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BOE VARITRONIX LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

**CONTINUING CONNECTED TRANSACTION –
THE PRODUCT DEVELOPMENT SERVICES AGREEMENT**

On 23 September 2025, the Company and Chengdu BOE entered into the Product Development Services Agreement pursuant to which the Group may engage Chengdu BOE to provide the Product Development Services from 23 September 2025 to 31 December 2026 (both days inclusive).

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is a substantial shareholder of the Company holding approximately 53.02% of the issued share capital of the Company as at the date of this announcement. Chengdu BOE is a subsidiary of BOE and 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 Product Development Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Based on the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Product Development Services Agreement and the transactions contemplated thereunder (including its annual caps) are subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 23 September 2025, the Company and Chengdu BOE entered into the Product Development Services Agreement pursuant to which the Group may engage Chengdu BOE to provide the Product Development Services from 23 September 2025 to 31 December 2026 (both days

inclusive). The principal terms of the Product Development Services Agreement are as follows:

PRODUCT DEVELOPMENT SERVICES AGREEMENT

Date

23 September 2025

Parties

- (a) the Company; and
- (b) Chengdu BOE

Subject

Pursuant to the Product Development Services Agreement, the Group may engage the Chengdu BOE to provide the Product Development Services, including but not limited to technological support for the Group's development and design of new automotive display products from 23 September 2025 to 31 December 2026 (both days inclusive).

The Product Development Services Agreement is a framework agreement which contains the principles, mechanisms, and terms and conditions upon which the parties thereto are to carry out the transactions contemplated thereunder. The Group may from time to time enter into specific agreements and/or contracts in respect of the engagement of Chengdu BOE to provide the Product Development Services. The terms and conditions of such specific agreement and/or contracts shall be consistent with those of the Product Development Services Agreement.

For the avoidance of doubt, the Company and Chengdu BOE are not contractually bound to conduct the transactions contemplated under the Product Development Services Agreement with each other. The Group and Chengdu BOE can conduct such similar transactions with any other third parties during the term of the Product Development Services Agreement.

Pricing Policy

The service fees payable by the Group shall be determined on the basis of actual cost incurred by the Chengdu BOE in providing the Product Development Services, including staff cost, reimbursement and other overhead expenses incurred etc., taking into account a number of

factors, including but not limited to, the number and level of seniority of personnel required, the professional skills and responsibilities involved, the resources required to completed the work.

Payment Terms

The Company shall settle the Product Development Service fee to Chengdu BOE within 15 days of receiving invoices issued by Chengdu BOE each month.

Term

The Product Development Services Agreement will become effective on 23 September 2025 and expire on 31 December 2026 (both days inclusive).

PROPOSED ANNUAL CAP

The Product Development Services are new transactions with the Chengdu BOE, thus no historical transaction figure is available. The annual caps in respect of the Product Development Services are as follows:

<i>(in HK\$'000)</i>	Annual caps	
	For period from 23 September 2025 to 31 December 2025	For the year ending 31 December 2026
Product Development Services	7,000	24,000

The above annual caps were determined by the Group after taking into account, among others, the following matters:

- (i) the estimated demand on the Product Development Services from the Group for the period from 23 September 2025 to 31 December 2025 and the year ending 31 December 2026, based on the Group's business plans, anticipated production requirements and internal resources constraints;
- (ii) the estimated total staff hours of the Chengdu BOE to provide the Product Development Services for the period from 23 September 2025 to 31 December 2025 and the year ending 31 December 2026;

- (iii) the estimated hourly cost for the staffs based on the prevailing cost of Chengdu BOE;
- (iv) the market price of the Product Development Services; and
- (v) an additional buffer of approximately 5%.

REASONS FOR AND BENEFITS OF THE PRODUCT DEVELOPMENT SERVICES AGREEMENT

The Group is the sole platform of automotive display module and system business in the BOE Group. By leveraging the BOE Group's competitive edges in panel research and automated manufacturing process, and its continuous effort in developing the TFT display business over the decades, the Group has maintained the global leading position in terms of total shipment of automotive TFT display products since 2022.

According to market research, the automotive display business has room for further growth. The global automotive display modules market is showing a steady upward trend, especially those new technologies such as oxide and Low Temperature Poly-silicon ("LTPS"). According to Omdia data, the compound annual growth rate of global shipments of oxide and LTPS automotive TFT display products in the next three years is approximately 14%. Apart from the traditional display, the upcoming automotive display system business and the smart cockpit solution market will have great potential development. The automotive display system market is showing a steady upward trend and the size of the PRC market is expected to reach nearly HK\$100 billion in 2026, while the global smart cockpit and smart travel market is expected to reach hundreds of billions of Hong Kong dollars in 2026. The development opportunities of the above require vast new technology exposure, and require lots of input in investment in research and development. Over the years, BOE has accumulated extensive experience as a well-known leading supplier of semiconductor display technologies, products and services with the technical know-how including artificial intelligent and IoT areas and more than 90,000 patents, being a well-established market leader in the industry and equipped with the well-established streamline supply chain and the profound R&D team, BOE can provide the Group with professional services for effectual implementation of the Group's development plans to capture the above business opportunities.

By entering into the Product Development Services Agreement, the Board considers that the Group would be benefited (but not an obligation) from the flexibility of obtaining the industry-leading personnel and product development services from the Chengdu BOE of the BOE Group with competitive cost that are more tailored to the Group's unique requirements and

circumstances based on the long-standing cooperation and relationship among the Group and BOE, which can enable the Group to continue leveraging on BOE's competitive strength in the industry, experience and expertise in the relevant areas, enhancing synergy and supporting technology upgrade for the Group's products that in turn improves its competitiveness.

On the other hand, since the Group is the sole platform of automotive display module and system business in the BOE Group, acquiring similar services from other sizeable suppliers with comparable expertise and/or experience in the industry, although possible, may turn out to be more costly and inefficient to the Group in comparison of acquiring from the BOE Group, as many of them are in a competitive position with the Group or the BOE Group. Therefore, the Group regards BOE as a competitive and reliable service provider which can offer high quality services at competitive price and efficient, timely and professional services to save on additional human resources and keep thriving in the current competitive market environment.

The Directors (including the independent non-executive Directors) are of the view that (i) the Product Development Services Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) the terms of the Product Development Services Agreement (including its annual caps) are fair and reasonable; and (iii) the Product Development Services Agreement is in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL

For the transactions contemplated under the Product Development Services Agreement, the Company has adopted the following internal control measures to safeguard the interests of the Company:

- (a) The relevant departments of the Group will review the price and terms offered by Chengdu BOE on each specific agreement to ensure that they are on normal commercial terms or better by comparing them against the terms offered by two independent third party service providers for similar services on best effort basis.
- (b) The internal audit department of the Group will semi-annually review the Group's internal control procedures to ensure that they remain effective and adequate. The internal audit department of the Group will report semi-annually to the independent non-executive Directors during audit committee meetings;

- (c) The independent non-executive Directors will review the Product Development Services semi-annually to check and confirm whether such transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the Product Development Services Agreement governing them, on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (d) The finance department of the Group shall monitor and ensure that the annual caps under the Product Development Services Agreement are not exceeded on a regular basis. In the event that the actual transaction amount in respect of the transactions conducted pursuant to the Product Development Services Agreement is expected to reach the annual caps limit, the finance department of the Group will report it to the management of the Group so that the management of the Group will take appropriate action to ensure compliance with the requirements under the Listing Rules;
- (e) The Company's external auditors and the independent non-executive Directors will (i) review the transactions conducted pursuant to the Product Development Services Agreement annually; and (ii) check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded; and
- (f) The Director(s) who are interested in the Product Development Services Agreement and the transactions contemplated under therewith have abstained from voting at the Board meeting approving the Product Development Services Agreement (including its annual caps).

The Directors consider that the internal control system of the Group is adequate to ensure that the transactions contemplated under the Product Development Services Agreement will be conducted in accordance with the terms thereof.

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), being the ultimate beneficial owner holding approximately 53.02% of the issued share capital of the Company as at the date of this announcement, 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. The ultimate beneficiary of BOE was the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government.

Chengdu BOE is a wholly-owned subsidiary of BOE and is principally engaged in research and development, technology, production and sales of various small and medium size TFT-LCD panel and related products of high-tech enterprises.

LISTING RULES IMPLICATIONS

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Based on the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Product Development Services Agreement and the transactions contemplated thereunder (including the annual caps) are subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement,

- (a) Mr. Gao Wenbao (“**Mr. Gao**”), an executive Director, holds 1,860,700 A shares of BOE, and is currently a director and a vice chairman of the 11th Board of Directors and a member of the strategic committee of BOE;
- (b) Mr. Su Ning (“**Mr. Su**”), an executive Director, holds 150,000 A shares of BOE, and is currently a senior vice president of the BOE;

- (c) Mr. Shao Xibin (“**Mr. Shao**”), a non-executive Director, holds 342,820 A shares of BOE, and is currently the deputy person in charge of the mid-desk of the technology and product of the mid-desk of the display device and the IoT innovation business of BOE, the person in charge of the mid-desk of the technology and the product mid-desk terminal product and technology development of the display device and the IoT innovation business of BOE;;
- (d) Mr. Jin Hao (“**Mr. Jin**”), a non-executive Director, holds 94,800 A shares of BOE, and is currently the deputy head of the market insight and collaboration platform of the display device and the IoT innovation business of the Chief Strategy Officer organization in the back office (business support system) of BOE, the team leader of business operation team of the domestic marketing platform area of the front-desk of the display device and the IoT innovation business of BOE; and
- (e) Mr. Meng Chao (“**Mr. Meng**”), a non-executive Director, holds 537,500 A shares of BOE, and is currently the CPIO of the performance management center of the back-desk of BOE (business support system), and the Vice Chief Financial Officer of Chief Financial Officer organisation.

Mr. Gao, Mr. Su, Mr. Shao, Mr. Jin and Mr. Meng presented at the Board meeting were not counted in the quorum and they have abstained from voting at the Board meeting approving the Product Development Services Agreement (including its annual caps). Save as disclosed above, none of the Directors has a material interest in the Product Development Services Agreement and was required to abstain from voting on the Board resolutions.

DEFINITIONS

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

“associate”	: has the same meaning as ascribed to it under the Listing Rules
“Board”	: the board of Directors
“BOE”	: BOE Technology Group Co., Ltd., 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), a company established in the PRC with limited liability
“BOE(HK)”	: BOE Technology (HK) Limited, a company established in Hong Kong with limited liability, a wholly-owned subsidiary of BOE

“BOE Group”	: BOE and its subsidiaries, for the purpose of this announcement, excluding the Group
“Chengdu BOE”	: Chengdu BOE Optoelectronics Technology Co., Ltd.* (成都京東方光電科技有限公司)
“Company”	: BOE Varitronix Limited (stock code: 710), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person”	: has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	: 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 of Hong Kong Limited
“Product Development Services”	: all transactions contemplated under the Product Development Services Agreement
“Product Development Services Agreement”	: a master framework agreement entered into between the Company and Chengdu BOE dated 23 September 2025 in relation to the Product Development Services
“PRC”	: the People’s Republic of China (for the purpose of this announcement, excludes Hong Kong, the Macao 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)”	: holder(s) of the Share(s)

“Stock Exchange” : The Stock Exchange of Hong Kong Limited

“substantial shareholder” : has the same meaning ascribed to it under the Listing Rules

“TFT” : thin film transistor

“TP” : touch panel

“%” : per cent

By Order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, dated 23 September 2025

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 Mr. Meng Chao are non-executive Directors, and Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin are independent non-executive Directors.