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BOE VARITRONIX LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 710)

CONTINUING CONNECTED TRANSACTION
TRADEMARK LICENCE AGREEMENT

TRADEMARK LICENCE AGREEMENT

On 30 December 2021 (after trading hours), the Company and BOE entered into the Trademark Licence Agreement, pursuant to which BOE agrees to grant the Group the right to use the Trademark in connection with the display products and services of the Group for a term commencing from 1 December 2021 to 31 December 2022.

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is a substantial shareholder of the Company holding approximately 54.34% of the issued share capital of the Company as at the date of this announcement. BOE is an associate of BOE(HK) and is thus a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Trademark Licence Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Trademark License Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Trademark License Agreement are therefore subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE TRADEMARK LICENCE AGREEMENT

The principal terms of the Trademark Licence Agreement are as follows:

- Date : 30 December 2021 (after trading hours)
- Parties : (i) BOE, as licensor
(ii) the Company, as licensee
- Use of the Trademark : BOE agrees to grant the Group the right to use the Trademark in connection with (1) the licensed display products and services of the Group, including but not limited to, on surfaces, packaging, manuals, transaction documents and brochure of the products; (2) the brand identity (without specified products), including but not limited to, the use of the internal brand touchpoint (such as the building's logo, interior decoration, corporate office supplies and etc.) and the external brand promotion activities (such as exhibitions, forums, other promotion activities and etc.), and these activities can only use the Trademark for promotion purpose; and (3) as a trade name for a company.
- Licence fee : The annual licence fee is at 0.8% of the revenue from the principal business deducting the internal purchases of the Company of the previous year.
- The rate of the annual licence fee was arrived at after arm's length negotiations between the Company and BOE with reference to the license fee charged by other licensors for similar transactions and the prevailing market conditions.
- Term : A term from 1 December 2021 to 31 December 2022, both days inclusive.
- Payment : BOE issues a notice of the annual licence fee to the Company every year, and the Company or its subsidiaries shall pay the annual licence fee within 60 days of receiving the notice.

HISTORICAL FIGURES AND ANNUAL CAPS

BOE did not charge any license fee for the use of the Trademark by the Company for the two financial years ended 31 December 2020 and the eleven months ended 30 November 2021.

The Annual Caps for each of the two years ending 31 December 2021 and 2022 are HK\$1.8 million and HK\$32 million respectively.

The Annual Caps are arrived at after taking into account (i) the historical and projection of the financial performance of the Company; (ii) the anticipated revenue from the principal business deducting the internal purchases of the Company of the two years ending 31 December 2020 and 2021; and (iii) the arm's length negotiation between the Company and BOE.

Shareholders are reminded that the Annual Caps are the best estimates made by the Company on the maximum annual transaction amounts based on the currently available information possessed by the Company. There are no direct correlation and shall not be construed as to have any direct correlation between the Annual Caps and the financial performance or potential financial performance of the Company.

The Directors (including the independent non-executive Directors) are of the review that the Annual Caps are fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRADEMARK LICENSE AGREEMENT

Since the Company has amended its name to BOE Varitronix Limited in 2017, the Company has been adopting the Trademark for all its businesses, corporate promotions and other business activities in the display products and services. As the Trademark has been widely adopted in all the businesses and activities managed and operated by the Company and are generally known and recognised by the public, the Trademark has become an important means of promoting the Company's brand and image and a key icon in all of the Company's external promotion and marketing activities. The continual use of the Trademark will ensure the continuity of promoting the brand and image of the Company, thereby ensuring that the services and businesses of the Company will be well recognised by the public. This will also enhance the Company's long term competitiveness and efficiency.

Leveraging on the BOE Group's competitive edges, such as panel research and automated manufacturing process, the BOE Group has supplied the Group with TFT panels and modules with customised design and comprehensive quality support at prices considered to be fair and reasonable by the Company. With the stable supply of TFT panels and the provision of technical support by the BOE Group, together with the availability of the BOE's full spectrum of state-of-the-art display products, the Group's TFT business expanded rapidly, especially in the PRC, even though the automotive display market faced keen competition. Total revenue of the Group increased from approximately HK\$2,879 million in 2017 to approximately HK\$4,527 million in 2020. In 2020, the Group's TFT module business and TP display modules business contributed over 75% of the Group's revenue. For the first half of 2021, the Group recorded revenue of approximately HK\$3,200 million, representing an increase of approximately 69% when compared with approximately HK\$1,898 million recorded in the first half of 2020. The revenue from the sales of TFT modules and TP display modules accounted for approximately 81% of the Group's total revenue for the first half of 2021. The Group's profit attributable to shareholders for the first half of 2021 has increased by approximately HK\$76.9 million, approximately 423% as compared to the same period of 2020. BOE together with the Group, being the BOE Group's sole platform of automotive display module and system business, has maintained the leading position in the global automotive display market.

In view of the above, the Company entered into the Trademark License Agreement to continue to use the Trademark.

The Directors (including the independent non-executive Directors) are of the view that (i) the Trademark Licence Agreement is entered into the ordinary and usual course of business of the Group; (ii) the terms of the Trademark Licence Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and on normal commercial terms or better; and (iii) the Trademark Licence Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group was established in 1978 and the Shares were listed on the Main Board of the Stock Exchange in 1991. The Group is principally engaged in the automotive and industrial display business and has monochrome display manufacturing capacity and TFT and TP display module assembly capacity.

BOE, a company whose shares are listed on the Shenzhen Stock Exchange (stock code 000725 for its A shares and stock code 200725 for its B shares), is a supplier of semiconductor display

technologies, products and services and its products are widely used in a broad spectrum of applications such as mobile phones, tablets, notebooks, monitors, televisions, vehicle displays and digital information displays. BOE is one of the major suppliers of TFT displays in the global market. BOE also has production lines for manufacturing TFT modules mainly for consumer products like phones, tablets, notebook computers, monitors, televisions, vehicle displays and digital information displays. The Group is the sole platform of automotive display module and system business within the BOE Group.

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is a substantial shareholder of the Company holding approximately 54.34% of the issued share capital of the Company as at the date of this announcement. BOE is an associate of BOE(HK) and is thus a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Trademark Licence Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Trademark License Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Trademark License Agreement are therefore subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement, Mr. Gao Wenbao ("Mr. Gao"), an executive Director, holds 1,860,700 A shares of BOE, Mr. Su Ning ("Mr. Su"), an executive Director, holds 150,000 A shares of BOE, Mr. Shao Xibin ("Mr. Shao"), a non-executive Director, holds 787,600 A shares of BOE, Mr. Jin Hao ("Mr. Jin"), a non-executive Director, holds 628,800 A shares of BOE, and Ms. Zhang Shujun ("Ms. Zhang"), a non-executive Director, holds 153,700 A shares of BOE. In addition, Mr. Gao is the executive director, a member of the executive committee and the executive vice president of BOE, and the chief executive officer of Display Business Group of BOE. Mr. Su is a general manager of the application business department of Beijing BOE Display Technology Co., Ltd. (a subsidiary of BOE). Mr. Su has concurrently served as a general manager of the automotive SBU of BOE and a vice president of BOE. Mr. Shao is the chief new product officer of Display Business Group of BOE. Mr. Jin is a head of the production and sales management centre of Display Business Group of BOE and Display Device of BOE. Ms. Zhang is a vice head of financial operation management of Display Business Group of BOE and a financial controller of Nanjing CEC

Panda FPD Technology Co., Ltd., a subsidiary of BOE.

Mr. Gao, Mr. Su, Mr. Shao, Mr. Jin and Ms. Zhang present at the Board meeting were not counted in the quorum and they have abstained from voting at the Board meeting to approve the Trademark Licence Agreement and the Annual Caps therein for the year of 2021 and 2022. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the Trademark Licence Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

- “Annual Caps” : for the purpose of Chapter 14A of the Listing Rules, means the maximum fees payable by the Company to BOE during the two years ending 31 December 2021 and 2022 under the Trademark Licence Agreement, the details of which are set out in the paragraph headed “Historical Figures and Annual Caps” of this announcement
- “associate(s)” : has the same meaning as ascribed to it under the Listing Rules
- “Board” : the board of Directors
- “BOE” : BOE Technology Group Co., Ltd.
- “BOE(HK)” : BOE Technology (HK) Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of BOE
- “BOE Group” : BOE and its subsidiaries (excluding the Group for the purpose of this announcement)
- “Company” : BOE Varitronix Limited (stock code: 710), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
- “connected person(s)” : has the same meaning as ascribed to it under the Listing Rules

“Director(s)”	:	the director(s) of the Company
“Group”	:	the Company and its subsidiaries
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	:	the People’s Republic of China (which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Share(s)”	:	the ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	:	the holders of the Share(s)
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	:	has the same meaning as ascribed to it under the Listing Rules
“TFT”	:	thin film transistor
“TP”	:	touch panel
“Trademark”	:	the trademark 「京东方」 and 「BOE」
“Trademark Licence Agreement”	:	the trademark license agreement entered into between BOE (as licensor) and the Company (as licensee) dated 30 December 2021 pursuant to which BOE agrees to grant the Group the right to use the Trademark in connection with the licensed display products and services of the Group for a term commencing from 1 December 2021 to 31 December 2022

“%” : per cent.

By Order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, dated 30 December 2021

As at the date of this announcement, the Board comprises nine Directors, of whom Mr. Gao Wenbao, Ms. Ko Wing Yan, Samantha and Mr. Su Ning are executive Directors, Mr. Shao Xibin, Mr. Jin Hao and Ms. Zhang Shujun are non-executive Directors, and Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Hou Ziqiang are independent non-executive Directors.