science and technology parks are established as well in different places.

2. Progress is Made in the Development of Innovation Subdivision and Application Market

The intelligent window subdivision of the sensors and solutions BD has launched its high-speed train intelligent window products to the world, successfully realizing the application in Beijing-Xiong'an Intercity Railway Trains; IoT solutions BD has implemented various products and solutions including 5G holographic classroom solution, intelligent conference and smart home etc.; the digital art BD has successfully launched Funbook, iGallery S3 and other new products; the mobile health BD realizes the marketing of various self-developed products including the breast milk analysis meter and the sleep meter 2.0 etc., and the mobile health APP 4.0 is also released to the market; the health service BD has launched the newborn baby's umbilical cord stem cells storage products to the market, and the digital human body APP has released its 2.0 version; the light and shadow art solutions BD appears in various activities to celebrate the 70th anniversary for the founding of new China.

3. The Technical Innovation Ability is Further Enhanced

In 2019, the newly-added patent applications exceeded 9,600, including over 3,600 overseas patents and over 4,000 patent application covering such important fields as flexible AMOLED, sensors, artificial intelligence and big data. Similarly, the newly-added patent licenses exceeded 5,000, including over 2,000 overseas patent licenses, and great progress was made in the R&D of transformation technology covering the sensors, artificial intelligence, big data and integration of medicine and industry. BOE now ranks the 6th in the Chinese Enterprises' AI Technology Invention Patent Ranking List, and its image super resolution, gesture

recognition and target detection algorithm have taken the crown in the top international competition. Besides, the Company has directed the formulation and revision of 29 external technical standards including 13 newly-added standards. As the self-developed digital art display system ITU international standards have been approved, it will seize the initiative in executing the international standard in the digital culture field, and corresponding ITU project approval is also obtained for two UHD tele-medicine international standards.

2. Significant Change to Principal Activities in the Reporting Period

☐ Yes ☒ No

3. Product Category Contributing over 10% of Principal Business Revenue or Profit

☒ Applicable ☐ Not applicable

Unit: RMB

Product category	Operating revenue	Operating profit	Gross profit margin	YoY change in operating revenue (%)	YoY change in operating profit (%)	YoY change in gross profit margin (%)
Interface devices	106,482,397,172	-1,526,383,397	13.11%	22.83%	-142.27%	-5.75%
Smart IoT	16,730,993,983	136,751,751	13.01%	-4.39%	34.28%	1.98%

4. Business Seasonality to which Special Attention should Be Paid

☐ Yes ☒ No

5. Significant YoY Changes in Operating Revenue, Cost of Sales and Net Profit Attributable to the Listed Company's Ordinary Shareholders or Their Compositions

☐ Applicable ☒ Not applicable

6. Possibility of Listing Suspension or Termination

☐ Applicable ☒ Not applicable

7. Matters Related to Financial Reporting

(1) YoY Changes to Accounting Policies, Accounting Estimates or Measurement Methods

☒ Applicable ☐ Not applicable

(a) Presentation of financial statements

The Group prepared 2019 financial statements and adjusted the data in the Reporting Period according to Notes of Revising and Printing the Format of 2019 General Enterprises Financial Statement (CK [2019] No. 6) issued by the Ministry of Finance in April

2019, and Notes of Revising and Printing the Format of Consolidated Financial Statement (CK [2019] No. 16) issued in September.

(b) Non-monetary assets exchange

The Ministry of Finance issued the Notes of Revising and Printing the Accounting Standards for Business Enterprises No. 7-Non-monetary Assets Exchange (CK [2019] No. 8) in May 2019. The Group started to implement from 10 June 2019 and adjusted the non-monetary exchange occurred from 1 January 2019 to the date of enforcement of the standards according to the standards.

(c) Debt restructuring

The Ministry of Finance issued the Notes of Revising and Printing the Accounting Standards for Business Enterprises No. 12- Debt Restructuring (CK [2019] No. 9) in May 2019. The Group started to implement from 17 June 2019 and there was no adjustment to the debt restructuring occurred from 1 January 2019 to the date of enforcement of the standards.

(d) Financial instruments

The Ministry of Finance revised and issued the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (revised), Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (revised), Accounting Standards for Business Enterprises No.24-Hedge Accounting (revised) and Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments (revised) (collectively referred to as “new standards governing financial instruments”) in 2017. The Group started to implement the abovementioned amendment of the accounting standards to adjust the relevant content regarding the accounting policy.

(2) Retrospective Restatements due to Correction of Material Accounting Errors in the Reporting Period

☐ Applicable ☒ Not applicable

No such cases.

(3) YoY Changes to the Scope of Consolidated Financial Statements

☒ Applicable ☐ Not applicable

On 21 January 2019, the Company and Fuzhou BOE Display Technology Co., Ltd. signed the Agreement of Concerted Action with Fuqing Urban Construction and Investment Group Co., Ltd. and Fuzhou Urban Construction and Investment Group Co., Ltd., under which, various parties agreed to be the persons acting in concert as suggested by the Company, and irrevocably exercise the right to vote based on the Company’s opinions without reserve. From the day on, the Company shall have the right to control Fuzhou BOE Display Technology Co., Ltd., and included it into the consolidation scope since 22 March 2019.

Chairman of the Board (signature): Mr. Chen Yanshun

Date of the Board's approval of this Report: 24 April 2020