

**NEWS RELEASE****BOE Varitronix Revenue Recorded 27%yoy Growth to HK\$4,527 million,  
Continue to Develop Further in the Areas of Smart Cockpit Display**

26 March 2021, BOE Varitronix Limited (the “Company”) and its subsidiaries (“BOEVx” or the “Group”) (710.HK), the world’s leading smart automotive display and innovative solution provider announces its final results for the full year ended 31 December 2020. Leveraging on its momentum growth in automotive display business, the Group realized revenue of HK\$4,527 million, an increase of 27% from last year’s HK\$3,574 million.

The increase in gross profit as driven by the increase in turnover, and the cost-optimizing and efficiency management actions implemented by the Group, EBITDA has increased by 30% from HK\$166 million in 2019 to HK\$216 million, the profit attributable to shareholders recorded a significant increase of approximately 174% from HK\$25.0 million in 2019 to HK\$68.6 million in 2020. BOE Varitronix’s profitability has steadily improved, and the improvement in efficiency has achieved remarkable results.

During the year, in terms of product portfolio, the Group’s Thin Film Transistor (“TFT”) module business and touch panel display modules business continued to achieve remarkable growth and contributed over 75% of the Group’s revenue while the revenue from monochrome display business decreased. The continuous optimization of the Group’s product portfolio structure further enhances the Group’s profitability.

In 2020, the outbreak of the COVID-19 pandemic has brought various degrees of impact to domestic and foreign economies. Through innovative products and services, BOE Varitronix is able to demonstrate its strong business resilience, while both automotive display business and industrial display business have recorded steady growths.

**Significant Growth in Automotive Display Business with Surge in Sales Orders in the PRC Market**

During the year, the Group’s automotive display business has grown substantially, generated revenue of HK\$3,450 million, 33% YOY growth, which was mainly contributed by the surge in sales orders in the PRC, Korea and Japan and the commencement of mass production of TFT display modules and touch panel modules during the year. This business represented approximately 76% of the Group’s overall revenue.

According to the research conducted by a leading market research company, BOE Varitronix is currently one of the world's top three automotive display suppliers. With its leading position in automotive display business, the overall market share has been gradually increasing.

During the year, the PRC is the major growth engine of automotive display market share. For the PRC market, the Group stated that as the lockdown was gradually eased during the second quarter, customer sentiments in automobile purchasing has been increasing and automobile sales in the PRC started to rebound throughout the rest of the year and result in a rapid growth of customer order. Together with the scheduled commencement of mass production of TFT display and touch panel display modules projects for both conventional vehicles and new energy vehicles ("NEVs"), the Group's PRC automotive business has recorded a notable growth in 2020. The Group has achieved over 30% of market share in automotive TFT display for top 20 PRC automobile manufacturers.

BOE Varitronix currently has engaged in the strategic cooperation with major automobile manufacturers in the PRC and Tier-1 manufacturers, as well as launching cooperation with NEVs manufacturers in China. According to the statistics by the Group, BOE Varitronix has achieved over 30% of market share in automotive TFT display for major PRC NEVs manufacturers.

Although, the COVID-19 has brought certain impact to the macroeconomic environment, the accelerated development of smart automotive industry has generated a high demand for automotive display, which has provided opportunities for the substantial growth of BOE Varitronix automotive display business.

### **Industrial Display Business Stably Grown with Expansion in High-end Customers**

Industrial Display is the second largest business of the Group. During the year, the Group has continued to promote its display business to industrial and high-end customers. The industrial display business generated revenue of HK\$1,077 million, 9% YOY. This business represented approximately 24% of the Group's overall revenue.

With the increase in consumer demand for information and the rise of Internet of Things ("IoT"), industrial clients prefer TFT module more. The sales of TFT display modules in education-related application in the PRC market and the ramping up of demand from a world-renowned high-end home appliance brand based in the United Kingdom have increased, which resulted in the growth of industrial display business.

Meanwhile, BOE Varitronix has been promoting distinctive Versi-color IBN cell and IBN-TFT hybrid display, as well as promoting the TFT display modules to customers in the high-end white-goods consumer sector in Europe. The Group is determined to grasp the opportunities for growth in industrial display business.

## **Creating Roadmap for Smart Cockpit Display to Seize Market Opportunities**

As NEVs and autonomous driving technology are in the forefront of development, the ever-increasing trend of automotive intelligence and interconnection has indirectly driven the development and growth of automotive display market. The innovation of smart cockpit display, which has been widely adopted in instrument cluster, center information display, rear seat infotainment etc., is facing an enormous growth.

Under the positive momentum of the industry, the technical team of BOE Varitronix has been utilizing its fruitful experience in automotive display, large-sized display and integrated software and hardware system to accelerate towards the technology trend of large-sized automotive display and smart cockpit intelligence.

In order to strengthen the capabilities in larger-sized curved display, the Group has invested in optical bonding facilities together with a PRC renowned software group whose businesses cover the field of intelligent vehicle connectivity. New production lines will commence its production in the first half of 2021.

The Group has also increased investment in Shenzhen Jiangcheng Technology Co., Ltd in the first quarter of 2021 and reached a capital increase agreement to raise additional funding to support the on-going development in augmented reality head-up display (“AR-HUD”) and HUD related technologies and products.

In terms of visual display experience, the Group has been working with the eco-system partners, customers and also BOE Group to enhance the visual display experience through new technologies application. The use of AMOLED, Black Diamond Cell (“BD cell”), large-sized integrated curve display, high resolution 4K 3D display in automobile display can greatly enhance drivers’ and passengers’ immersive experience in car journey

BOE Varitronix stated that, the Group is dedicated to focus on the investment in smart cockpit display system, and to closely work with our automotive eco-system partners along the fast-developing track of the automotive value-chain, which will eventually lead the Group to become one of the leading integrated smart cockpit display system solution providers in the industry.

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