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BOE VARITRONIX LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

2025 FINAL RESULTS ANNOUNCEMENT

The board (the “Board”) of directors (the “Director(s)”) of BOE Varitronix Limited (“BOEVx” or the “Company”) is pleased to announce the financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 (the “year under review”).

RESULTS HIGHLIGHTS

HK\$ million (Unless otherwise indicated)	For the year ended 31 December 2025	For the year ended 31 December 2024
Revenue	13,957	13,449
EBITDA ¹	679	686
Profit Attributable to Shareholders	345.4	391.3
Basic Earnings per Share	43.9 HK cents	49.6 HK cents
Diluted Earnings per Share	43.7 HK cents	49.5 HK cents
Final Dividend per Share	15.3 HK cents	17.0 HK cents
	As of 31 December 2025	As of 31 December 2024
Cash resources ²	4,462	4,122
Cash and Fixed Deposits Balance	4,351	3,544

¹ EBITDA means profit for the year plus the following to the extent deducted in calculating such profit for the year: finance costs, income tax, depreciation and amortisation.

² Cash resources include cash and cash equivalents, fixed deposits, current other financial assets (except for listed equity securities) and restricted bank deposits.

During the year under review, revenue of the Group amounted to HK\$13,957 million, representing an increase of approximately 4% when compared with HK\$13,449 million recorded in 2024. EBITDA of the Group remained stable at HK\$679 million (2024: HK\$686 million). The profit attributable to shareholders was HK\$345 million, a decrease of 12%, when compared to that for the year 2024.

The Group has maintained a strong cash position and remained firmly in a net cash position. As at 31 December 2025, the Group's total cash resources increased by HK\$340 million or approximately 8% to HK\$4,462 million (2024: HK\$4,122 million). At the same time, the Group remains less reliant on debt financing, with bank loans amounted to HK\$308 million as at 31 December 2025 (2024: HK\$376 million). Looking forward, the Group will remain committed to preserving a healthy gearing position, supported primarily by organic operating cash flows.

During the year under review, competition in the automotive industry, particularly in the People's Republic of China (the "PRC") electric vehicle market, has intensified in terms of pricing, functionality and quality, exerting pressure on profitability across its entire automotive supply chain. At the same time, tariff disputes and local protectionism continued to impact end-market demand in the automotive sector.

Despite the numerous challenges encountered, the Group remained firmly committed to executing its long-term development strategy. The Group continued to invest in expanding existing plants in the PRC to accommodate growing customer orders, and continued in overseas expansion through establishing a new plant in Vietnam and strengthening localisation resources abroad, enabling the Group to better address the geo-political risks and the evolving needs of overseas customers. The Group sustained investments in R&D and marketing, consistently participate in the Consumer Electronics Show (CES) in the U.S. to showcase its most advanced technological achievements.

Meanwhile, with the more stable operation of the Group's manufacturing facilities in Chengdu, China (the "Chengdu Plant"), its production efficiency and yield rate has improved, and with the measures in improving market expansion, quality enhancement and supply chain costs-optimisation, the Group remains committed to further enhancing our profitability. The Group has also successfully expanded into emerging scenarios such as robotaxis and low-altitude flight, creating a diversified revenue mix, and strengthened collaboration with overseas automakers and Tier-1 suppliers to secure more project opportunities, which will gradually increase its market share in overseas market going forward.

The Board of Directors has recommended a final dividend of 15.3 HK cents (2024: 17.0 HK cents) per share. The annual dividend payout ratio remained stable at 35% (2024: 34%), reflecting the Group's continued commitment to create long-term value for shareholders.

CHAIRMAN'S STATEMENT

Looking back over the past year, the Group has forged ahead with resilience against the backdrop of the surging innovation wave in embodied intelligent robots and the accelerating penetration of "AI -empowered All things" era. By steadfastly implementing our established strategies, we have achieved solid progress across multiple core business segments, further reinforcing the foundation of our market leading position, while continuing to optimise our business scale and operation structure. With the trust and support of our valued business partners, our worldwide business presence continued to expand. Together with our global partners, we co-developed a broader and deeper synergised ecosystem, injecting sustained momentum for the Group's future globalisation development.

In 2025, we formally established the "Varitronix 5V Development Roadmap", laying a clear path for the Company's future direction. We are committed to enhancing our market share in automotive display market, increasing investment in core technology research and development and strengthening our smart cockpit system integration capabilities, accelerating the globalisation ecosystem development and deepening our presence into overseas market, thereby comprehensively advancing toward our business evolution into a world leading smart cockpit solutions provider.

Looking ahead to 2026, the inaugural year of the "15th Five-Year Plan", the Group will resolutely accelerate the execution of our "Beyond Displays and Beyond Automotive" dual-engine strategy under the guiding vision of "AI-Driven Leadership". We will continue to advance along the path of premiumisation, intelligentisation, and globalisation, and accelerating at full speed toward our strategic transformation into a world-leading smart cockpit solutions provider.

We will also embrace the global innovation ecosystem with greater openness and inclusiveness, partnering with more collaborators who share entrepreneurial and innovative aspirations to jointly shape the future, and drive collaborative development across the industry ecosystem, technological breakthroughs, and integrated innovation across multi-application scenarios. Through the continued deep integration of artificial intelligence, cutting-edge display technologies, and system integration capabilities, we will continue to explore broader application scenarios and respond to global partners' expectations with higher-quality products and services.

Every step of the Group's progress is inseparable from the dedication of management, the hard work of our employees, the trust of shareholders, the support of investors, and the long-term cooperation of our business partners. On behalf of the Board of Directors, I would like to express my most sincere gratitude to all those who have contributed to the Group's development. Looking ahead, we will collaborate closely with all stakeholders as we advance towards a new phase of higher-quality and more resilient development.

Su Ning
Chairman

Hong Kong, 23 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Automotive Display Business

For the year under review, the automotive display business recorded revenue of HK\$13,025 million (2024: HK\$12,660 million), representing approximately 93% of the Group's total revenue. To date, the Group has served more than 100 enterprises across the global automotive industry chain, and our products and smart cockpit solutions have been widely adopted by nearly all mainstream global automotive brands, consistently enhancing the driving experience for users worldwide through innovative technologies.

According to data from Omdia, an industry research institution, the Group has maintained its leading position in the global automotive display market in terms of both shipment volume and shipping area, ranking first in the 8-inch and above display segment. Regarding product technology iteration, the Group's market share in the Low Temperature Poly-silicon ("LTPS") and Oxide technology segments continued to grow. Notably, full-year shipments of LTPS products surged approximately 70%, and we also secured a substantial number of new project wins, paving the way for rapid shipment growth in the coming years.

The system and smart cockpit solutions business maintained robust growth momentum in 2025, and we have secured new project awards from multiple leading Chinese and international automakers, driving continuous optimisation of product structure and customer mix, and enhancing our core competitiveness. The Group remained focused on its core "Beyond Displays" strategy, and launched its inaugural AI audio amplifier product during the year under review, and continued to advance the development of other smart cockpit solution products.

Industrial Display Business

For the year under review, the industrial display business recorded revenue of HK\$932 million (2024: HK\$789 million), representing approximately 7% of the Group's total revenue. As the market accelerates its transition from traditional monochrome display products to larger-sized and full-color TFT display products, the Group continues to expand into emerging application scenarios enabled by the integration of artificial intelligence. By leveraging the high reliability, strong durability, and low power consumption characteristics derived from automotive-grade quality control system, we have accelerated our penetration into various applications, including unmanned stores, public transportation (aviation, rail and passenger transport), vertical mobility, parking and charging facilities, vending machines, edge-computing devices, home appliances, and commercial office applications, thereby progressively building our second growth engine.

Production Capacity Enhancement

During the year under review, the Group made key progress in its global production capacity layout. Domestically, the expansion project of the Heyuan plant officially commenced, marking a new phase in the implementation of the "Three-Step" development strategy. This will further enhance the production capacity for medium-to-large-sized automotive display modules and system assemblies, while improving production consistency through a more automated and digitalized production line architecture, thereby supporting structural growth in the coming years. Meanwhile, the Chengdu Plant has continued to improve yield rates and efficiency through automated capacity expansion, process optimisation, and intelligent quality management, further strengthening its position as the Group's core plant for medium-to-large-sized automotive display products during the year. The construction of the new material innovation production plant in Hefei is also progressing steadily. In the future, it will complement the development of our innovative display businesses and new material businesses with its differentiated and flexible production capabilities.

Regarding overseas facilities, the Vietnam production plant successfully achieved its first product "power-on" milestone in 2025, marking the official integration of the global supply chain network. This plant will proceed with mass production in line with order intake going forward and play a key role in addressing geopolitical risks and expanding overseas localized business capabilities.

Quality and Supply Chain Management

Our Quality Control Committee continued to operate throughout 2025, adhering to stringent industry standards in design, primarily based on the automotive industry's IATF 16949 quality management system. The framework ensures unified oversight of supplier quality and extends quality requirements forward to the supply end and customer sites. By holding quality conferences and implementing a "Quality Month" system, we have strengthened suppliers' quality awareness and promoted improvement. At the same time, we continued to integrate automated optical inspection and digitize key processes, effectively improving first-pass yield, stability, and product consistency. In 2025, the average defect rate of our TFT products remained below 30.0 parts per million (ppm).

Amid ongoing challenges in the global automotive components supply chain due to geopolitical tensions and regulatory changes, the Group maintained a prudent approach while comprehensively strengthening supply chain resilience. We advanced the diversification of suppliers for key components, enhanced collaboration with domestic and overseas partners, and established flexible alternative supply channels. Additionally, we optimized our inventory strategies to maintain adequate and secure reserves of key materials, ensuring production continuity. We also established more stable long-term cooperation and capacity assurance mechanisms with core suppliers, while simultaneously improving the synergy between domestic and overseas supply chain systems. Through these initiatives, the Group has developed a more robust supply chain structure better equipped to handle uncertainties, thereby ensuring business continuity and reliable customer deliveries.

MARKET REVIEW

In 2025, the global macroeconomic environment remained highly uncertain, with geopolitical tensions and rising trade protectionism weighing on major economies. Despite this, China's automotive industry continued to lead the global shift toward electrification and intelligentisation, supported by its scale advantages, supply-chain strength and rapid technological iteration. Entering 2026, global EV demand growth is expected to moderate, with structural penetration becoming the key driver as industry competition shifts from "price-driven" to "value-driven", ushering in a more mature and quality-focused development phase.

AI-driven intelligentisation accelerated across the automotive value chain in 2025, enabling upgrades in intelligent driving, smart cockpits, visual algorithms and vehicle control. L3 autonomous driving received its first official access approval from the Ministry of Industry and Information Technology and entered mass production, multiple government departments further clarified access, safety and liability frameworks, laying the foundation for the commercialisation of high-level autonomous driving.

The advancement of intelligent driving has accelerated demand for smart cockpits. In 2025, more models now feature intelligent driving as standard, accompanied by growing expectations for intelligent interaction, AI-enhanced experiences and safety-related displays. Cockpit displays are evolving from "larger and brighter" to "smarter and more energy-efficient," driving a new cycle of structural upgrades. The global automotive display module market continues to grow steadily, especially in oxide, LTPS and OLED technologies. According to Omdia, the next three years will see CAGRs in global automotive display modules shipment of 19.3% for medium-to-large (15-inch and above), 14.2% for LTPS, and 34.3% for OLED.

The PRC

In 2025, China's automotive consumption shifted from "price-driven" to "value-driven." According to CAAM, automobile production and sales reached 34.5 million and 34.4 million units, up 10.4% and 9.4% year-on-year, while NEV production and sales grew 28.8% and 28.2% to 16.6 million and 16.5 million units, pushing penetration to nearly 50%; NEV exports also rose 21.1% to 7.1 million units. Trade-in policies remained effective, and price-cut activity declined from 2024, signalling a weakening of "volume-for-price" tactics. With national subsidies phasing out, replacement subsidies will shift to a proportional mechanism in 2026, guiding consumers toward RMB200,000-level models and redirecting competition to technology, configuration and experience. Looking ahead, structural trends remain strong: EV penetration in lower-tier markets is accelerating through localized channels and services, while electrification in commercial vehicles continues to expand in logistics, public transport and specialized applications, supporting steady growth as industry competition moves firmly toward value-driven development.

During the year under review, revenue from the PRC market, based on customers' sourcing decisions, increased to HK\$8,896 million, accounting for approximately 64% of the Group's total revenue, mainly from automotive display business. Supported by the rapid growth of NEVs and favourable policies, the PRC remained the Group's largest market. The Group continued to focus on leading NEV manufacturers, deepening cooperation through platform-based and standardised solution development to improve efficiency, accelerate project rollout and mass production, and introduce competitive high-value products. Through ongoing optimisation of supply chain, quality, production and sales processes, the Group strengthened customer trust, expanded strategic partnerships and upheld its market-leading position in China.

Europe

In 2025, NEV demand in Europe was mixed due to economic weakness, inadequate charging infrastructure and policy uncertainties, with provisional tariffs adding short-term pressure. However, in January 2026, the EU issued its "Guidance Document on Price Undertaking Offers," clarifying that price undertakings could be accepted under the anti-subsidy framework as an alternative to high tariffs, helping mitigate near-term impacts and preserving market access for Chinese EVs. At the same time, Europe's electrification continued to advance under tightening carbon-reduction targets, despite short extensions for certain interim goals. Multiple countries resumed or expanded subsidy programmes: the UK announced a £650 million package; Germany allocated €3 billion for EV purchases; Italy introduced a €600 million scheme; France raised its per-vehicle subsidy to €5,700 and Spain launched a €400 million programme. These measures collectively support the steady progression of Europe's electrification.

During the year under review, the Group generated HK\$2,971 million in revenue from the European display business, based on customers' sourcing decisions, representing an increase of approximately 22% compared with 2024 and contributing around 21% of total revenue. Growth was mainly driven by orders for TFT display modules secured in previous years, with deliveries commencing in 2025, as well as strong market reception of several European flagship models equipped with our displays. During the year, we also established direct supply and exclusive strategic partnerships with major European automakers and secured contracts with several renowned manufacturers, laying the foundation for stable order flows in the coming years. With mass production of these projects commencing in the future, the Group anticipates meaningful revenue growth from the European market.

America

In 2025, the U.S. NEV market entered a period of adjustment, with EV sales reaching approximately 1.3 million units, a modest 2% decline from 2024. The expiration of EV subsidies under the Inflation Reduction Act in September 2025 pulled forward demand and led to a sharp drop in fourth-quarter sales, creating potential headwinds for 2026. Nevertheless, medium-term prospects remain supported by improvements in charging infrastructure, broader model availability and ongoing technological advances. Elsewhere in the Americas, most countries continue to implement policies aimed at protecting local industries through import tariffs and requirements for localized production and investment, resulting in a relatively slow projected increase in regional NEV penetration.

During the year under review, the Americas generated revenue of HK\$712 million based on customers' sourcing decisions, accounting for approximately 5% of the Group's total revenue and declining by about 15% from 2024 due to a downturn in the U.S. transportation market and economic and tariff uncertainties. Despite this, the Group continued to pursue NEV-related opportunities, promoted TFT display modules to automotive and industrial customers amid the shift from monochrome to colour displays, and showcased product innovations at CES for the fourth consecutive year. We also expanded applications of our displays in vehicle digitalisation with encouraging results, while the introduction of new customer models and rising demand for higher-value semi-system products are expected to support future growth. The Group strengthened cooperation with major Tier-1 partners, enhanced local sales capabilities in Middle America to improve responsiveness and speed up order acquisition, and proactively advanced localized assembly and procurement in markets such as Mexico to bolster regional competitiveness.

Japan

According to data from the Japan Automobile Dealers Association and the Japan Light Motor Vehicle Association, Japan's EV penetration rate was only 1.6% in 2025, unchanged from 2024 and remaining the lowest among developed countries. The main reasons behind include a limited number of available EV models, relatively high prices, and insufficient charging infrastructure. Despite these challenges, the Japanese government continues its strong support for NEVs: in 2025, it further increased purchase subsidies, with a maximum amount of JP¥1 million, covering both electric vehicles and hydrogen fuel cell vehicles. Meanwhile, NEV models exported from China to Japan recorded notable growth in 2025, setting the stage for future penetration growth.

During the year under review, revenue generated from Japan, based on customers' sourcing decisions, amounted to HK\$770 million, representing a decrease of approximately 33% from 2024 and accounting for about 6% of the Group's total revenue. The decline was mainly due to slower market growth and longer product iteration cycles. Looking ahead, the Group will deepen cooperation with major Japanese Tier-1 suppliers and electronic component manufacturers through joint development of advanced display technologies to strengthen regional operations and enhance long-term competitiveness. Our Nagoya office, which commenced operations in 2024 with an expanded local sales and technical team, will further improve customer responsiveness, enabling quicker understanding of technical requirements and shortening the order acquisition cycle.

Korea

In the Korean market, the government has set a target to increase the number of electric vehicles to 2 million by 2030 and intends to expedite the construction of charging stations. To further encourage electric vehicle purchases, the government will offer in 2026, KR₩177.5 billion in EV transition subsidies and KR₩73.7 billion in commercial NEV financing support, bringing total subsidy amount to approximately KR₩15.9 trillion. The policy focus has shifted from per-vehicle subsidies towards structured support for "demand stabilisation and scale expansion". Supported by local automakers launching more price-competitive models and the accelerated charging infrastructure rollout, South Korea's NEV demand is expected to maintain a rapid growth trend in 2026.

During the year, revenue generated from Korea based on the location of sourcing decision of customers was HK\$331 million, representing a decrease of approximately 12% from that of 2024. Korea accounted for approximately 2% of the Group's revenue. The decrease in revenue during the period was mainly due to product update and iteration cycles. Nevertheless, Korea will be an important market to the Group and we are putting utmost effort to obtain orders from leading Tier-1 manufacturers.

TECHNOLOGY DEVELOPMENT

To capture the strategic opportunities arising from automotive and full-scenario intelligence, the Group continued to increase R&D investment and strengthen the independent innovation capabilities. In 2025, the Group maintained steady R&D investment, with R&D spending sustaining an upward trend and the size of R&D team further expanding. This ongoing investment has continuously enhanced our technological capabilities and talent base compared to 2024, positioning the Group with a solid technological foundation and sustained innovation capability to thrive in the future competitive landscape.

With the continued advancement of intelligent driving and smart cockpit technologies, the vision of the cockpit as the "third living space" has become ever more tangible. As the most intuitive and immersive interactive interface, automotive displays are now central to the intelligent experience. The Group has long been dedicated to advancing automotive display technologies, driving industry's evolution from single-size screens toward solutions featuring multi-size, multi-form-factor, high-definition, high depth of field, low reflection, and multi-modal interaction. Through system-level integration, we have elevated visual performance, safety, and human-machine interaction of display products. These innovations are continuously transforming vehicle interiors into more intelligent, comfortable, and aesthetically refined spaces.

Panoramic Head-Up Display (PHUD)

PHUD is an advanced vehicle head-up display technology. PHUD uses optical technology to project key information such as navigation, vehicle speed, oil pressure, and tire pressure in colour onto the windshield in front of the driver's line of sight. PHUD not only reduces the time the driver takes his eyes off the road but also provides a seamless experience from A-pillar to A-pillar, allowing multiple screens to be hidden under the dashboard and connected to each other, further enhancing the driving experience. Currently our PHUD products have been showcased at international exhibitions and experience events with leading automakers, and are now integrated into the latest mass-produced models.

ADS-PRO

ADS, is the abbreviation of Advanced Super Dimension Switch. This technology not only has the advantages of ripple free on touching and wide viewing angle but also has the advantages of more accurate gamma and smaller color deviation in large viewing angle.

On the basis of ADS technology, ADS-Pro further superimposes high-end technologies such as Mini Light-Emitting Diode ("Mini LED"), BOE Dual Cell ("BD Cell"), high refresh rate, high resolution and high color gamut, so that the screen display effect is closer to the real picture seen by the human eye.

During the year under review, our inaugural BD Cell special-shaped triple-screen smart cockpit solution has achieved mass production and delivery, offering automakers a distinctive competitive edge.

F-OLED

F-OLED represents the high-end flexible OLED technology solution, which has the industry leading advantages of gorgeous colors, varied forms and high integration, and brings users an immersive experience anytime and anywhere.

Currently a number of automotive F-OLED projects have entered the mass production stage, and we are co-developing transparent OLED solutions with global luxury car brand automakers.

Besides, we are developing Tandem OLED (Double Layer OLED), a new type of OLED formed by electrically connecting multiple organic light emitting (EL) units in series inside the device through a special internal connection layer, which can have the characteristics of high efficiency and long life at the same time.

HERO Smart Cockpit Solution

At CES in January 2026, the Group deeply integrated AI technology into its product innovation system, significantly increasing the proportion of integrated hardware and software system products. Through multi-modal interaction and scenario-based innovation, we elevated the smart cockpit experience to a new level. The global debut of the HERO 2.0 smart cockpit solution, along with a series of groundbreaking products, integrated touch, voice, and gesture-based interactions into a unified system. Guided by the pioneering "domain-controlled cockpit" concept, these innovations enable vehicle-home and vehicle-business connectivity, extending the smart cockpit experience beyond automotive and realizing deep integration of "human-vehicle-domain".

Since first introducing the HERO initiative in 2023, the Group has consistently advanced innovation and market application across the four core pillars: Healthiness, Entertainment, Relaxation, and Office. In the health sector, the Group's high-end automotive displays incorporate leading low-blue-light eye care technology, significantly reducing harmful blue light exposure. Certified by TÜV Rheinland, these displays are now widely adopted in high-end flagship models from automakers including Great Wall, Changan, Li Auto, and Zeekr. In the entertainment and relaxation sectors, products such as co-pilot and rear-seat entertainment systems have become key configurations for brands including Chery, XPeng, and NIO to enhance the cockpit experience.

AI+ Innovative Applications

In terms of innovative applications and technological R&D, the Group continues to advance the commercialisation for cutting-edge technologies in areas such as switchable privacy displays, 3D displays, dual-view dual-touch, and light field display technologies, with several projects expected to enter mass production soon. BVP image quality enhancement and Camera Monitor Systems (CMS) have achieved breakthroughs, passing automotive-grade tests in image processing algorithms, controller performance, and reliability, and are now expanding into both passenger and commercial vehicle mirror markets.

Under the trend of "AI+Everything", the Group is deeply integrating its core technological capabilities with diverse scenario resources to develop cross-domain solutions that extend the reach of intelligent experiences. For example, in the smart pet care field, the Group launched the world's first smart ecosystem tank, merging ecological aesthetics with smart technology to make pet care simpler, smarter and safer. In the smart cycling field, AI-powered glasses integrate high-definition cameras, optical image stabilisation, anti-glare features, and dual Bluetooth earbuds, significantly enhancing both safety and entertainment during daily commutes and rides. In the smart home field, products such as the V+ smart calendar and wood-grain display touch cover deeply fuse display technology with home design aesthetics, embedding displays into everyday life.

Looking forward, the Group will remain focused on its "Beyond Displays" strategy, deepening AI-driven technological integration and expanding the HERO value ecosystem across "Healthiness, Entertainment, Relaxation and Office" scenarios. Through high-end innovation and intelligent solutions, we aim to accelerate the realisation of the HERO vision. By fostering a co-creation ecosystem with global partners, we are pioneering a new era of human-vehicle integration and full-scenario intelligent connectivity.

STRATEGIC DEVELOPMENT PLAN

In the automotive display business, the Group continued to advance its "three-step strategy," strengthening its leadership in vehicle displays, expanding its automotive display system portfolio, and accelerating the transition toward intelligent cockpit solutions. Leveraging BOE Group's technological strengths, we maintained our leading position in high-end and large-sized automotive displays while increasing market share in next-generation LTPS, OLED and MLED products. In system and intelligent-cockpit solutions, we intensified R&D investment to drive our transformation from a traditional display manufacturer into a smart-cockpit technology enterprise. We also promoted industry-standard development around HERO (Health, Entertainment, Recreation, Office) scenarios and AI-enabled cockpit solutions, with our technologies becoming the first group standard for integrated cockpit displays in China and expected to exert broader and long-term influence in the industry.

Beyond the automotive display business, the Group will further leverage its core technological strengths and supply chain capabilities to expand into industrial displays and other sectors, advancing the "Dual-Engine Strategy of Automotive + Industrial". The group has successfully incubated the brand InnoYolo targeting the consumer market. Centered on the concepts of "emotional value" and "high-value experience", it has launched multiple innovative products. Additionally, the Group continues to invest in innovation platform development, including establishing the BOE Hong Kong Collaborative Innovation Institute in partnership with the BOE Group. This initiative focuses on collaborative development of cutting-edge technologies and scenario-based innovation, achieving seamless technology-market integration, accelerating the efficient transformation and global implementation of innovation achievements, and laying a solid foundation for future diversified product portfolios.

Expanding into overseas markets remains one of the Group's core strategic priorities. We will continue to actively engage in major global exhibitions to showcase our latest technological achievements across the fields of automotive displays and smart cockpits. Concurrently, we will deepen strategic partnerships with leading Tier-1 suppliers and international automakers, jointly exploring new application scenarios through joint R&D, scenario co-creation, prototype testing, and platform-based integration. To further strengthen overseas customer service capabilities, we plan to continuously strengthen our overseas R&D, production, and sales capabilities, reinforcing our comprehensive competitiveness in global markets.

Regarding strategic alignment with the parent company, the synergy between the Group and the BOE Group has further deepened. As the BOE Technology Group approaches its "Nth Curve" strategic phase in 2026, it is implementing a "technology+brand" dual-driver strategy to reinforce its industrial ecosystem and global influence. In line with the Group's strategic direction, the Group has successfully completed the board renewal, consolidating higher-tier strategic resources to propel the enterprise into a new growth phase. Moving forward, the Group will continue to serve as the BOE Group's exclusive platform for automotive display modules and system businesses, playing a leading role in the industrial trend of automotive displays evolving from "displays" to "intelligent interactive hubs".

BUSINESS OUTLOOK

Looking forward, we will reinforce our leading position in the automotive display market and actively embrace the opportunities presented by emerging technological trend of artificial intelligence, and execute our "Dual-Engine Strategy of Automotive + Industrial" to capitalise on the robust demand for intelligent solutions in the overseas smart cockpit market and the diversified industrial applications, and build a diversified business growth engine.

FINANCIAL REVIEW

Revenue

The Group's revenue was HK\$13,957 million, 4% higher compared with HK\$13,449 million in 2024. The Group's revenue growth was primarily fueled by increased sales of our Thin Film Transistor ("TFT") products, touch panel display modules, and automotive system products, driven by increased demand of our major customers in China and Europe.

Other Operating Income

Other operating income in 2025 was HK\$274 million, 38% higher compared with HK\$199 million in 2024. The increase was mainly attributable to government grants and net gains on other financial assets.

Raw Materials and Consumables Used and Change in Inventories of Finished Goods and Work In Progress

The total amount of raw materials and consumables used and change in inventories of finished goods and work in progress in 2025 were HK\$11,474 million, 3% higher compared with HK\$11,178 million in 2024. The increase was in line with revenue growth.

Staff Costs

Staff costs in 2025 were HK\$1,345 million, 20% higher compared with HK\$1,116 million in 2024. The increase was mainly due to increased production volume and investment in staff resources relating to research and development ("R&D") and overseas expansion.

Depreciation

Depreciation in 2025 was HK\$268 million, 10% higher compared with HK\$244 million in 2024. The increase in depreciation expense was mainly due to new production lines brought into operation.

Other Operating Expenses

Other operating expenses in 2025 were HK\$739 million, 10% higher compared with HK\$671 million in 2024. The increase was mainly due to increase in provision of expected credit losses allowance on trade receivables, subcontracting fees and trademark license fee.

Finance Costs

Finance costs in 2025 were HK\$10 million, representing a decrease of 32% compared with HK\$15 million in 2024. The reduction was due to a lower average loan balance compared with the prior year.

Income Tax

Taxation expenses in 2025 were HK\$54 million, 162% higher compared with HK\$21 million in 2024. The increment was mainly due to the recognition of previously unrecognised tax losses in 2024.

Profit Attributable to Equity Shareholders of the Company

The profit attributable to shareholders for the year ended 31 December 2025 was HK\$345.4 million, as compared with a profit attributable to shareholders of HK\$391.3 million in 2024. The decrease was mainly due to investment in staff and other resources for future project development in the coming years.

During the financial year 2025 under, the Group invested HK\$327 million on R&D activities, an increase of 15% compared to that of 2024, which represented approximately 2% of the Group's revenue. The proportion of R&D expenses to revenue remains stable.

Final Dividend

The Board (the "Board") of Directors (the "Director") has recommended a final dividend of 15.3 HK cents (2024: 17.0 HK cents) per share. The annual dividend payout ratio was 35% (the amount of final dividend proposed after the end of the reporting period over profit attributable to equity shareholders of the company) (2024: 34%).

The Board has adopted a dividend policy on 1 January 2019 (the "Dividend Policy"). Under the Dividend Policy, subject to compliance with applicable laws, rules and regulations and the bye-laws of the Company, the Company intends to maintain a stable dividend policy in future with a dividend payout ratio of not less than 30%. However, the determination to pay dividends in the future will be made at the discretion of the Board of directors (the "Board") and will be based on the profits, cash flows, financial condition, capital requirements and other conditions that the Board deems relevant. The payment of dividends may be limited by legal restrictions and agreements that the Company may enter into in the future.

The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

Liquidity and Financial Resources

As at 31 December 2025, the total equity of the Group was HK\$4,872 million (31 December 2024: HK\$4,600 million). The Group's current ratio, being the proportion of total current assets against total current liabilities, was 1.40 as at 31 December 2025 (31 December 2024: 1.41).

At the year end, the Group held cash resources of HK\$4,462 million (31 December 2024: HK\$4,122 million) of which HK\$4,351 million (31 December 2024: HK\$3,544 million) was in cash and fixed deposits balance, HK\$17 million (31 December 2024: HK\$390 million) was in current other financial assets (except for listed equity securities), and HK\$94 million (31 December 2024: HK\$188 million) was in restricted bank deposits. The increase in our overall liquid portfolio was attributed to our rigorous efforts in optimizing fund and working capital management. Current other financial assets decreased during the year, mainly due to the maturity of short-term investments, with funds allocated to enhance liquidity.

At the year end, the Group had bank borrowings balance of HK\$308 million (31 December 2024: HK\$376 million). The original currency of the bank borrowings of the Group is in Renminbi. Among the bank loan of HK\$308 million, HK\$245 million (31 December 2024: HK\$170 million) is long-term borrowing mainly to facilitate our capital expenditure. The Group's gearing ratio (bank borrowings over net assets) was approximately 6.3% as at 31 December 2025 (31 December 2024: 8.2%). The slight decrease in gearing ratio was primarily attributable to the repayment of bank borrowings during the year.

Cash Flows

Cash inflow from operating activities was mainly generated from cash receipts from the Group's sales. Cash outflows were related to raw materials purchases, staff costs, other operating expenses and taxation charges. Net cash generated from operating activities was HK\$798 million for 2025 (2024: HK\$1,457 million).

The Group's inventory turnover days (average inventories balance over cost of inventories times 365) for the year ended 31 December 2025 was 52 days (31 December 2024: 55 days), mainly due to better stock management. Debtor turnover days (average trade receivables over revenue times 365) for the year ended 31 December 2025 was 62 days (31 December 2024: 59 days), it was mainly due to increase in sales to new customers with long credit term.

Net cash used in investing activities amounted to HK\$87 million (2024: HK\$1,783 million). The payments were mainly for the purchase of property, plant and equipment, increased in the placement of fixed deposits with more than three months to maturity when placed and increased in placement of other financial assets.

Net cash used in financing activities totaled HK\$255 million (2024: HK\$430 million). The decrease of HK\$175 million in net cash from financing activities was mainly due to repayment of bank loans.

Capital Structure

The Group's long-term capital comprises shareholders' equity and debt, which mainly includes the share capital, retained profits and bank borrowings. There was no significant change as to the composition of capital structure of the Group during the period.

As at 31 December 2025, the cash and cash equivalents of the Group was HK\$3,191 million (31 December 2024: HK\$2,700 million).

The cash and cash equivalents are denominated in:

	As at 31 December 2025	As at 31 December 2024
Original currency	HK\$ million	HK\$ million
– RMB	1,224	1,286
– USD	1,935	1,297
– HK\$	13	13
– Other currencies	19	104
	3,191	2,700

Foreign Currency and Interest Rate Exposure

The Group is exposed to foreign currency risk primarily through sales and purchases that are with an original currency other than the functional currency of the operations. The currencies giving rise to this risk are primarily United States dollars, Euros, Japanese Yen and Renminbi.

The Group primarily hedges its foreign currency exposure by its operation and is not engaged in the use of any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure from time to time and will consider hedging significant foreign currency exposure when the need arises.

As of 31 December 2025, the bank borrowings of the Group are subject to floating interest rate amounted to HK\$308 million (as of 31 December 2024: the bank borrowings of the Group subject to fixed and floating interest rates amounted to HK\$30 million and HK\$346 million respectively). The Group will monitor interest rate movements and consider appropriate measures when arranging bank borrowings with floating rates.

Financial Guarantees and Charge on Assets

At 31 December 2025, bank borrowings amounted to HK\$193 million (31 December 2024: HK\$196 million) is secured by certain land, buildings, machinery and equipment of a subsidiary of the Group with the carrying amount of HK\$761 million to match its long-term development.

Save as disclosed as above, the Group had no other financial guarantees and charge on assets as at 31 December 2025 (31 December 2024: Nil).

Commitments

The capital commitments outstanding at 31 December 2025 not provided in the Group's financial statements were approximately HK\$262 million (31 December 2024: HK\$204 million), mainly representing the acquisition cost of plant, machinery, tools and equipment not provided for in the financial statements. The above will be financed by internal resources of the Group and/or external financing.

Other Investments

As at 31 December 2025, the Group owned a diversified investment portfolio, such as equity investments in securities related to the automotive industries.

Apart from the above, there are no other material investment. The results of the above investments have been properly reflected in the financial statements for the year ended 31 December 2025.

Contingent Liabilities

As at 31 December 2025, the Company had no material contingent liabilities (31 December 2024: Nil).

Staff

As at 31 December 2025, the Group employed 7,871 staff (excluding temporary staff) worldwide, of whom 131 were in Hong Kong, 7,571 were in the People's Republic of China (the "PRC") and 169 were in overseas. The Group remunerates its employees (including directors) based on their performance, experience and prevailing industry practice. The Group operates a share award plan, provides rent-free quarters to certain of its employees in Hong Kong and the PRC and other fringe benefit to employees. The fringe benefit includes maternity leave, paternity leave, paid leave and etc.

The Group adopts a performance-based remuneration policy. Salary adjustments and performance bonuses are based on the evaluation of job performance. The aim is to create an atmosphere that encourages top performers and provides incentives for overall employees to improve and excel.

The Group always keeps pace with the times and strive to improve human resources efficiency and corporate governance capabilities, arrange sufficient human resources, provides different training and development programmes to attract, motivate and retain talented staff.

Staff Retirement Schemes

In Hong Kong, the Group principally participates in the Mandatory Provident Fund (“MPF”) Scheme operated by independent trustees. Contribution at a fixed rate of 5% of the employee’s relevant income (the “Relevant Income”), subject to a cap of monthly Relevant Income of HK\$30,000 per employee, are made to the scheme and are vested immediately.

In addition, the Group also operates a Top-Up ORSO scheme, approved by the Inland Revenue Department under Section 87A of the Inland Revenue Ordinance, and both the employer and the employee are required to contribute 5% of the excess of the Relevant Income to the scheme. It is only eligible for employees who joined the Group on or before 30 June 2009.

With effect from 1 December 2019, the Top-Up ORSO scheme is ceased and instead, the Top-Up contributions is made to the MPF scheme.

The Group has also complied with all relevant laws, regulations and local policies in Hong Kong in relation to staff retirement matters

The employees of the Group’s subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the payroll costs to the central pension schemes. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension schemes.

During the year, the total retirement scheme cost charged to the Consolidated Statement of Profit or Loss for the year ended 31 December 2025 was HK\$90 million (31 December 2024: HK\$74 million). Charges to administer the scheme are deducted from the employer’s contributions. Forfeited contributions are used by the employer to offset against future contributions. The utilised amount during the year ended 31 December 2025 was HK\$Nil (31 December 2024: HK\$Nil) and at 31 December 2025, the balance available to reduce the level of contributions in future amounted to HK\$Nil (31 December 2024: HK\$Nil).

The Group has also implemented retirement schemes for all employees of overseas offices in accordance with relevant national laws, regulations and local policies.

SUSTAINABILITY

Sustainable development continues to serve as a key pillar of the Group's future growth. The Group places great emphasis on environmental protection and green manufacturing, consistently advancing targets for carbon reduction, energy conservation, water saving, and waste management. In the 2025 assessment on the EcoVadis corporate sustainability evaluation platform, the Group achieved an outstanding score of 80 marks, earning the Gold Medal rating and ranking in the top 5% of all participating companies globally. This recognition highlights our sustained efforts and leading practices in the areas of environment, labour and human rights, business ethics, and sustainable procurement, thereby establishing a strong "green passport" for the Group within the international supply chain.

In terms of green manufacturing, the Group has continued to promote energy management, low-carbon circular practices, and green operations. Our Chengdu automotive display base was awarded the titles of "Sichuan Province Green Factory" and "Chengdu Near-Zero Carbon Emission Industrial Enterprise", while our Heyuan manufacturing base received the designation of "Guangdong Province Green Factory". Both bases have successively obtained authoritative certifications, including ISO 14001 Environmental Management System and ISO 50001 Energy Management System. These recognitions affirm the high standards of low-carbon performance across plant operations, encompassing spatial planning, industrial structure, energy utilisation, technology application, and operational management, successfully achieving synergy between economic benefits and environmental benefits. Regarding green products, the bases have completed carbon footprint certification for two automotive display products, integrating low-carbon commitments throughout the entire product lifecycle and assisting downstream automotive enterprises in delivering greater green and low-carbon value to end-users.

In the area of information security, the Group has obtained key system certifications, including TISAX AL2, ISO/IEC 27001, and ISO/SAE 21434. These certifications mark a new milestone in the Group's information security governance, providing global customers with more reliable system security assurance.

Consolidated statement of profit or loss
For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	4	13,957,301	13,448,506
Other operating income, net	5	273,793	199,046
Change in inventories of finished goods and work in progress		123,333	(279,040)
Raw materials and consumables used		(11,597,681)	(10,899,226)
Staff costs		(1,344,619)	(1,116,425)
Depreciation		(267,683)	(244,301)
Other operating expenses	6(c)	(738,694)	(671,107)
Profit from operations		405,750	437,453
Finance costs	6(a)	(10,384)	(15,362)
Profit before taxation	6	395,366	422,091
Income tax	7	(53,729)	(20,506)
Profit for the year		341,637	401,585
Profit attributable to:			
Equity shareholders of the Company		345,368	391,282
Non-controlling interests		(3,731)	10,303
		341,637	401,585
Dividends	8		
Final dividend proposed after the end of the reporting period		120,879	134,568
Earnings per share for profit attributable to equity shareholders of the Company (in HK cents)	9		
Basic		43.9 cents	49.6 cents
Diluted		43.7 cents	49.5 cents

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	<u>341,637</u>	<u>401,585</u>
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that is or may be reclassified subsequently to profit or loss:		
- Exchange translation adjustments: net movement in exchange reserve	<u>79,814</u>	<u>(65,343)</u>
Total comprehensive income for the year	<u>421,451</u>	<u>336,242</u>
Attributable to:		
Equity shareholders of the Company	423,718	327,149
Non-controlling interests	<u>(2,267)</u>	<u>9,093</u>
	<u>421,451</u>	<u>336,242</u>

Consolidated statement of financial position

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		2,306,033	2,060,385
Intangible assets		52,826	29,428
Other financial assets		1,900	40,186
Non-current deposits and prepayments and other contract costs		145,673	38,822
Restricted bank deposits		-	41,101
Deferred tax assets		60,586	59,718
		2,567,018	2,269,640
Current assets			
Inventories		1,878,366	1,778,379
Trade and other receivables, deposits and prepayments and other contract costs	10	3,380,659	3,325,957
Other financial assets		89,946	389,759
Current tax recoverable		10,200	9,923
Fixed deposits with more than three months to maturity when placed		1,159,258	843,817
Restricted bank deposits		94,456	147,326
Cash and cash equivalents		3,191,434	2,700,141
		9,804,319	9,195,302
Current liabilities			
Trade and other payables	11	6,902,089	6,228,142
Lease liabilities		13,901	14,793
Current tax payable		2,538	23,272
Bank loans		63,966	205,322
Deferred income		36,022	28,072
		7,018,516	6,499,601

Consolidated statement of financial position (continued)

At 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Net current assets	<u>2,785,803</u>	<u>2,695,701</u>
Total assets less current liabilities	<u>5,352,821</u>	<u>4,965,341</u>
Non-current liabilities		
Lease liabilities	14,725	20,113
Deferred tax liabilities	2,112	2,448
Deferred income	219,456	171,821
Bank loans	244,516	170,464
	<u>480,809</u>	<u>364,846</u>
NET ASSETS	<u>4,872,012</u>	<u>4,600,495</u>
CAPITAL AND RESERVES		
Share capital	197,894	197,894
Reserves	4,611,176	4,337,392
Total equity attributable to equity shareholders of the Company	4,809,070	4,535,286
Non-controlling interests	62,942	65,209
TOTAL EQUITY	<u>4,872,012</u>	<u>4,600,495</u>

Notes:

1. General

The Company is incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors consider the ultimate controlling party of the Group to be BOE Technology Group Co., Ltd, which is incorporated in the People’s Republic of China (“PRC”). The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Units A-F, 35/F., Legend Tower, No.7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the automotive and industrial display business and has monochrome display manufacturing capacity and TFT module assembly capacity.

2. Basis of preparation

The final results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025 but are extracted therefrom.

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended 31 December 2024, except for the adoption of all new and revised HKFRS Accounting Standards that are first effective for accounting periods beginning on or after 1 January 2025 (see note 3).

3. Changes in accounting standards and its application

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Revenue and segment reporting

The principal activity of the Company is investment holding. The principal activities of the Group are the design, manufacture and sale of liquid crystal displays and related products. The Group is principally engaged in the automotive and industrial display business and has monochrome display manufacturing capacity and TFT and touch panel display module assembly capacity.

Revenue represents the invoiced value of goods supplied to customers by the Group less returns and discounts within the scope of HKFRS 15.

(a) Operating segment results

The Group manages its business as a single unit and, accordingly, the design, manufacture and sale of liquid crystal displays and related products is the only reporting segment and virtually all of the revenue and operating profits are derived from this business segment. The consolidated financial information has already been presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. Accordingly, no separate business segment information is disclosed.

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined that a single operating segment exists based on this internal reporting.

The Board assesses the performance of the operating segments based on revenue which is consistent with that in the financial information. Other information, being the total assets excluding deferred tax assets, other financial assets, current tax recoverable and the interest in associates, all of which are managed on a central basis, are provided to the Board to assess the performance of the operating segment.

(b) Geographic information

The following tables set out information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment and intangible assets ("specified non-current assets"). The geographical location is based on the location at which the sourcing decision of a customer was made. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of operation to which they are allocated, in the case of intangible assets.

(i) Group's revenue from external customers

	2025 HK\$'000	2024 HK\$'000
The PRC (place of domicile)	<u>8,895,915</u>	<u>8,349,868</u>
Europe	2,971,396	2,444,354
America	712,206	837,619
Japan	770,388	1,156,877
Korea	331,065	375,989
Others	<u>276,331</u>	<u>283,799</u>
	<u>5,061,386</u>	<u>5,098,638</u>
Consolidated revenue	<u>13,957,301</u>	<u>13,448,506</u>

(ii) Group's specified non-current assets

	2025 HK\$'000	2024 HK\$'000
Property, plant and equipment and intangible assets		
The PRC (place of domicile)	2,345,689	2,074,262
Others	<u>13,170</u>	<u>15,551</u>
	<u>2,358,859</u>	<u>2,089,813</u>

5. Other operating income, net

	2025 HK\$'000	2024 HK\$'000
Interest income from deposits with banks	106,598	115,440
Government grants (note)	96,123	34,617
Net realised and unrealised gains/(losses) on other financial assets - equity securities	50,713	(1,377)
Net gain on current other financial assets measured at fair value through profit or loss	15,354	9,721
Net gain on disposal of property, plant and equipment	1,646	535
Net exchange loss	(11,365)	(1,628)
Rental receivable from operating leases	-	25
Gain on disposal of investments in associates	-	26,765
Other income	14,724	14,948
	<u>273,793</u>	<u>199,046</u>

Note: The amount represents the incentives granted by the government to the Group for engaging in research and development of high technology manufacturing and other subsidies of HK\$7,369,000 (2024: HK\$9,795,000), amortisation of government grants received in relation to acquisitions of machineries of HK\$39,657,000 (2024: HK\$21,224,000), incentive related to production of HK\$43,823,000 (2024: HK\$811,000) and incentives granted in relation to staff retention of HK\$5,274,000 (2024: HK\$2,787,000). There are no unfulfilled conditions attaching to these government grants.

6. Profit before taxation

Profit before taxation is arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
(a) <i>Finance costs</i>		
Interest on lease liabilities	1,430	1,383
Interest on bank borrowings	8,954	13,979
	<u>10,384</u>	<u>15,362</u>

	2025 HK\$'000	2024 HK\$'000
(b) Other items		
Expected credit loss allowance in respect of trade receivables	27,505	10,855
Cost of inventories	12,740,426	12,290,039
Research and development costs	327,088	284,160
Contributions to defined contribution retirement plans	90,451	74,359
Equity settled share-based payment expenses	<u>15,037</u>	<u>13,374</u>
(c) Other operating expenses		
Amortisation of intangible assets	5,508	4,064
Auditors' remuneration		
- Audit services	3,312	3,232
- Assurance services	583	583
- Tax and other services	170	115
Bank charges	9,325	5,301
Building management fees	8,861	8,726
Expense related to short-term lease	10,174	11,127
Factory consumables, cleaning and security service expenses	58,902	62,168
Freight charges	106,035	99,938
Insurance expenses	8,454	6,252
Legal and professional fees	22,982	18,784
Office expenses	13,211	12,651
Other taxes, surcharge & duties	40,466	38,971
Provision of expected credit loss allowance on trade receivables	27,505	10,855
Repair and maintenance	34,793	39,787
Sales, marketing, commission and quality assurance expenses	119,631	127,300
Subcontracting fees	104,543	77,771
Trademark licence fee	24,676	14,552
Travelling and entertainment expenses	49,651	41,229
Utilities expenses	84,067	86,273
Miscellaneous expenses	<u>5,845</u>	<u>1,428</u>
	<u>738,694</u>	<u>671,107</u>

7. Income tax

Taxation in the consolidated statement of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	18,642	33,456
Over-provision in respect of prior years	(825)	(2,135)
	<u>17,817</u>	<u>31,321</u>
Current tax – Chinese Mainland Income Taxes		
Provision for the year	27,554	37,483
(Over)/under-provision in respect of prior years	(252)	1,311
	<u>27,302</u>	<u>38,794</u>
Current tax – Jurisdictions outside Hong Kong and the Chinese Mainland		
Provision for the year	5,646	4,621
Under/(over)-provision in respect of prior years	2,661	(2,509)
	<u>8,307</u>	<u>2,112</u>
Deferred tax		
Origination and reversal of temporary differences	<u>303</u>	<u>(51,721)</u>
	<u>53,729</u>	<u>20,506</u>

(i) Hong Kong Profits Tax

The Group's operations in Hong Kong are subject to Hong Kong Profits Tax at a rate of 16.5%.

(ii) Chinese Mainland Income Taxes

The Group's operations in the Chinese Mainland are subject to Corporate Income Tax Law of the People Republic of China. The standard Corporate Income Tax rate is 25%.

Varitronix (Heyuan) Display Technology Limited ("Varitronix Heyuan"), REHEO technology Co. Ltd. ("REHEO") and Varitronix Automobile Electronics (Huizhou) Co., Ltd ("Varitronix Huizhou"), subsidiaries of the Group, were designated as high and new technology enterprise, which qualified for a reduced Corporate Income Tax rate of 15%. Chengdu BOE Automotive Display Technology Co., Ltd. ("Chengdu Automotive"), subsidiary of the Group was entitled to preferential tax policy of the western development and was subject to the preferential Corporate Income Tax rate of 15%. Accordingly, Varitronix Heyuan, REHEO, Varitronix Huizhou and Chengdu Automotive's applicable tax rate is 15% for the periods ended 31 December 2025 and 2024.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the Chinese Mainland, Varitronix Heyuan and Chengdu Automotive were entitled to the bonus deduction of its certain research and development costs incurred as tax deductible expenses when determining their assessable profits for the years ended 31 December 2025 and 2024. The Group has made a best estimate of the bonus deduction to be claimed for Varitronix Heyuan, Varitronix Huizhou, REHEO and Chengdu Automotive in ascertaining its assessable profits for the years ended 31 December 2025 and 2024.

Other subsidiaries of the Group incorporated in the Chinese Mainland are subject to the standard PRC Corporate Income Tax rate of 25%.

Withholding tax is levied on dividend distributions arising from profits of the Chinese Mainland entities of the Group earned after 1 January 2008 based on an applicable tax rate at 5%.

(iii) Jurisdictions outside Hong Kong and the Chinese Mainland

Taxation for subsidiaries with operations outside Hong Kong and the Chinese Mainland is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

8. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the year

	<i>2025</i> HK\$'000	<i>2024</i> HK\$'000
Final dividend proposed after the end of reporting period of 15.3 HK cents (2024: 17.0 HK cents) per share	<u>120,879</u>	<u>134,568</u>

The final dividend proposed after the end of the reporting period has not been recognised as liabilities at the end of the reporting period.

The proposed final dividend for the year ended 31 December 2025 is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	<i>2025</i> HK\$'000	<i>2024</i> HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 17.0 HK cents (2024: 19.0 HK cent) per share	<u>134,095</u>	<u>149,660</u>

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to ordinary equity shareholders of the Company of HK\$345,368,000 (2024: HK\$391,282,000) and the weighted average of 787,515,983 ordinary shares (2024: 788,571,961 ordinary shares) in issue (excluding awarded shares held under the Share Award Plan) during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK\$345,368,000 (2024: HK\$391,282,000) and the weighted average of 789,862,826 ordinary shares (2024: 790,536,366 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2025	2024
Weighted average number of ordinary shares at 31 December	787,515,983	788,571,961
Effect of Share Award Plan	2,346,843	1,964,405
Weighted average number of ordinary shares (diluted) at 31 December	<u>789,862,826</u>	<u>790,536,366</u>

10. Trade and other receivables, deposits and prepayments and other contract costs

As at the end of the reporting period, the aging analysis of trade debtors and bills receivables (which are included in trade and other receivables, deposits and prepayments and other contract costs), based on the invoice date and net of expected credit loss allowance of HK\$82,460,000 (2024: HK\$54,955,000), is as follows:

	2025	2024
	HK\$'000	HK\$'000
Within 60 days of the invoice issue date	2,359,906	2,140,687
61 to 90 days after the invoice issue date	218,166	435,973
91 to 120 days after the invoice issue date	124,467	183,870
More than 120 days but less than 12 months after the invoice issue date	270,484	135,036
	<u>2,973,023</u>	<u>2,895,566</u>

Trade debtors and bills receivable are generally due within 60 to 120 days from the date of billing.

11. Trade and other payables

As at the end of the reporting period, the aging analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	<i>2025</i> HK\$'000	<i>2024</i> HK\$'000
Within 60 days of supplier invoice date	5,080,489	4,386,214
61 to 120 days after supplier invoice date	680,312	477,513
More than 120 days but within 12 months after supplier invoice date	154,303	297,842
More than 12 months after supplier invoice date	51,296	205,657
	<u>5,966,400</u>	<u>5,367,226</u>

12. Commitments

Capital commitments outstanding at the end of the reporting period not provided for in the financial information were as follows:

	<i>2025</i> HK\$'000	<i>2024</i> HK\$'000
Contracted for	<u>262,137</u>	<u>203,666</u>

The capital commitments outstanding at the end of the reporting period are mainly for the new production base for automotive display, manufacturing facilities in Heyuan and Chengdu, PRC.

13. Contingent liabilities

As at 31 December 2025, the Group has no material contingent liabilities (31 December 2024: Nil).

DIVIDEND

The Board has recommended declaring a final dividend of 15.3 HK cents (2024: 17.0 HK cents) per share, representing a total of 15.3 HK cents (2024: 17.0 HK cents) per share for the year ended 2025. The Group has no change in its dividend policy.

IMPORTANT EVENT AFTER THE YEAR ENDED 31 DECEMBER 2025

The Group had no material events for disclosure subsequent to 31 December 2025 and up to the date of this announcement.

ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Thursday, 25 June 2026. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 18 June 2026 to Thursday, 25 June 2026 (both days inclusive), during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 25 June 2026 shall be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited (“Computershare”), of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2026.

Subject to the shareholders approving the recommended final dividend at the AGM of the Company, such dividend will be payable on or around Friday, 17 July 2026 to shareholders whose names appear on the register of members of the Company on Friday, 10 July 2026. To determine eligibility for the final dividend, the register of members of the Company will be closed from Tuesday, 7 July 2026 to Friday, 10 July 2026 (both days inclusive), during which period no shares can be registered. In order to qualify for the aforementioned final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Computershare, of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 6 July 2026.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities (including sale of treasury shares)

As at 31 December 2025, total number of the shares of the Company held by the trustee is 7,856,700 (2024: 3,986,500).

During the year ended 31 December 2025, the trustee of the Company's share award plan (adopted on 28 August 2020) (the "Share Award Plan") purchased 6,183,000 shares of the Company (representing 0.78%* of the issued share capital of the Company) on the Stock Exchange at a total consideration of approximately HK\$30,876,000 (including purchase price of HK\$30,821,000 and transaction costs of HK\$55,000). Total accumulated number of shares of the Company purchased is 20,356,000 (representing 2.57%* of the issued shares capital of the Company) under the Share Award Plan.

From 12 January 2026 to 23 March 2026 as the date of this announcement, the trustee purchased 500,000 shares of the Company (representing 0.06%* of the issued share capital of the Company) on the Stock Exchange at a total consideration of approximately HK\$2,453,000 (including purchase price of HK\$2,449,000 and transaction costs of HK\$4,000). Total accumulated number of shares of the Company purchased is 20,856,000 (representing 2.63%* of the issued share capital of the Company). During the blackout period (21 January 2026 to 23 March 2026) of the Company, it must not deal any shares of the Company.

On 14 April 2025, a total of 3,339,000 awarded shares (representing 0.42%* of the issued shares capital of the Company) were granted to certain selected participants, comprising of 6 Directors and certain employees of the Group pursuant to the Share Award Plan.

At the end of 2025, after deducting the 3,339,000 awarded shares granted on 14 April 2025, and considered share purchased and lapsed shares, the total number of awarded shares that can be granted was 5,469,300 (representing 0.69%* of the issued share capital of the Company) calculated based on the accumulated 20,856,000 shares of the Company purchased in so far. The remaining shares that could be granted were 58,252,520 (representing 7.36%* of the issued share capital of the Company) calculated based on the maximum number of awarded shares that can be granted at the adoption date (excluding treasury shares).

As at 23 March 2026, being the date of this announcement, after deducting the 3,339,000 awarded shares granted on 14 April 2025, and considered shares purchased and lapsed shares, the total number of awarded shares that can be granted were 5,976,500 (representing 0.75%* of the issued share capital of the Company) calculated based on the accumulated 20,856,000 shares of the Company purchased in so far. The remaining shares that could be granted were 58,252,520 (representing 7.36%* of the issued share capital of the Company) calculated based on the maximum number of awarded shares that can be granted at the adoption date (excluding treasury shares).

Other than the aforesaid, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

** Calculated based on the Company's total number of issued share capital of 791,575,204 shares as at 31 December 2025 and 23 March 2026.*

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules throughout the year ended 31 December 2025, other than as summarised as below.

Code provision C.1.5 stipulates that independent non-executive directors and non-executive directors should attend general meetings. Mr. Chu, Howard Ho Hwa, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 25 June 2025 due to other business arrangements.

Mr. Su Ning, who is currently an executive Director and the Chief Executive Officer, has been appointed as the Chairman of the Board with effect from 10 October 2025. The Board has confidence in vesting the roles of both Chairman and Chief Executive Officer in Mr. Su and believes that this will ensure the Group has consistent leadership and could make and implement the business strategies of the Group more effectively. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is not inappropriate. In addition, under the supervision of the Board which, apart from Mr. Su being an executive Director, comprises 2 other executive Directors, 3 non-executive Directors and 3 independent non-executive Directors, the Board is appropriately structured with balance of power and authority to provide sufficient checks to protect the interests of the Company and the Shareholders. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the Chairman of the Board and the Chief Executive Officer is necessary.

The Group will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct on securities transactions by directors (the “Code of Conduct”) on terms no less exacting than those required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standards as set out in the Model Code and the Code of Conduct throughout the year under review.

The Company has also adopted a code of conduct on securities transactions by employees (revised on 24 July 2024) on terms no less exacting than those required standards set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company (the “AC”) comprises the following independent non-executive Directors: Mr. Fung, Yuk Kan Peter (Chairman of the AC), Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin as at the date of this announcement. The AC is responsible for appointment of external auditors, review of the Group’s financial information and oversight of the Group’s financial reporting system, risk management and internal control systems. It is also responsible for reviewing the interim and annual results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to both the Company’s internal and external auditors. The terms of reference of the AC are available at the websites of the Company and the Stock Exchange.

The AC has reviewed with management the accounting principles, estimates and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including the review of the final results for the year ended 31 December 2025 of the Company now reported on so as to ensure that an effective control and corporate governance environment is maintained.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company (the “RC”) is responsible for setting and monitoring the remuneration policy for all Directors and senior management of the Group. The RC comprises Mr. Fung, Yuk Kan Peter (Chairman of the RC), Mr. Su Ning, Ms. Ko Wing Yan, Samantha, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin as at the date of this announcement. There are more than half of the members are independent non-executive Directors. The terms of reference of the RC are available at the websites of the Company and the Stock Exchange.

NOMINATION COMMITTEE

The Nomination Committee of the Company (the “NC”) comprises Mr. Su Ning (Chairman of the NC), Ms. Ko Wing Yan, Samantha, Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin as at the date of this announcement. Among those members of the NC, more than half of the members are independent non-executive Directors. The terms of reference of the NC are available at the websites of the Company and the Stock Exchange.

The roles and functions of the NC include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for the Directors, in particular the Chairman of the Board and the Chief Executive Officer.

INVESTMENT COMMITTEE

The Investment Committee of the Company (the “IC”) is established to source, review (including exit) and select appropriate investment projects to achieve the Group’s advancement and transformation strategy. The IC is also responsible for the examine of the investment management risk policies, research of the Group’s capital policies and major financing plans. The IC comprises 9 members, including the Company’s directors Mr. Su Ning (Chairman of the IC), Ms. Ko Wing Yan, Samantha and Mr. Lo Pak Chi, and other management of the Company as at the date of this announcement.

The Board has approved and authorised the IC to make decisions on investment projects with the authorisation limits and period.

SCOPE OF WORK OF THE COMPANY’S AUDITORS

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND THE ANNUAL REPORT

This announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.boevx.com). The Company's annual report for the year ended 31 December 2025 will be despatched to the shareholders of the Company who have elected to receive printed copies and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
BOE Varitronix Limited
Su Ning
Chairman

Hong Kong, 23 March 2026

As at the date of this announcement, the Board comprises nine Directors, of whom Mr. Su Ning, Ms. Ko Wing Yan, Samantha and Mr. Lo Pak Chi are executive Directors, Mr. Shao Xibin, Mr. Meng Chao and Mr. Liu Jing are non-executive Directors, and Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin are independent non-executive Directors