

# BOE

## BOE VARITRONIX LIMITED

(Incorporated in Bermuda with limited liability)  
Stock Code 710

# 2025

## INTERIM REPORT







# MISSION

Our evolutionary journey in the center of excellence for display technology and solutions.



# VISION

To be the leader of intelligent automotive displays and solutions.



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# ABOUT BOE VARITRONIX



BOE Varitronix Limited (the "Company") and its subsidiaries (the "Group") were established in 1978 and the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited in 1991. The Group is principally engaged in the automotive and industrial display business and has monochrome display manufacturing capacity and thin film transistor ("TFT") and touch panel display module assembly capacity.

The Company is a subsidiary of BOE Technology Group Co., Ltd. ("BOE"). BOE is a well-known leading 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, automotive displays and digital information displays. The Company falls under Display and Sensor Business Group of the BOE Group. The Company focuses on automotive and industrial display module business and is the sole sales platform of the BOE Group for automotive display and system businesses.

The Group is now in a global leading position with the highest market shares in terms of overall automotive TFT display products and in medium-to-large size display modules. Our vision is to become a leading integrated automotive smart cockpit display system solution provider.



# CORPORATE INFORMATION

The corporate information of BOE Varitronix Limited as of the latest practicable date\* prior to the issue of this interim report, is as follows:

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS:

Mr. Gao Wenbao (*Chairman*)  
Ms. Ko Wing Yan, Samantha  
Mr. Su Ning

### NON-EXECUTIVE DIRECTORS:

Mr. Shao Xibin  
Mr. Jin Hao  
Mr. Meng Chao

### INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Fung, Yuk Kan Peter  
Mr. Chu, Howard Ho Hwa  
Mr. Pang Chunlin

## COMPANY SECRETARY

Mr. Chung Kai Cheong

## AUTHORIZED REPRESENTATIVE

Ms. Ko Wing Yan, Samantha  
Mr. Chung Kai Cheong

## AUDIT COMMITTEE

Mr. Fung, Yuk Kan Peter (*Chairman*)  
Mr. Chu, Howard Ho Hwa  
Mr. Pang Chunlin

## REMUNERATION COMMITTEE

Mr. Fung, Yuk Kan Peter (*Chairman*)  
Mr. Gao Wenbao  
Ms. Ko Wing Yan, Samantha  
Mr. Chu, Howard Ho Hwa  
Mr. Pang Chunlin

## NOMINATION COMMITTEE

Mr. Gao Wenbao (*Chairman*)  
Mr. Su Ning  
Mr. Fung, Yuk Kan Peter  
Mr. Chu, Howard Ho Hwa  
Mr. Pang Chunlin

## INVESTMENT COMMITTEE

Mr. Gao Wenbao (*Chairman*)  
Ms. Ko Wing Yan, Samantha  
Mr. Su Ning  
Other members are not directors of the Company

## INDEPENDENT AUDITORS

KPMG  
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

## LEGAL ADVISER

Baker & McKenzie

## PRINCIPAL BANKERS

### (IN ALPHABETICAL ORDER)

Agricultural Bank of China Limited  
Bank of China Limited  
Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd.  
China Citic Bank International Limited  
China Merchants Bank Co., Ltd.  
CMB Wing Lung Bank Limited  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China Limited  
Industrial Bank Co., Ltd.  
MUFG Bank, Ltd.  
Shanghai Pudong Development Bank Co., Ltd.  
The Hongkong and Shanghai Banking Corporation Limited

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

\* the latest practicable date: 12 September 2025 being the latest practicable date prior to the issue of this interim report

## CORPORATE INFORMATION

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units A-F, 35/F., Legend Tower  
No. 7 Shing Yip Street  
Kwun Tong, Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
PO Box HM 1179, Hamilton HM EX  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-16, 17/F., Hopewell Centre  
183 Queen's Road East, Wan Chai  
Hong Kong

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 710

### SHARE CAPITAL

As at 30 June 2025,  
the share capital of the Company is as follows:  
Number of authorised shares: 5,000,000,000  
Number of issued share: 791,575,204  
Total authorised share capital: HK\$1,250,000,000  
Total issued share capital: HK\$197,893,801  
Par value: HK\$0.25

### COMPANY WEBSITE

<http://www.boevx.com>

### INVESTOR RELATIONS CONTACT

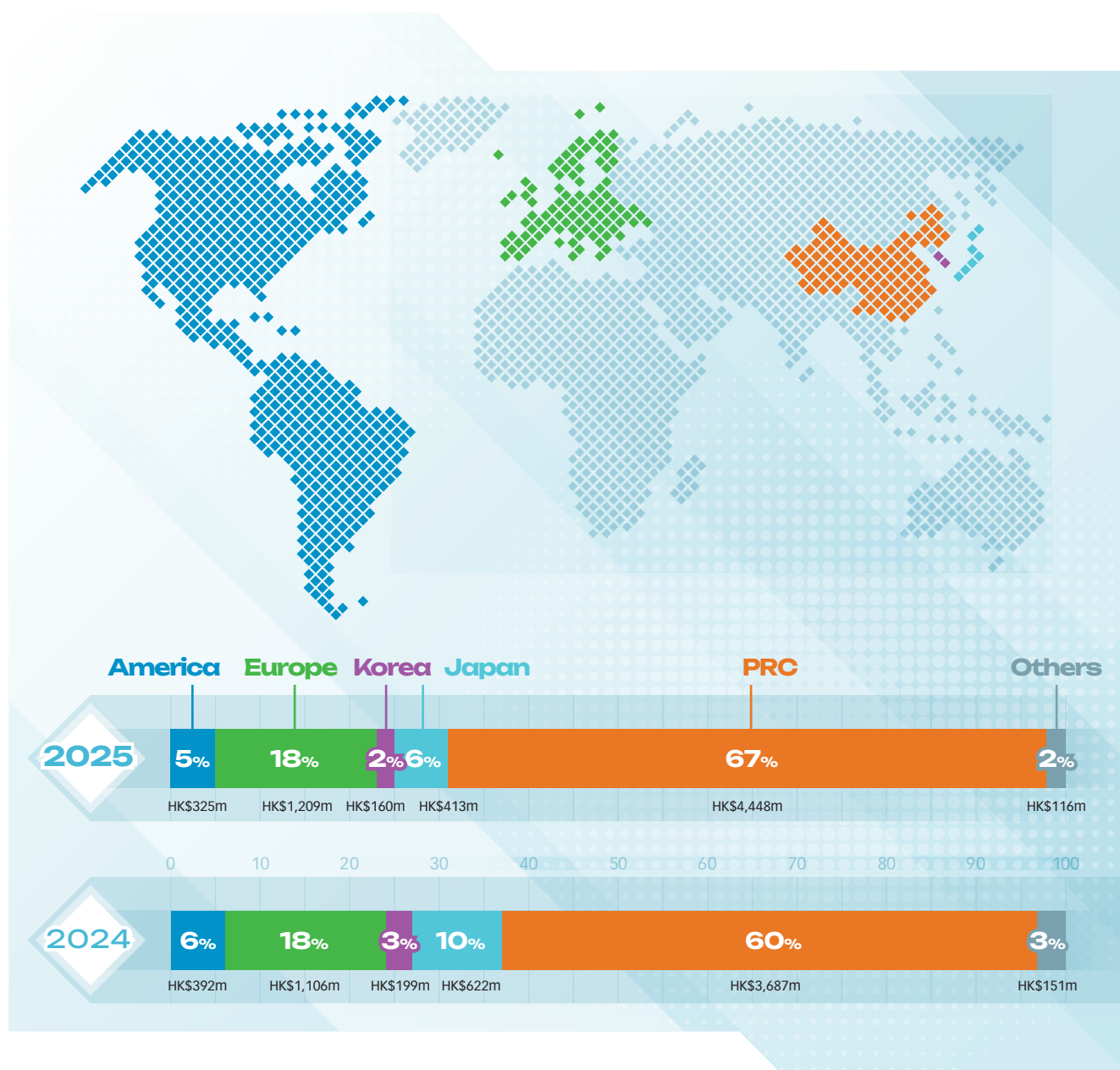
[investor@boevx.com](mailto:investor@boevx.com)





# CHAIRMAN'S STATEMENT

REVENUE BY GEOGRAPHY (By location of sourcing decision of customers)  
FOR THE 6 MONTHS ENDED 30 JUNE 2025



## CHAIRMAN'S STATEMENT

Highlights		
HK\$ million (Unless otherwise indicated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue	6,671	6,157
EBITDA <sup>1</sup>	338	315
Profit Attributable to Shareholders	180.5	172.1
Basic Earnings per Share	22.9 HK cents	21.9 HK cents
Diluted Earnings per Share	22.8 HK cents	21.8 HK cents
Operating cash inflow	533	795
	As of 30 June 2025	As of 31 December 2024
Cash resources <sup>2</sup>	4,748	4,122
Cash and Fixed Deposits Balance	3,772	3,544

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

<sup>2</sup> Cash resources include cash and cash equivalents, fixed deposits, other financial assets and restricted bank deposits.

On behalf of BOE Varitronix Limited (the "Company") and its subsidiaries ("BOEVx" or the "Group"), I am pleased to present the results for the six months ended 30 June 2025 (the "period under review").

During the period under review, revenue of HK\$6,671 million was recorded, an increase of approximately 8% when compared with HK\$6,157 million recorded for the same period of 2024. EBITDA of the Group was HK\$338 million, approximately 7% higher than HK\$315 million recorded for the same period of 2024. The profit attributable to shareholders was HK\$180.5 million, an increase of approximately 5%, when compared to that for the same period of 2024.

With the careful working capital management, the Group has strong cash resources and in a net cash position. As at 30 June 2025, the Group has total cash resources of HK\$4,748 million, compared to HK\$4,122 million at the end of 2024, an increase of HK\$626 million or approximately 15%. The Group has bank loans of HK\$434 million as at 30 June 2025, an increase of approximately 16% when compared with HK\$376 million as at the end of 2024. Among the bank loans of HK\$434 million, HK\$176 million is long-term borrowing which mainly to facilitate our capital expenditure. The Group is committed to maintain the bank borrowings at an appropriate level to maintain a healthy gearing, with main source of funding from its operation.

**Mr. Gao Wenbao**  
Chairman





## CHAIRMAN'S STATEMENT

The Group's revenue growth was primarily attributable to the increase of sales of our Thin Film Transistor ("TFT") products, touch panel display modules, and automotive system products. The growth is primarily attributed to the demand of our leading customer in China.

The Group's TFT module business and touch panel display module business contributed around 94% of the Group's revenue while the revenue from monochrome display business decreased in its contribution during the period under review. Among the Group's revenue, automotive display business contributes 94% and the remaining mainly represents industrial display business.

Competition within the automotive industry, especially, those related to electric vehicle is becoming fiercer, with price, functions and quality competing tight, and in return, impacting profitability across its entire supply chain. As a result, our gross profit margin was affected by the impact of price adjustments and the switch in the product mix.

In the execution of our three-step development strategy, we increased the investment in automotive display system business by additional investment in R&D related costs, such as material and human resources. We have also invested additional cost for the Vietnam plant to cater for the geo-political instability and needs of overseas customers. Meanwhile, there was additional provision on trade receivable as a precautionary measure for the possible volatility of customers' performance; increase in staff costs to enhance our production capacity and quality, and increase in procurement of factory consumables to improve our quality and for the additional need for self-made production which collectively hinder our profitability in a short to middle term.

We strive to overcome the above cost pressure by improving profitability of our other part of business, our net interest income from deposits and other financial assets; grants from government; and the profit on equity investment in a share listed on the Stock Exchange of Hong Kong were improved resulting an overall improvement of our profit attributable to shareholders to HK\$180.5 million, an increase of approximately 5% compared to that of the same period last year.

With the more stable operation of our manufacturing facilities in Chengdu, China (the "Chengdu Plant"), improving working capital management, our measures in improving market expansion, quality and in reducing costs, we are committed to reducing production and operating costs to enhance our profitability.

EBITDA has increased by approximately 7% to HK\$338 million, with EBITDA margin of approximately 5.1% (30 June 2024: 5.1%) of the Group's revenue. The increase was mainly due to the same factors as the increase of profit attributable to shareholders mentioned above. The higher magnitude in increase as compared to that of the profit attributable to shareholders was mainly due to the impact of tax expenses for the compliance with new tax regulation.



## CHAIRMAN'S STATEMENT

### DIVIDENDS

The Group has no change in its dividend policy.

The Board (the "Board") of Directors (the "Directors") has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

### BUSINESS REVIEW

#### AUTOMOTIVE DISPLAY BUSINESS

For the period under review, the revenue for the automotive display business was HK\$6,245 million, an increase of 9% as compared to that of HK\$5,752 million for the same period 2024. The automotive display business represented approximately 94% of the Group's overall revenue. Our systems business has emerged as a new growth factor, focusing on intelligent display systems, advanced display systems, intelligent cockpit systems, overseas display systems, and other related product offerings. Revenue from our systems business has significant growth compared to that of 2024.

The New Energy Vehicle ("NEV") industry is experiencing significant growth. According to Rho Motion, NEV sales continuing to grow rapidly in the first half of 2025, we have effectively captured the opportunities and allowed us to maintain number one market share in the global automotive display market in terms of delivery quantity and area, and in particular, delivery for displays 8 inches and above in size according to Omdia data. Additionally, our market share in Low Temperature Poly-silicon ("LTPS") and oxide technologies is steadily increasing. We have sustained the advantages of our existing business, and the market has also recognized the development of our new technologies.

In the People's Republic of China (the "PRC"), we have observed substantial growth in our sales. As a strategically prioritized industry, the Chinese government remains committed to fully supporting the NEV sector. Alongside the reintroduction of trade-in subsidies, the government is actively promoting the adoption of NEVs in public services and commercial vehicles to further enhance green transportation and foster a low-carbon economy.





## CHAIRMAN'S STATEMENT

China has emerged as the premier location for NEV development, with Sino-foreign joint ventures becoming the norm. Our customers' headquarter and decision-making unit cover all over the world, and with the increasing overall manufacturing, subcontracting, processing capability of our global customers in the PRC, customers whose decision-making centers are located in the PRC contributes the most of our revenue. Our customer base has been expanding and covers a majority of the top 20 PRC automotive manufacturers, NEV manufacturers and overseas automotive manufacturers. To further strengthen these business relationships, we have established strategic partnerships with most of the leading PRC NEV automotive manufacturers. Through strategies such as joint development of new technologies, offering high-value products at competitive prices, and delivering high-quality solutions.

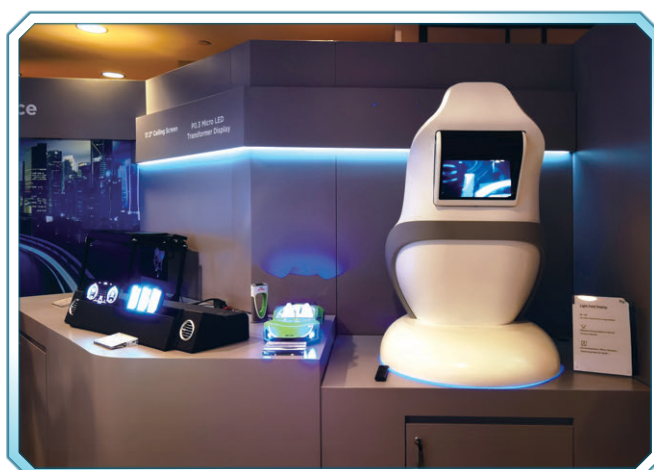
Our overseas operations are facing challenges stemming from a variety of unstable factors. Geopolitical tensions leading to policy instability, war-related energy shortages, and high interest rates have all influenced consumer demand. The aforementioned factors impacted our revenue from the United States. Nevertheless, with our vigorous marketing and R&D efforts, we still achieved revenue growth from Europe with increase in both quantities sold and average selling price. We have also collaborated closely with our leading Tier-1 partners to secure orders from overseas automotive manufacturers and enhance our customer service capabilities, including increase our expert workforce to provide system-related products to overseas well-known customers and achieved breakthrough in gaining new system related overseas orders.

We strategically allocated our production capacity between the off-season and peak season to enhance efficiency during the off-season and meet demand of customers during peak demand. Additionally, we have implemented a platform production strategy to reduce production costs. Our production facilities in Heyuan have been operating efficiently, delivering high-quality and advanced products. The output value of Heyuan factory has increased compared to the same period of 2024, providing solid support for our business development. The Chengdu Plant was set up in late 2022, it has been ramped up to achieve higher output, better operational efficiency to enhance our profitability of the automotive display business as compared with the same period of 2024.

Our system business is the key of our "three-step development strategy". Through our ongoing efforts in R&D and market expansion, we have strengthened our R&D capacity to create projects that are specifically tailored to meet customer needs. We have successfully passed the technical review of major automobile companies and gained entry into their global Tier-1 supplier list, while also achieving significant progress with our new customer projects. The composition of our customer base has become more diverse and resilient. Additionally, with the mass production of orders obtained in previous years, our revenue from the system business grow significantly in 2025. As the system business is still in growing stage, this segment suffered from loss and we are trying to improve its profitability through improvement in customers confidence, economy of scale, supply-chain management.

We always put quality the first, apart from those already in place, we established Key Performance Indicators ("KPIs") for suppliers, ranked them based on quality compliance to encourage continuous improvement for any non-compliant projects. We conducted regular meetings with suppliers to facilitate root cause analysis and enhance quality. We also designated specific months as the "Quality month" during the year to thoroughly review the quality performance of suppliers. Beyond our quality enhancement initiatives, we actively engaged in the suppliers' quality platforms to articulate our needs and advocate for timely improvements in raw materials.

To achieve timely and effective measures, we are shifting certain of our quality inspection measures approximate to the suppliers' or customers' facilities and to conduct necessary inspections, ensuring that the quality meets the required standards. Through our ongoing efforts, we have significantly enhanced our quality, reducing cost of quality and have received supplier awards from numerous leading NEV manufacturers.



## CHAIRMAN'S STATEMENT

### INDUSTRIAL DISPLAY BUSINESS

For the period under review, the industrial display business generated revenue of HK\$426 million, an increase of approximately 5% from HK\$406 million recorded for 2024. This business represented approximately 6% of the Group's overall revenue.

The increase in revenue during the period under review was primarily due to increased demand for consumer electronic products. We will continue to focus on promoting our products for new applications and emerging markets, and discover new opportunities.

### INDUSTRY REVIEW

In the first half of 2025, global political tensions have continued to escalate, with intensified geopolitical conflicts leading to wars and impacting international trade activities. High interest rates have also posed challenges to economic growth across various regions. Nevertheless, the global NEV industry remains robust, experiencing strong growth, accelerated technological innovation, intensified market competition, and distinct regional market differentiation.

The PRC market continues to be the primary growth driver for the NEV industry. The NEV sector is a key priority for the PRC government, which has introduced a range of supportive policies. These include the renewal of trade-in subsidies for older vehicles, the promotion of high-power charging infrastructure, the adoption of NEVs in public services and commercial transportation, initiatives to encourage NEV use in rural areas, the development of smart vehicle infrastructure, and various tax incentives. Collectively, these measures are fuelling rapid growth in the PRC NEV industry.

According to statistics from the China Association of Automobile Manufacturers ("CAAM") in the first half of 2025, the production and sales volume of NEVs from automotive manufacturers in the PRC recorded a period-over-period growth of 41.4% and 40.3% respectively, reaching 6.9 million units. The sales volume of NEVs accounted for 44.3% of the total new vehicle sales volume. The NEV industry has become an important driving force behind the PRC industrial economic growth.

According to the CAAM, sales of NEV passenger cars priced between RMB300,000 and RMB400,000 have declined, while vehicles priced between RMB100,000 and RMB200,000 have captured the largest market share and experienced growth. This indicates that consumers are prioritizing affordable or those with high cost-performance ratio vehicles over luxury cars.

As consumers increasingly prioritize cost-performance ratio, certain NEV manufacturers are excelling itself by technology advancement, making sophisticated features such as intelligence cockpits with affordable prices, which drives NEV to become more desirable. The integration of artificial intelligence ("AI") into the automotive sector emerges new demand and new market opportunities.

Customs import and export data reveals that from January to June 2025, automobile imports totaled 224,000 units, representing a period-on-period decrease of 32.4%. Conversely, automobile exports reached 3.5 million units, reflecting a period-on-period increase of 18.6%. The PRC's automobile industry is currently in a net export position. Notably, NEVs stand out in this context, with passenger NEV exports growing by 71.3% and commercial NEV exports increasing by 230% in the first half of 2025. This trend demonstrates that PRC automobile brands, particularly in the NEV sector, are gaining recognition in overseas markets for their quality, advanced features, and cost-effectiveness, international markets are poised to become a significant growth area for PRC NEV brands.

Globally, the European and U.S. markets are currently facing several short-term challenges. In the broader macroeconomic landscape, factors such as economic downturns, a slower-than-expected decline in interest rates, and geopolitical conflicts have adversely affected consumer demand for vehicles. Despite this challenging environment, the European market still experienced substantial growth. According to Rho Motion, NEV sales in Europe have an overall growth of 26% in the first half of 2025.

On 4 July 2025, the European Commission announced that it would invest 852 million euros to support six innovative electric vehicle battery manufacturing projects, and could foster the growth of NEVs in future.



## CHAIRMAN'S STATEMENT

In North America, sales of NEV growth slowed to 3% in the first half of 2025. The U.S. government's shift toward supporting fuel-powered vehicles and the withdrawal of tax credits for electric vehicles have also impacted the NEV industry. Automotive industry representatives have urged the Canadian government to reconsider its policy mandating the exclusive sale of electric vehicles by 2035, as they believe it could impede the growth of the automotive sector. These could pave uncertainties to the growth of NEVs in the region.

The Japanese market is experiencing sluggishness, with continued weakness in NEV sales. Traditional automakers primarily focus on hybrid electric vehicles ("HEV"), resulting in a significantly lower market penetration rate for pure electric vehicles compared to China and Europe. Additionally, policies and infrastructure development are lagging hindering consumer acceptance of electric vehicles.

South Korea's market for NEV and charging infrastructure is projected to continue growing and innovating. Government policy initiatives, technological advancements, and rising market demand will drive this development. The South Korean government has set a target to increase the number of electric vehicles to 2 million by 2030 (end of 2024: around 500,000 registered) and intends to expedite the construction of charging stations. Consumer acceptance of electric vehicles is rising not only due to environmental considerations but also because of improvements in battery life, advancements in fast charging networks, and reduced vehicle costs facilitated by policy subsidies. To further encourage electric vehicle purchases, the South Korean government also offers car purchase subsidies and tax incentives.

Currently, local Korean automakers hold a leading share of the electric vehicle market in Korea, presenting a challenge and opportunity for Chinese automotive companies.

For other large emerging market, such as India, it has implemented measures such as tax reductions and exemptions from registration fees, signaling that NEVs are garnering increasing attention from economies.

For the overall market, those leading automotive companies will achieve higher sales volume with price competitiveness, product feature and brand loyalty, while those smaller players will face sales pressure.

## BUSINESS OUTLOOK

We believe our automotive business will continue to be the core focus of our operations. The Automotive Display segment presents us with ample growth opportunities. The Industrial Display sector has diversified and demonstrates considerable market potential, positioning it as our primary business focus. The automotive display and industrial display segments will serve as the two main drivers of our growth.

Overall, the escalation of global geopolitical tensions may result in tariffs on new energy vehicles manufactured in China and may adversely impact those automotive manufacturers as well as their suppliers, including us. Supportive policies from governments in major economies for electric vehicles will directly influence our customers' sales, potentially impacting their product competitiveness and, consequently, our revenue and profitability. To mitigate these risks, we are proactively exploring emerging markets and establishing overseas production bases to counteract tariffs and other potential challenges.

Additionally, as competition within the industry intensifies, we will closely monitor the risk levels associated with our customers and implement necessary credit management measures to minimize credit related losses related to trade receivables.

The competition in the market is keen with more of the players joining, we will also rigorously assess the efficiency of our production facilities, aiming to enhance operational efficiency and reduce losses during the capacity expansion process. Furthermore, we will enforce stricter procurement controls and quality assurance measures to minimize the risk of excessive inventory provisions and associated losses.

## CHAIRMAN'S STATEMENT

### AUTOMOTIVE DISPLAY BUSINESS

The automotive display market is experiencing rapid growth, evolving into a substantial industry valued at hundreds of billions of Hong Kong dollars. According to a market research report by Global Information, the global automotive display equipment market is expected to reach 400 billion Hong Kong dollars by 2030, with a compound annual growth rate of 9.93% from 2024 to 2030, highlighting strong growth potential.

In terms of product mix, liquid crystal display ("LCD") technology remains the dominant solution due to its cost-effectiveness compared to organic light-emitting diode ("OLED") technology, which involves a more complex manufacturing process and higher investment costs. As demand for higher-quality displays increases, we anticipate the adoption of more advanced technologies, as detailed in the Technology Development section below. We will collaborate with our suppliers to leverage its new 8.6-generation OLED production line in Chengdu to enhance our competitiveness when appropriate.

As mentioned in section headed Industry Review, the automotive industry undergoes digital transformation, automotive display systems have evolved from traditional, simplistic dashboards to interactive hubs that integrate information, control, and entertainment functions. Modern vehicles increasingly employ advanced display technologies that merge connectivity, functionality, and aesthetics, thereby enhancing the user experience for both drivers and passengers.

This evolution is driven not only by consumer expectations for smart cockpits and enriched in-car experiences, but also by manufacturers' strategies to strengthen brand differentiation through innovative display technologies in a highly competitive environment. Traditional dashboards are gradually being replaced by multi-dimensional, complex, and highly integrated display systems, making them essential components of smart vehicles.

With the growing trend of intelligent and connected automobiles, along with the rapid adoption of new energy vehicles, cars are now equipped with various types of displays, including instrument panels, central control displays, co-pilot screens, rear-seat entertainment screens, and head-up displays. Global demand for automotive displays is on the rise. Furthermore, automobile manufacturers are increasingly seeking intelligent solutions based on display technology and have higher cost-performance ratio models, leading to a growing demand for interactivity, multi-screen and large-screen displays.

We anticipate that the expansion of the industry will create additional revenue and profitability opportunities and this attracted intensifying competition, market share of less competitive players is being conquered by the prominent players through price wars and the supply chains are adapting to the new industry dynamics. In light of the intense market competition, we will enhance our risk awareness, concentrate on our leading customers, continuously improve product quality and technical capabilities, optimize factory operational efficiency and services, and strive for leap in quality so to minimize the risk of reduction in profitability. We will also implement strict credit control measures and apply credit insurance to ensure that customer credit risks are effectively managed.

Our production facilities have seen improvements in efficiency, output value, and quality. Promoting platform-based design while reducing development and maintenance costs will be key directions for our future development. Moving forward, we will closely integrate production activities with sales, procurement, and quality management to minimize unnecessary inventory accumulation, reduce production costs, improve quality and enhance our profit margins.



## CHAIRMAN'S STATEMENT

There is growing market demand, diverse supply chain cost, delivery term, production location requirements of our customers. If our suppliers are unable to meet requirements for location, cost, quantity, quality or timing, we could suffer supply shortages or increase in procurement cost. We have expanded our supplier sourcing to enhance diversity to manage the stability of supply chain. In addition, we are exploring various strategies to meet these needs, including expanding the existing plants, exploring for overseas mergers and acquisitions, as well as the establishment of production base overseas. Such capital expenditures will be implemented gradually, with the objective of aligning order intake with production capacity. We expect an increase capital expenditure and initial cost for setting up those new plants and production facilities.

The current geo-political conflicts are intensifying, it could be a threat to our business. Our overseas sales may be subject to additional tariffs or other trade barriers and lead to additional costs. We have actively sought different remedies including transfer of additional costs to suppliers and/or customers, exploring the opportunities of setting up overseas production plant and cooperation with overseas partners to counteract the potential impact of tariffs and other geo-political risks.

Our costs may increase due to market demand in talents and logistic. To maintain competitiveness and secure advantages, we have been continuously enhancing our investment in employees by providing more trainings, apply the use of more automatic production process and improve product packaging to improve our cost efficiency. We have also recruited more talent to maintain the effectiveness of R&D, exploration of business so to drive a higher revenue per our staff.

### INDUSTRIAL AND OTHER DISPLAY BUSINESS

The industrial and other display market presents a significant growth opportunity. According to a report from Grand View Research, Inc., the global industrial display market is expected to surpass HK\$60 billion by 2030, with a compound annual growth rate of 6.7% from 2025 to 2030.

This sector is marked by long product cycles and stable demand, which enables us to sustain consistent business activity. We have built a strong customer base and established partnerships in the industrial and other display markets, positioning ourselves to pursue the development of high-end, high-tech, and high-margin products. The industrial display sector offers a wide range of application opportunities, including unmanned stores, exhibition halls, public transportation, aviation, railway stations, long-distance bus terminals, parking and charging facilities, vending machines, new-generation desks, home appliances, human-machine interface products, and automotive peripherals.

We will enhance our customer service and marketing strategies, promoting closer communication with clients to better understand their needs. By providing additional functionalities beyond standard displays, we aim to deliver optimal solutions for our customers. With our extensive industry expertise, robust supply chain, and strong customer relationships, we are confident that further advancements in these areas will drive growth for us.

## CHAIRMAN'S STATEMENT

### STRATEGIC DEVELOPMENT PLAN

With a long establishment, we have made significant progress in strengthening our internal capabilities and securing sufficient cash and resource reserves to support our rapid expansion. Maintaining an asset-light model, we leverage the existing production and R&D capacity of BOE Technology Group Co., Ltd. and its subsidiaries (the "BOE Group") across various locations to meet market demand with relatively modest investments.

In the automotive business, we maintain a strong position in high-end and large-size product areas, leveraging our advanced production lines and a continuously improving quality. This enables us to remain competitive in cost, production capacity, quality, and technology. Our controlling shareholder, the BOE Technology Group Co., Ltd., provides unparalleled resources in R&D technology and production capacity, positioning us to excel in the automotive technology upgrade market, including OLED, system products, and AI.

Expanding overseas markets is a core focus of our business strategy, we aim to meet 50:50 local and overseas sales strategy in soon coming years. We will actively participate in global exhibitions to showcase our technological innovations, understand customers' future development needs, and assess the technical landscape of competitors. By strengthening strategic partnerships with leading customers, we aim to explore new business opportunities and increase our investment in emerging markets with high potential to boost local market share. To better support customers' R&D needs, we will expand our overseas sales team and enhance our R&D and manufacturing bases, ensuring customized and responsive services.

The Group is committed to expanding its automotive display business and consolidating its market leadership with clear short-term and long-term strategic goals. We will continue to execute our "three-step development strategy", that is to further strengthen the leading position of the automotive display device business, then increasing market share in the automotive display system business, and ultimately seizing development opportunities in system and smart cockpit solutions. Our "HERO" (Healthiness, Entertainment, Relaxation and Office) application initiative together with the smart cockpit solutions empowered by AI have already been launched in the Chinese market, we will further enhance the integration of display systems and improve human-computer interaction within automotive systems. We have gained more recognition from leading automotive customers as Tier-1 supplier through gaining more technical and required capability certification, these will give us a higher competitive edge in the future business development.

Beyond automotive, we will leverage existing resources to explore opportunities in industrial and other display sectors, driving rapid growth in our "Twin Engine" business model.

We will also enhance our digital management system, utilizing AI to improve operational and administrative efficiency.

Sustainable development is crucial to our success, and we prioritize environmental protection. Our production plants regularly monitor pollutant emissions, adopting a collaborative supply chain approach to sustainable development management. We have set ambitious goals to reduce carbon emissions, energy and water consumption, and waste, aiming for "carbon neutrality" by 2050. Our annual supplier quality conferences further strengthen communication and cooperation with suppliers, ensuring high-quality products and services while maintaining environmental sustainability.



## CHAIRMAN'S STATEMENT

### TECHNOLOGY DEVELOPMENT

As the core business area of the Group, the Company will adhere to the "V+" business strategy and the "Vehicle" concept, continue to deepen its presence in the automotive field, and actively build a new smart cockpit display ecosystem with global competitiveness along the "three-step" strategic development path of devices-systems-smart cockpits through in-depth technological evolution and diversified scenario expansion.

The technical specifications and product forms of current automotive display products are constantly evolving. High-end technologies such as Oxide, OLED, and LTPS, as well as large-size products, are driving the market's continued growth. At the same time, system business has grown in scale, and its diversified product lines are constantly extending; it continues to focus on overseas markets and expand high-quality head customers, which has become a new engine driving the Company's innovative growth.

In terms of the cockpit, the Group has fully integrated cutting-edge technologies such as AI and multimodal interaction into the overall smart cockpit solution. The "HERO" smart cockpit concept has been highly recognized by the market and will become an important part of driving business growth in the future.

Pan-industry is a business field that the Group has been deeply engaged in for more than 40 years. It is currently widely used in high-end commercial systems, new energy, electricity, rail transit, civil aviation, testing equipment and other market segments, and its partner companies have covered the world's top brands.

Facing new opportunities in the era of intelligence, the Group has further introduced cutting-edge technologies such as AI and new industrial products, and while deepening its presence in existing market segments, it has continued to expand into high-end markets with great potential, such as embodied intelligence, low-altitude economy, and high-priced consumer terminals. It has internalized and externalized the "Various" concept of the "V+" strategy, and with vehicle-mounted technology as the axis, it has promoted the deep integration of pan-industrial technology products and innovative scenarios, created a "human-vehicle-domain" multi-scenario collaborative ecosystem, and promoted the extension of application scenarios from the product chain to the scenario chain and value chain, which will become the strategic anchor for the "second curve" of corporate innovation and development.

Technological innovation is the core driving force for the sustainable development of enterprises, and is also the internal source of vitality and commercial competitiveness. As a global leading technology company in the field of automotive displays, the Group adheres to the "Value" and "Vision" concepts of the "V+" strategy, always adheres to long-termism, and builds a solid foundation for the long-term and high-quality development of the Company through continuous technological investment.

In the past three years, the Group has invested approximately HK\$900 million in research and development ("R&D"), and the number of R&D technicians has increased to 464. The technology layout covers multiple core directions such as automotive-grade OLED devices, special-shaped structures, smart interaction, transparent imaging, HUD, etc. At the same time, it has forward-looking layouts in emerging technology fields such as AI, promoting the deep integration of AI and in-vehicle displays, and fully empowering the HERO smart cockpit application scenarios.

## CHAIRMAN'S STATEMENT

### 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.

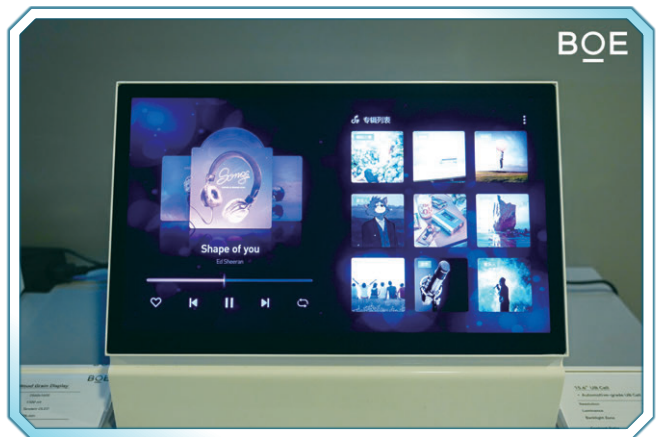
We have several PHUD projects awarded in vehicle manufacturers. At the same time, our 44.8-inch PHUD was exhibited again at SID 2025, which received good market feedback.



### UB CELL (ADS-Pro)

UB Cell, a premium TV display technology solution, it integrates the cutting-edge breakthroughs of ADS Pro advanced LCD technology, ultra-high color gamut and no color shift at all viewing angles, coupled with an ultra-high ambient light contrast ratio of 1400:1 and an ultra-low panel reflectivity of 0.7%, bringing ultimate picture quality comparable to OLED, constantly setting new benchmarks for “perfect picture quality”.

Automotive-grade UB Cell display prototype was shown for the first time with contrast ratio 2,300:1 (Conventional ADS display contrast ratio 1,400:1) at SID 2025. Further development is still undergoing with 3,000:1 as target.



### 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.

A number of automotive f-OLED projects have entered the mass production stage.

We are developing a number of new technologies, such as LCE (Light Control on Encapsulation), which can avoid windshield reflection, significantly improve driving safety, and effectively eliminate moiré and ghosting.

Besides, SPD (Switchable Privacy Display), which supports free switching between share mode and privacy mode, ensuring that passenger information display entertainment content won't causing driver distraction, further enhancing driving safety and privacy needs.

## CHAIRMAN'S STATEMENT

### LIGHT FIELD SCREEN TECHNOLOGY

Light Field Screen Technology uses light field technology to increase the viewing distance through multiple refraction and reflection of light. It can realize large-screen long-distance imaging display in the limited space in the car. It not only provides a wider field of view for rear seat passengers, but also effectively reduces visual fatigue and dizziness caused by watching the screen. At the same time, with the large-screen display, the mobile cinema experience in the vehicle is truly realized, which greatly enriches the entertainment scenes in the cockpit.

In the first half of 2025, we completed the prototype development and participated in the SID exhibition in the United States in May, attracting much attention from customers. In the second half of the year, we will continue to upgrade and repeatedly calculate to launch more optimized products. At the same time, we will also actively expand new industrial products scenarios to enable this technology to be applied in more fields, such as learning, education, gaming and other scenarios.



### DUAL-VIEW DUAL-TOUCH DISPLAY TECHNOLOGY

Dual-view display technology is a technology that can display images from two different angles on the same screen, enabling observers from different angles to see different contents, realizing multi-user interaction, simplifying vehicle space and reducing load. The product has a wide range of application scenarios in aviation, high-speed rail, vehicle-mounted, medical treatment, education and training and other fields.

In the first half of 2025, we successfully implemented the dual-view and dual-touch display function and produced a POC prototype. Through our active promotion, we have attracted the attention of many customers, who believe that this technology has strong novelty and the special dual-touch function can be used in more scenarios. In the second half of the year, we will actively promote it on the customer side and strive to jointly test it with customers on the automotive platform so as to achieve mass production of the product as soon as possible.

### PRIVACY ON DEMAND TECHNOLOGY ("POD")

POD display has been phased into sample stage with Automotive Tier-1 in Europe, Korea and US and etc. this year. It is expected to start mass production in 2026. Based on driving safety concerns, this value-added technology will be a growing sector in the automotive business. Further improvement in privacy performance, thinner and easier to bend POD technology will be ready in the fourth quarter of 2025. With these development activities, will help BOEVx to maintain the leading position in this Switchable Privacy technology.

### SMART COCKPIT DISPLAY SYSTEM

In the development of smart cockpit display system, the Group is not only enhancing its capabilities in the existing technology product lines but also exploring more solutions.

In National Standard, we participated in the formulation of the national standard "Technical Requirements and Test Methods for Vehicle Display Terminals" led by the China Automotive Research Center and "Technical Specifications for Image Quality of Vehicle Display Terminals" of the Shenzhen 8K Ultra High Definition Video Industry Collaboration Alliance.



## CHAIRMAN'S STATEMENT

In terms of technological development, we have developed a dual-axis parallel intelligent control screen to overcome the difficulty of high-precision coordinated control of multiple motors. Through the independently developed precision control algorithm and high-precision servo system, we have achieved multi-degree-of-freedom compound motion coupled with dual drive states, and accurately driven the display screen to complete  $\pm 15^\circ$  horizontal deflection and  $\pm 15^\circ$  elevation adjustment of three-dimensional motion. Fine tuning is achieved through self-adjusting ergonomic algorithms, and combined with a high-contrast, wide-color gamut OLED central control screen, it provides ultimate visual immersion and silky touch interaction, redefining the human-screen interaction paradigm. This dual-axis parallel intelligent control solution is superior to the fixed central control solutions currently available on the market. It can increase driver's concentration by 20% and driving safety by 30%, and bring passengers a more comfortable driving and entertainment experience.

### ADAPTIVE LIGHT FIELD HEADREST SCREEN

Through the self-developed eye tracking algorithm, the monocular measurement of viewing distance and angle is achieved, and the recognition accuracy reaches the centimeter level. Combined with the stepless rotation of the electric mechanism within the range of  $\pm 10^\circ$ , the self-adjustment of the window height and viewing frame size solves the industry pain point of the viewing distance and height limit of the telescopic screen and greatly improves the interactive experience. With a very small headrest volume, a 50-inch frame of 3 meters away is projected, and the adjustment force of the ciliary muscle is reduced by more than 90%, making it more relaxed to use the eyes.

The distortion correction algorithm solves the optical imaging deformation mechanism, comes with a professional sound field system, and combines human-machine dialogue modes such as voice and remote control to create an extremely comfortable and immersive cinema-level experience. The system has the latest HDMI, USB3.0, Type-C and wireless projection interfaces on the market, making it easy to achieve both entertainment and office work, redefining the new model of intelligent display in the cockpit.

### OLED UNDER-SCREEN FINGERPRINT ON SMART STEERING WHEEL 2.0

As a technological highlight, it is first applied to the OLED healthy smart cockpit and made its stunning debut at SID 2025. In addition to realizing in-vehicle under-screen fingerprint recognition, equipped with ECG & HOD system, and achieving high-sensitivity early warning reminders, it also realizes memory interaction between the under-screen fingerprint of OLED and smart seats for users with different IDs.



## CHAIRMAN'S STATEMENT

### AI IN-VEHICLE DIGITAL AMPLIFIER AUDIO SYSTEM

The first self-developed acoustic product, it uses AI to enable immersive in-vehicle acoustic experience, pioneered in-vehicle original sound quality restoration technology, AIGC model implementation on the restricted end side, and multi-modal noise reduction technology architecture, significantly improving the noise reduction capability and sound quality of the amplifier. The pre-research of basic functions has been preliminarily completed, and it is planned to be exhibited at BOE IPC in 2025.

Looking ahead, the Group will continue to deepen the "automotive + pan-industrial" dual-wheel drive strategy, adhere to the long-termism and value-oriented development philosophy, and with an international, professional, market-oriented and intelligent strategic vision, give full play to the advantages of huge scale, profound technological accumulation and the powerful potential of a sound industrial ecology, and continue to write a magnificent chapter of value leap in the global technology industry wave.

### IMPORTANT EVENT AFTER THE PERIOD ENDED 30 JUNE 2025

The Group had no material events for disclosure subsequent to 30 June 2025 and up to the date of this report.

### ACKNOWLEDGEMENT

During the period under review, the Group has achieved higher growth in revenue as well as recovering profitability through our persisting efforts. Our customer base has broadened and solidified thanks to the trust of our business partners. The Group will continue to grasp the upcoming trend of the automotive industry and to pursue our strategy to become a leading integrated automotive smart cockpit display system solution provider. Our success and continuing growth were contributed by our management, employees, shareholders, investors and business partners, on behalf of the Board, I would like to express my sincere gratitude for their continuous support.

**Gao Wenbao**

*Chairman*

Hong Kong, 25 August 2025



# MANAGEMENT DISCUSSION AND ANALYSIS

## REVENUE

The revenue of BOE Varitronix Limited (the "Company") and its subsidiaries (the "Group") for the period ended 30 June 2025 increased by approximately 8% to HK\$6,671 million as compared with the same period of 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. This was primarily attributed to the significant growth in New Energy Vehicle ("NEV") demand, along with our achievements in strategic partnership with customers, advanced technology and exceptional quality, and enhanced production capacity.

## PROFIT FROM OPERATIONS

The profit from operations for the period ended 30 June 2025 was HK\$201.3 million, an increase of HK\$7.6 million or approximately 4% as compared with the same period of 2024. Though our gross profit margin was hit by the switch in the product mix, the price adjustments, higher cost of inventory, as well as the increased staff costs to enhance our capacity and strengthen R&D capabilities, higher subcontracting fees due to emergency orders, and greater procurement of factory consumables to improve our quality have all impacted our profitability. We are able to improve profitability through the execution of our strategic strategy including the strategic equity investments implemented by management. We are committed to reduce production and operating costs to further enhance our profitability.

During the period under review, the Group invested HK\$151 million on research and development ("R&D") activities, an increase of approximately 10% compared with the same period of 2024, which represented approximately 2% of the Group's revenue. The proportion of R&D expenses to revenue remains stable.

## NET PROFIT AND DIVIDENDS

The profit attributable to shareholders for the period ended 30 June 2025 was HK\$180.5 million, as compared with a profit attributable to shareholders of HK\$172.1 million in the same period of 2024. The improvement is primarily attributed to the factors outlined in the profit from operations, as well as an increased in government grants.

Basic earnings per share for the period ended 30 June 2025 were 22.9 HK cents as compared with basic earnings per share of 21.9 HK cents in 2024. During the period, the Group did not declare an interim dividend.

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.

## STRUCTURE OF ASSETS

As at 30 June 2025, the total assets of the Group amounted to HK\$11,834 million (31 December 2024: HK\$11,465 million), such increase was mainly due to our improvement of working capital. Our cash resources\* was HK\$4,748 million as of 30 June 2025 (31 December 2024: HK\$4,122 million), the increase was attributed to our tight control of working capital. At the period end, inventories increased by approximately 4% to HK\$1,854 million (31 December 2024: HK\$1,778 million), primarily due to our strategic allocation of production capacity between the off-season and peak season to enhance efficiency during the off-season and meet demand of customers during peak season. Trade receivables have been decreased as a result of stricter aging monitoring.

\* Cash resources include cash and cash equivalents, fixed deposits, current other financial assets and restricted bank deposits.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the total equity of the Group was HK\$4,717 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 1.42 as at 30 June 2025 (31 December 2024: 1.41).



## MANAGEMENT DISCUSSION AND ANALYSIS

At the period end, the Group held cash resources of HK\$4,748 million (31 December 2024: HK\$4,122 million) of which HK\$3,772 million (31 December 2024: HK\$3,544 million) was in cash and fixed deposits balance, HK\$730 million (31 December 2024: HK\$390 million) was in other financial assets, and HK\$246 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. Additionally, the growth in other financial assets reflected our proactive initiatives to generate risk-free interest income. At the period end, the Group had bank borrowings balance of HK\$434 million (31 December 2024: HK\$376 million). The original currency of the bank borrowings of the Group are in Renminbi. Among the bank loan of HK\$434 million, HK\$176 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 9.2% as at 30 June 2025 (31 December 2024: 8.2%). The slight increase in gearing ratio reflects the additional borrowing for our long-term growth.

The Group's inventory turnover days (average inventories balance over annualized cost of inventories times 365) for the period ended 30 June 2025 was 54 days (31 December 2024: 55 days). Debtor turnover days (average trade receivables over annualized revenue times 365) for the period ended 30 June 2025 was 63 days (31 December 2024: 59 days). The increase in debtor turnover days was due to increase in customers in new business.

### CASH FLOWS

In the period under review, the Group's net cash generated from operating activities amounted to HK\$533 million (2024: HK\$795 million). The net cash generated was mainly contributed by the decrease in trade and other receivables, deposits and prepayments and other contract costs by HK\$409 million, which outweighed the increase in inventories of HK\$30 million and the decrease in trade and other payables of HK\$57 million.

Net cash used in investing activities amounted to HK\$469 million (2024: HK\$1,177 million). The payments were mainly for the purchase of property, plant and equipment of HK\$84 million (2024: HK\$436 million), increased in the placement of fixed deposits with more than three months to maturity when placed of HK\$40 million (2024: HK\$422 million) and increased in placement of other financial assets of HK\$318 million (2024: HK\$389 million).



Net cash generated from/(used in) financing activities totaled HK\$33 million (2024: HK\$(29) million). The increase of HK\$62 million in net cash from financing activities was primarily attributable to higher net proceeds from 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. The bank borrowings increased to HK\$434 million as at 30 June 2025 (31 December 2024: HK\$376 million). The original currency of bank borrowings of the Group are in Renminbi.

As at 30 June 2025, the Group has cash resources of HK\$4,748 million (31 December 2024: HK\$4,122 million), among which, cash and cash equivalents of the Group was HK\$2,889 million (31 December 2024: HK\$2,700 million).

The cash and cash equivalents are denominated in:

	As at 30 June 2025	As at 31 December 2024
Original currency	HK\$ million	HK\$ million
— RMB	1,236	1,286
— USD	1,590	1,297
— HK\$	9	13
— Other currencies	54	104
	<b>2,889</b>	<b>2,700</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 30 June 2025, the bank borrowings of the Group are with fixed and floating interest rate, which the balances are HK\$77 million and HK\$357 million respectively (as of 31 December 2024: 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 30 June 2025, bank borrowings amounted to HK\$195 million (31 December 2024: HK\$196 million) is secured by certain land, buildings, machinery and equipment of a subsidiary of the Group to match its long-term development.

Save as disclosed as above, the Group had no other financial guarantees and charge on assets as at 30 June 2025 (31 December 2024: Nil).

### COMMITMENTS

The capital commitments outstanding at 30 June 2025 not provided in the Group's financial statements were approximately HK\$214 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 30 June 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 unaudited financial statements for the period ended 30 June 2025.

### CONTINGENT LIABILITIES

As at 30 June 2025, the Company had no material contingent liabilities (31 December 2024: Nil).

### STAFF

As at 30 June 2025, the Group employed 7,562 staff (excluding temporary staff) worldwide, of whom 127 were in Hong Kong, 7,365 were in the People's Republic of China (the "PRC") and 70 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 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 strives 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 previously operated 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.

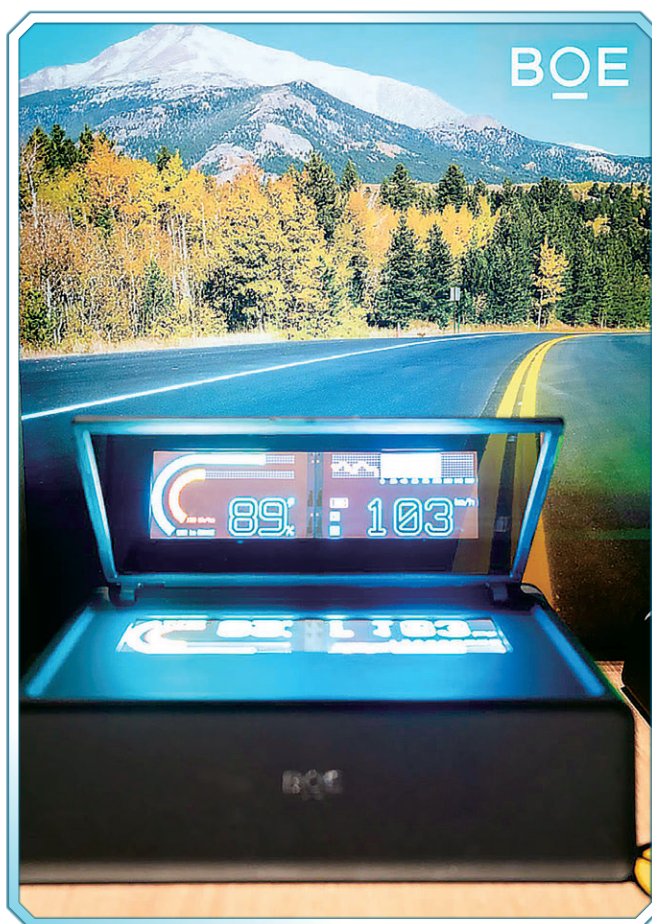
The employees of the Group's subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the payroll costs to the central pension schemes. The contributions are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

During the period, the total retirement scheme cost charged to the Consolidated Statement of Profit or Loss for the period ended 30 June 2025 was HK\$43 million (30 June 2024: HK\$35 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 period ended 30 June 2025 was Nil (30 June 2024: Nil) and at 30 June 2024, the balance available to reduce the level of contributions in future amounted to Nil (30 June 2024: Nil).

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

### SIGNIFICANT SUBSEQUENT EVENTS AFTER 30 JUNE 2025 TO 12 SEPTEMBER 2025, BEING THE LATEST PRACTICABLE DATE OF THIS REPORT

The Group had no material events for disclosure subsequent to 30 June 2025 and up to the date of this report.





# REVIEW OF OPERATIONS

18%

EUROPE

2%

KOREA

6%

JAPAN

67%

THE PRC

5%

AMERICA

2%

OTHERS



## REVIEW OF OPERATIONS

### REVENUE BY LOCATION OF SOURCING DECISION OF CUSTOMERS

#### THE PRC

During the period under review, based on the location of sourcing decision of customers, the PRC generated revenue of HK\$4,448 million, representing an increase of approximately 21% as compared with that in 2024. Approximately 67% of the Group's total revenue was sourced from this region and mainly from automotive display business.

The NEV sector is a key priority within the vehicle industry, supported by policies such as trade-in subsidies, promotion of NEVs in rural areas, development of smart infrastructure, and tax incentives, all of which are fuelling robust growth.

Through comprehensive optimization of our supply chain, quality, production, and sales processes, we have consistently garnered the trust of our customers, established strategic partnerships with leading companies, and upheld our position as the market leader in China.

We enhance our supply chain management to effectively meet production demands while minimizing material turnaround times and mitigating the risk of material backlogs. Additionally, we have strengthened the management of supplier quality by conducting our quality conference, providing subsequent training, and collaborating with upstream partners to enhance quality performance. We have also shifted quality inspections to suppliers to prevent quality issues from affecting downstream processes and to reduce losses. Concurrently, the Chengdu Plant is optimizing production processes, upgrading personnel skills, and improving overall plant efficiency. As a result of these efforts, we have further refined our quality standards, earned customer trust, and received supplier awards from numerous core clients.

On the sales front, we maintain close communication with customers to understand their technical product requirements, establishing laboratories to consistently deliver cost-effective, high-quality, and advanced functional products. Throughout the period, the Group has successfully increased revenue across various TFT and touch panel display modules. Additionally, we partnered with several automotive manufacturers to launch automotive display for its new NEV flagship models, receiving positive market feedback. Recognizing the growing demand for larger automotive displays is crucial for our strategy. We have successfully engaged with key players in the NEV sector and secured projects for upcoming car models, which will enhance our business prospects in the coming years.

Simultaneously, our system business has made significant strides in the PRC, with a more diversified and robust Tier 1 customer base, indicating that our efforts in this area are being acknowledged by clients. This will contribute to improving our revenue structure and sustaining our growth trajectory.

With NEV penetration in the PRC exceeding 50%, the industry has transitioned into a new phase centered on intelligentization, marking a shift from rapid expansion to a highly competitive landscape where only the strongest players will succeed.

As a strategic partner to NEV manufacturers, the Group is committed to enhancing their competitiveness and meeting the growing demand for larger, more advanced display solutions. Our newly established TFT and touch panel production facilities in Chengdu significantly expand our manufacturing capabilities, enabling us to deliver standardized, cost-efficient products. In parallel, we have strengthened our workforce, technological infrastructure, and quality management systems to elevate product performance and service excellence. The Group is fully equipped to capitalize on the emerging opportunities in this evolving market.



## REVIEW OF OPERATIONS

### EUROPE

During the period under review, revenue of HK\$1,209 million was generated from the display business in Europe based on the location of sourcing decision of customers, which represented an increase of approximately 9% as compared with 2024. The European region contributed approximately 18% of the total revenue for the Group in the period under review.

The increase was mainly contributed by our effort in getting orders of TFT displays modules from several automotive customers in previous years and start of delivery in 2025.

During the period, the Group has successfully won contracts with several well-known European car manufacturers, establishing robust partnerships that promise a consistent stream of orders for the years ahead. With the commencement of mass production for these projects in the future, we anticipate material revenue growth from the European market.

### AMERICA

During the period under review, America generated revenue of HK\$325 million based on the location of sourcing decision of customers, contributing approximately 5% to the total revenue of the Group. The revenue has decreased by approximately 17% as compared with that of 2024.

The decrease was mainly contributed by intensifying geopolitical conflict, a slower-than-expected decline in interest rates as well as withdrawal of government incentive on NEV. Despite the adverse market conditions, the Group has been striving to grasp the NEV trend to promote our products to existing and new customers. In 2025, we participated in CES in America for the fourth consecutive year to showcase our product innovations to a global audience. The Group has been promoting our TFT display modules in America for both automotive and industrial customers to address the shift of customers' preference from monochrome display to colour display and the end-of-life of monochrome display projects, especially in the industrial sectors. The Group has been putting utmost effort to explore the opportunity to apply our display modules in different types of vehicles for the digitalization of data, and obtained positive result. With the introduction of new models by our customers, we anticipate potential revenue growth from the American market. Additionally, we believe that the increasing demand for semi-system products, which command a higher selling price, will further contribute to our business growth in this region.

We collaborate with our prominent Tier-1 customers to secure orders from international automotive companies while fostering strong customer relationships. We will increase our manpower for the local sales team in Centro America to further enhance our responsiveness to customers' needs and empowers the Group to promptly understand and response to customer's technical requirements, and to shorten the time of obtaining the orders.

To address the needs of our international customers regarding origin, cost, and technical requirements, we are implementing various strategies, including overseas mergers and acquisitions and talent development initiatives, to foster mutual growth with our customers.

### JAPAN

During the period under view, revenue generated from Japan based on the location of sourcing decision of customers was HK\$413 million, representing a decrease of approximately 34% from that of 2024. Japan accounted for approximately 6% of the Group's revenue.

The decrease was mainly due to the inflation and weak growth of economy, as well as weak demand in NEV as traditional automakers primarily focus on HEVs.

Our new office in Nagoya, equipped with an expanded team of local sales personnel and technicians, began operations in 2024. This development will enhance our responsiveness to customers' needs, enabling us to better understand and address technical requirements and shorten the order acquisition timeline.

In light of our strengthened sales efforts in Japan, we believe there is potential for revenue growth from the Japanese customers.



## REVIEW OF OPERATIONS

### KOREA

During the period under view, revenue generated from Korea based on the location of sourcing decision of customers was HK\$160 million, representing a decrease of approximately 20% from that of 2024. Korea market accounted for approximately 2% of the Group's revenue.

Revenue from Korea was mainly derived from automotive display business. The decrease in revenue during the period was mainly due to weak demand to NEV. Nevertheless, Korea will continue to be an important market to the Group and we are putting utmost effort to obtain orders from leading Tier-1 manufacturers.

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 offers car purchase subsidies as well as tax incentive for NEV purchase. These initiatives are expected to fuel the paid growth of NEV sales, indicating a positive outlook for NEV adoption in the Korean market going forward.



# SUSTAINABILITY



The Group began incorporating its Environmental, Social and Governance (ESG) Report into its Annual Report from 2014. The ESG Report has been compiled with the Environmental, Social and Governance Reporting Code (the “Code”) requirements as set out in Appendix C2 of the Rules Governing (“the Listing Rules”) the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The covered scopes and contents are in compliance with the disclosure obligations under the “Comply or Explain” provisions in the Code. The ESG Report covers operations in the PRC (including Heyuan and Chengdu) and Hong Kong, which together represent the core operations of the Group.



## SUSTAINABILITY

BOE Varitronix Limited (the “Company”) and its subsidiaries (the “Group”) are highly committed to promoting sustainable development and actively engages in stakeholders’ green initiatives. We place great importance on the concerns of stakeholders regarding sustainability, deeply valuing the environments in which they operate and their overall development. Embracing the concept of “growing together,” we are dedicated to enhancing our products to promote greenization and protect the environment in collaboration with our stakeholders. As part of this commitment, we are actively working towards using more environmentally friendly packaging materials, aligning our practices with stakeholders’ expectations.

Our latest ESG Report was published with our 2024 annual report on 11 April 2025, highlighting the Group’s progress in corporate governance, climate change and carbon neutrality, and social responsibility. For further information on the Group’s ESG efforts, the 2024 annual report is available on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.boevx.com](http://www.boevx.com) respectively.

We monitor the use of energy and resources, and performance in carbon emissions of the Group semi-annually and disclose the data on a yearly basis.

We have set clear targets for carbon emissions, energy consumption, consumption of water resource and waste as well as targets on green buildings.

## Metrics and Target

The Group undertakes to achieve “carbon neutrality” by 2050.

To enhance our climate-related disclosures, we consider following recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), focusing on “Governance”, “Strategy”, “Risk Management” and “Metrics and Targets”.



## Carbon Emissions / Energy Consumption

**Heyuan:** To reduce carbon emissions/energy consumption intensity (tonnes/revenue) by 70% by 2025 (compared with the base year of 2018).

**Chengdu:** Compared with the base year 2023, carbon emissions within its own operations will reach a peak by 2028, drop by 30% and 50% by 2030 and 2035 respectively, and achieve carbon neutrality in its own operations by 2045. Through energy transformation, the proportion of renewable energy use will increase year by year, and 100% renewable energy use will be achieved and maintained by 2030.



## Waste

**Heyuan:** To reduce hazardous solid waste and non-hazardous solid waste intensity (tonnes/revenue) by at least 70% by 2025 (compared with the base year of 2018).

**Chengdu:** Decrease the intensity of solid waste generation by over 10% by 2028 compared to 2024 levels.



## Water Resources

**Heyuan:** To reduce water consumption intensity (tonnes/revenue) by 80% by 2025 (compared with the base year of 2018).

**Chengdu:** By implementing water-saving measures such as wastewater reuse and recycling, reduce water intensity by 15% by 2028 compared to 2023.

## SUSTAINABILITY

Areas	Actions Taken
<b>Governance:</b> Governance measures to address climate-related risks and opportunities	<b>Board's Oversight and Management's Role</b> <ul style="list-style-type: none"> <li>the Board plays a central role in climate governance. The ESG risk management provides support and oversees the climate-related issues and report the Board regularly.</li> <li>to formulate a climate change policy, guide our management approach to climate-related issues, and provide support and coordination for ESG issues.</li> </ul>
<b>Strategy:</b> Impacts of climate-related risks and opportunities on the Group's businesses, strategies, and financial planning	<b>Climate-related Risks and Opportunities</b> <ul style="list-style-type: none"> <li>the risks of extreme weather and earthquake caused by climate change as these can damage our plants and facilities. In the long term, prolonged extremely hot weather also poses health risks to workers.</li> <li>transitional risks, such as changing policies, potential increment in energy costs, and the need for green materials.</li> <li>an opportunity in the transition to a low-carbon economy, such as reduction in operating costs due to higher energy usage efficiency facilitated by technology advancement.</li> </ul>
<b>Risk Management:</b> The process of identifying, assessing and managing relevant climate-related risks	<b>Climate Risk Assessment</b> <ul style="list-style-type: none"> <li>to assess the physical and transitional risks climate change may bring to the operation, and incorporate them into the sustainability strategy. Risk management and internal control system should consider ESG and climate-related issues.</li> </ul>

In the first and the second quarters of 2025, the Company was awarded ESG ratings of A- from SynTao Green Finance.

We were awarded with the "Best New Quality Productivity Listed Company" at the 2025 Global Business Forum and the "Golden Kunpeng" China Financial Value Ranking event organized by Hong Kong Commercial Daily.

## EMISSION

### ADHERING TO THE PATH OF "GREEN DEVELOPMENT" — FIRST CARBON FOOTPRINT CERTIFICATE

Chengdu plant officially disclosed its first carbon footprint certificate for a 10.1-inch automotive LCD display, utilizing green electricity in the production process and setting a 2% year-on-year reduction target for carbon footprint in 2025.

Chengdu plant is a module production facility for automotive displays and does not involve front-end manufacturing process of LCD panels. Its product manufacturing process uses green, low-carbon electricity sources such as wind and solar power. As a result, the carbon footprint of the product during the production phase is significantly lower than that of the raw material production phase. The Group will leverage the results of the product carbon footprint assessment to guide future greenhouse gas emission reduction efforts.





## SUSTAINABILITY

## CHENGDU PLANT RELEASES 2024 GREENHOUSE GAS VERIFICATION REPORT: DRIVING LOW-CARBON TRANSFORMATION WITH INNOVATIVE DISPLAY TECHNOLOGY — WORLD ENVIRONMENT DAY SHOWCASES THE RESULTS OF ENTERPRISE CARBON NEUTRALITY PRACTICE

On 5 June 2025 is the 54th World Environment Day. Chengdu plant, as a global leader in automotive display modules and smart cockpit solutions provider and at a global leading automotive display module production base, officially released its "2024 Greenhouse Gas Emissions Verification Report", disclosing the Company's greenhouse gas emissions for 2024.

Innovative products, low-power consumption OLED display products and oxide display products have been mass-produced in a variety of high-end new energy vehicle models, providing critical technical support for the carbon neutrality goals of the new energy vehicle industry. The Company's innovations achievements will continue to help the global automotive industry's green transformation and bring consumers a more environmentally greener and smarter mobility experience.



## GLOBAL GREEN MOBILITY AND SMART CITIES — LEADING THE INTELLIGENT UPGRADE OF TWO-WHEEL VEHICLES

As one of the main initiators of the intelligent riding classification group standard for two-wheel vehicles, the Company has established extensive and fruitful collaborations with upstream and downstream enterprises in the industry chain, actively promoting the sustainable development of intelligent two-wheel vehicles.

With the acceleration of global green mobility and smart city construction, the two-wheel vehicle industry is entering a golden era of intelligent transformation. Leveraging this opportunity, the Company will drive technical sharing, standard co-creation, and ecosystem integration to jointly usher in a new chapter in the intelligent development of two-wheel vehicles with industry partners. In the future, the Company will continue to promote the intelligent development of the two-wheel vehicle industry, seize opportunities in artificial intelligence and innovative achievements, use display as a link, reshape smart mobility experiences and make every ride an extension of smart living.



## SUSTAINABILITY

### TECHNOLOGICAL INNOVATION, GREEN SUSTAINABILITY AND ARTIFICIAL INTELLIGENCE

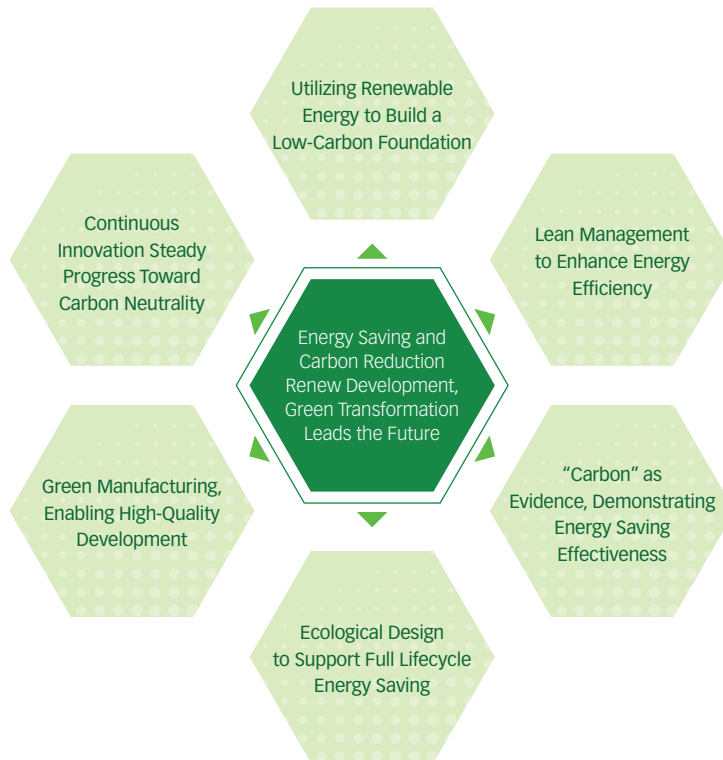
The Company's multiple industry-leading and world-first innovative in-vehicle products not only demonstrate technological leadership in in-vehicle displays, but also promote the innovative upgrade of smart cockpit display technologies through deep collaboration with industry chain partners, injecting new momentum into the global intelligent development of the automotive industry.

In the future, the Company will continue to pursue its "Screen-Connected IoT" development strategy, accelerating the "Dual-Driver" approach to achieve sustainable high-quality growth. Committed to market-oriented, international, and professional development path, the Company will embed "Sustainable Development" into its corporate genes, collaborating with global partners to advance innovative smart mobility technologies toward greater authenticity, premium quality, intelligence, and sustainability, create more value for customers with innovative technology and professional services, define new trends in green industry development, and contribute significantly to the intelligent transformation of the global automotive industry.



### CHENGDU PLANT PRACTICES GREEN AND LOW-CARBON DEVELOPMENT, CREATING A NEW CHAPTER IN SUSTAINABLE DEVELOPMENT

From 23 to 29 June 2025 is the 35th National Energy Saving Week, with the theme "Energy Saving and Efficiency Enhancement, Leading Renewal". Guided by the "Dual Carbon" goals, Chengdu plant has actively responded to national green development strategies since its production line was established in 2022, achieving significant results through multi-dimensional energy-saving and carbon-reduction initiatives to transition production operations toward low-carbon and green practices.



## SUSTAINABILITY

## 1. Utilizing Renewable Energy to Build a Low-Carbon Foundation

Chengdu plant has prioritized renewable energy in its energy structure, achieving over 60% renewable energy usage in industrial production processes.

- Building Distributed Photovoltaic Power Stations**

The plant has constructed photovoltaic power stations with a total installed capacity of 1.992MW on production line rooftops and parking shelters, generating over 1.5 million kWh annually, increasing renewable energy usage by approximately 3%, and reducing carbon emissions by about 805 tonnes per year.



Production line rooftop photovoltaic power station



Production line photovoltaic parking shelters

- Procurement of Green Electricity**

Prioritizing renewable energy sources such as hydropower, wind power, and solar power, the plant achieved a renewable energy usage rate of 64.6% in 2024, expect to reach more than 70% in 2025.

- Green Electricity Certificates (GEC)**

To further offset carbon emissions from thermal power consumption and show the Company's environmental responsibility, we have purchased over 30,000 green electricity certificates for biomass power generation projects in 2025, supporting the development of renewable energy enterprises.



Wind power Green Electricity Certificate



Solar Green Electricity Certificate

### Vehicle Electrification

Reduce fuel consumption, the production line logistics uses pure electric forklifts to completely replace diesel forklifts.

### Waste Heat Recovery for Resource Efficiency

Chengdu plant has established efficient waste heat recovery facilities, utilizing heat from air compressors and chillers for heating. In the winter of 2024, waste heat completely replaced gas boiler heating, saving approximately 390,000 m<sup>3</sup> of natural gas and reducing CO<sub>2</sub> emissions by about 844 tonnes.

## SUSTAINABILITY

## 2. Lean Management to Enhance Energy Efficiency

Chengdu plant continuously optimizes energy efficiency through refined management practices to reduce energy consumption.

### Smart Energy Management Center Supports Refined Energy Management

A smart energy management system has been implemented within the production line, utilizing three-level energy metering devices, information technology, and visualization technologies to monitor, record, and analyze energy procurement, processing, distribution, usage, and residual energy recovery in real time, continuously identifying energy-saving potential.

### System Certification

The plant has obtained energy management system certification (ISO 50001:2018), standardizing energy management, guided energy management with the P-D-C-A cycle improvement system thinking, and continuously improved energy performance.



## 3. "Carbon" as Evidence, Demonstrating Energy Saving Effectiveness

Through greenhouse gas emission verification and product carbon footprint assessments, Chengdu plant validates the actual contributions of energy management to carbon reduction at both organizational and product levels.



In accordance with the ISO 14064-1:2018 standard, calculate and report GHG emissions and removals annually, accurately identify emission sources and formulate targeted emission reduction plans.

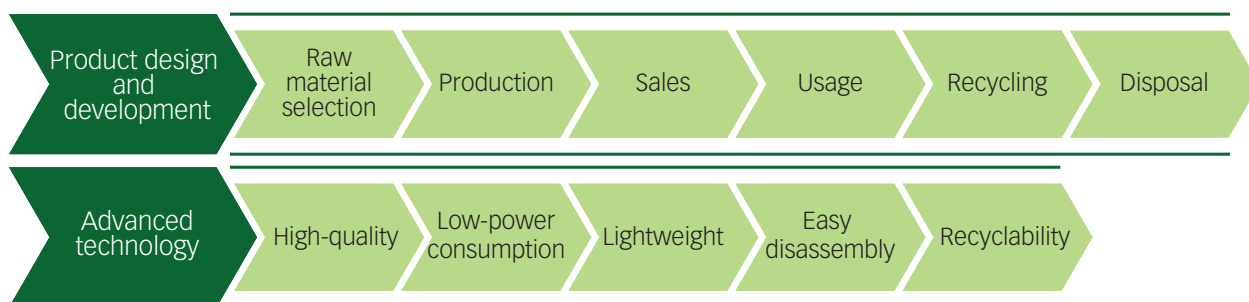
In accordance with the ISO 14067:2018 standard, launch product carbon footprint accounting to quantify the semi-life cycle carbon emissions of products from cradle to gate as the system boundary, provide information support for energy saving and carbon reduction in the supply chain.



## SUSTAINABILITY

#### 4. Ecological Design to Support Full Lifecycle Energy Saving

Following a full lifecycle approach, Chengdu plant systematically considers the environmental impact of raw material selection, production, sales, usage, recycling, and disposal during the product design and development phase, and uses advanced technology to achieve goals such as high-quality, low-power consumption, lightweight, easy disassembly, and recyclability, effectively promoting energy saving and low-carbon practices throughout the product lifecycle.



#### 5. Green Manufacturing, Enabling High-Quality Development

Through a rigorous evaluation process, Chengdu plant was earned the title of “Sichuan Province Green Factory” in December 2024, meeting green manufacturing standards in terms of basic requirements, infrastructure, management systems, energy input, products, environmental emissions, performance and etc.

At the same time, Chengdu plant is also actively exploring a near-zero carbon emission zone construction model and was successfully selected for the “2024 Chengdu Near-Zero Carbon Emission Zone Construction List”, becoming a pioneer in green and low-carbon practices in the industry.

#### 6. Continuous Innovation Steady Progress Toward Carbon Neutrality

Green development is a responsibility and an opportunity. Chengdu plant has integrated green and low-carbon development principles into its strategy and operations, committing to reducing carbon emissions by 30% by 2030 compared to the base year (2023) and achieving 100% renewable energy usage, with a goal of operational carbon neutrality by 2045.

##### Green Deposits

In order to contribute to the future of sustainable development, the Company has participated in a green deposit program. This deposit once again highlights the Company’s implementation and commitment to the concept of green sustainable development, fully embodies the spirit of ESG, and establishes a milestone with the Company’s determination to sustainable development. We follow the spirit of ESG, with the vision of minimizing environmental impact and at the same time combine the Company’s sustainable development ambitions to create opportunities to achieve shared ESG goals, and promote sustainable development.



## SUSTAINABILITY

### PRODUCT RESPONSIBILITY

On 25 April 2025, the Company held its second Supplier Quality Conference with the theme “Tracing the Source, Leading with Quality” to promote high-quality market development.

The Company has built a complete supply chain ecosystem by continuously deepening the collaborative development of the industrial chain. At present, the Company has established cooperative relationships with more than 300 upstream suppliers, built a sustainable industrial ecosystem, and achieved deep collaboration in the fields of technical cooperation research and development, supply and quality collaborative management, and industry benign ecological co-construction.

#### Supply Chain

- deeply analyze the full lifecycle management system
- the practical path from “Following Innovation” to “Leading Innovation” in the context of rapid technological iteration

#### R&D

- highlight the “V+ Auto” strategy, emphasize collaborative relationship between technological breakthroughs and quality systems

#### Quality

- officially release the “Quality Strategy White Paper”, systematically outline the path to quality improvement
- collaborate with partners to formulate the 2025 SQM collaborative improvement plan based on 2024 quality performance

In response to rapidly changing market conditions, the Company will continue to optimize its quality control system. The Supplier Relationship Management (SRM) system will soon be fully launched, as a key component of digital transformation, enabling more scientific, objective, comprehensive, and fair evaluations of suppliers’ daily operations. Monthly and annual assessments will be conducted based on T (technology), Q (quality), D (delivery) and C (cost), ensuring fair and transparent rewards and penalties, and providing partners with a more efficient, transparent, and professional collaboration platform.

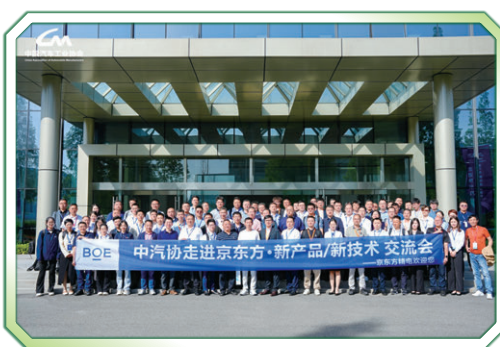


## SUSTAINABILITY

### QUALITY AND SAFETY

BOEVx has passed the stringent certification audits for its network security system of ISO 27001, ISO 21434 and TISAX, and gained third-party recognition again after review in 2025. This remarks our information-security management meets global high standards. "Information Security Policy" have been adhered for a long time, with application on cybersecurity controls across the product life cycle (concept, development, production, operation, maintenance and end-of-life). The relevant regulations are strictly complied for providing automotive customers with cybersecurity capabilities that meet industry best practices. The three certificates reinforce global customers' trust on us.

In addition, the product and supply quality are continuously improved and assured through defined quality requirements covering design approval, new-product quality management, mass production and after-sales assurance.



### HEALTH AND SAFETY



### DEVELOPMENT AND TRAINING

#### VISITING XIAMEN UNIVERSITY IFE

On 20 June 2025, Dr. Gao Wenbao, Director and Chairman of the Company, was invited by the Research Institute of Flexible Electronics (Future Technology) at Xiamen University to give a lecture. During the lecture, Dr. Gao used classic cases in the global industry as an example to vividly analyze the success of Microsoft and Apple, and systematically outlined the evolution of semiconductor display technology. Dr. Gao taught display technology and logic in an easy-to-understand way, and performed relevant on-site formula derivations that greatly enlightened the students.





## SUSTAINABILITY

### OUTSTANDING YOUTH PLAN

In June 2025, we held a two-day intensive retraining program for the 2024 cohort, aimed at building a talent development and growth system for young professionals through precise assessments, practical training, continuous monitoring, and ongoing improvement. Participants successfully completed the training, maintaining a passion for learning and embracing challenges with an open attitude. They continuously honed their professional skills, growing through exploration and achieving mutual success in personal value and corporate development.



### Kunpeng Project — V1 Leadership Enhancement



### Community involvement, staff wellbeing





# OTHER INFORMATION

## INTERIM DIVIDEND

BOE Varitronix Limited (the "Company") and its subsidiaries (the "Group") have no change in its dividend policy.

The Board of directors (the "Board") has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES, AND DEBENTURES

As at 30 June 2025, the interests and shorts positions of the Directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

### (A)(I) INTERESTS IN SHARES OF THE COMPANY AS AT 30 JUNE 2025

Name of Director	Capacity	Number of shares in the Company held	Approximate percentage of the total issued share capital of the Company (Note 1)
Ko Wing Yan, Samantha	Personal Interest	1,458,000	0.18%
Su Ning (Note 2)	Personal Interest	1,850,700	0.23%
Fung, Yuk Kan Peter	Personal Interest	263,000	0.03%
Chu, Howard Ho Hwa	Personal Interest	160,000	0.02%
Pang Chunlin	Personal Interest	33,000	0.00%

Notes:

- (1) Calculated based on the Company's total number of issued share capital of 791,575,204 shares as at 30 June 2025.
- (2) Mr. Su Ning purchased 150,000 shares on 10 April 2025.
- (3) The above interest represented long positions.

## OTHER INFORMATION

**(A)(II) INTERESTS IN SHARES OF BOE TECHNOLOGY GROUP CO., LTD. (“BOE”) (AN ASSOCIATED CORPORATION) AS AT 30 JUNE 2025 (NOTE 1)**

Name of Director	Capacity	Number of A shares in BOE held	Approximate percentage of the total issued share capital of BOE (Note 6)
Gao Wenbao	Personal Interest	1,860,700 (Note 2)	0.0050%
Su Ning	Personal Interest	150,000	0.0004%
Shao Xibin	Personal Interest	342,820 (Note 3)	0.0009%
Jin Hao	Personal Interest	189,750 (Note 4)	0.0005%
Meng Chao	Personal Interest	537,500 (Note 5)	0.0014%

Notes:

- (1) BOE holds 419,730,000 shares of the Company, representing 53.02% of the issued share capital of the Company. The shares of BOE are listed on the Shenzhen Stock Exchange with stock code 000725 for its A shares and stock code 200725 for its B shares.
- (2) On 21 December 2020, BOE granted 1,500,000 shares to Mr. Gao under the 2020 share option and restricted share incentive scheme.
- (3) On 21 December 2020, BOE granted 634,000 shares to Mr. Shao under the 2020 share option and restricted share incentive scheme.
- (4) On 21 December 2020, BOE granted 575,000 shares to Mr. Jin under the 2020 share option and restricted share incentive scheme. In August 2025, 94,950 shares were disposed.
- (5) On 21 December 2020, BOE granted 487,500 shares to Mr. Meng under the 2020 share option and restricted share incentive scheme.
- (6) Calculated based on the BOE's total number of issued share capital of 37,413,880,464 shares as at 30 June 2025.
- (7) The above interest represented long positions.

**(B) INTERESTS IN AWARDED SHARES OF THE COMPANY AS AT 30 JUNE 2025**

Name of Director	Date of grant	Number of awarded shares yet to be vested as at 1 January 2025	Number of awarded shares granted during the period	Number of awarded shares vested during the period	Number of awarded shares cancelled/lapsed during the period	Number of awarded shares yet to be vested as at 30 June 2025	Vesting date	Closing price of per awarded share at the dates of grant of awarded shares	Closing price of per awarded share immediately before the dates of grant of awarded shares (Note 4)	Weighted average closing price of the awarded shares immediately before the dates on which the awarded shares were vested
Ko Wing Yan, Samantha	22 March 2023	10,800	–	10,800	–	0	(Note 1)	HK\$14.82	N/A	HK\$4.80
	22 March 2024	14,400	–	7,200	–	7,200	(Note 2)	HK\$5.18	N/A	HK\$5.45
	14 April 2025	–	43,000	17,200	–	25,800	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51
Su Ning	22 March 2023	12,400	–	12,400	–	0	(Note 1)	HK\$14.82	N/A	HK\$4.80
	22 March 2024	71,400	–	35,700	–	35,700	(Note 2)	HK\$5.18	N/A	HK\$5.45
	14 April 2025	–	216,000	86,400	–	129,600	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51
Fung, Yuk Kan Peter	22 March 2024	18,000	–	9,000	–	9,000	(Note 2)	HK\$5.18	N/A	HK\$5.45
	14 April 2025	–	30,000	12,000	–	18,000	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51
Chu, Howard Ho Hwa	22 March 2024	18,000	–	9,000	–	9,000	(Note 2)	HK\$5.18	N/A	HK\$5.45
	14 April 2025	–	30,000	12,000	–	18,000	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51
Pang Chunlin	22 March 2024	18,000	–	9,000	–	9,000	(Note 2)	HK\$5.18	N/A	HK\$5.45
	14 April 2025	–	30,000	12,000	–	18,000	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51

## OTHER INFORMATION

## Notes:

- (1) Vesting date:
- (i) the first 30% of the awarded shares shall be vested on 12 April 2023;
  - (ii) the second 30% of the awarded shares shall be vested on 12 April 2024; and
  - (iii) the remaining 40% of the awarded shares shall be vested on 11 April 2025.
- (2) Vesting date:
- (i) the first 40% of the awarded shares shall be vested on 2 May 2024;
  - (ii) the second 30% of the awarded shares shall be vested on 2 May 2025; and
  - (iii) the remaining 30% of the awarded shares shall be vested on 4 May 2026.
- (3) Vesting date:
- (i) the first 40% of the awarded shares shall be vested on 8 May 2025;
  - (ii) the second 30% of the awarded shares shall be vested on 29 April 2026; and
  - (iii) the remaining 30% of the awarded shares shall be vested on 29 April 2027.
- (4) During the period ended 30 June 2025, the closing price of per awarded share immediately before the date (14 April 2025) on which the awards were granted was HK\$5.02.
- (5) The purchase price of all awarded shares is nil.

(6) The total number of awarded shares granted to the 5 highest paid individuals during the period was 448,000.

(7) The above interests represented long positions.

Saved as disclosed above, as at 30 June 2025, none of the Directors, chief executives or any of their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

Saved as disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their spouses or children under the age of 18 to acquire benefits by the means of the acquisition of the shares in or debentures of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, other than the interests disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures", so far as is known to the Directors and chief executives of the Company, the following companies and person had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	Number of shares in the Company held	Number of underlying shares in the Company held	Total	Approximate percentage of the total issued share capital of the Company (Note 2)
BOE Technology Group Co., Ltd. ("BOE")	419,730,000 (Note 1)	–	419,730,000	53.02%

## Notes:

- (1) BOE is a joint stock company established in the PRC and the issued shares of which are listed on the Shenzhen Stock Exchange with stock code 000725 for its A shares and stock code 200725 for its B shares.
- (2) Calculated based on the Company's total number of issued share capital of 791,575,204 shares as at 30 June 2025.
- (3) The above interests represented long positions.

Saved as disclosed above, as at 30 June 2025, there were no other companies nor persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.



## OTHER INFORMATION

### SHARE AWARD PLAN

#### PURPOSE

On 28 August 2020 (the "Adoption Date"), the Company adopted a share award plan. The terms of the share award plan are in accordance with the provisions of Chapter 17 of the Listing Rules. The purposes of the share award plan are to recognise and reward the contribution of the participants, to give incentives to the participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

#### PARTICIPANT

Participant(s) refers to the Group's and invested entity's employees, directors and adviser, and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

#### TOTAL NUMBER OF SHARES AVAILABLE FOR GRANT (EXCLUDING TREASURY SHARES)

During the period ended 30 June 2025, 1,106,000 shares of the Company (representing 0.14%\* of the issued share capital of the Company) are purchased at a total consideration of approximately HK\$5,576,000 (including purchase price of HK\$5,565,000 and transaction costs of HK\$11,000) in April 2025. Total accumulated number of shares of the Company purchased is 15,279,000 (representing 1.93%\* of the issued share capital of the Company) under the share award plan.

From 4 September 2025 to 12 September 2025 being the latest practicable date (the "LPD") prior to the issue of this interim report, 700,000 shares of the Company (representing 0.09%\* of the issued share capital of the Company) are purchased at a total consideration of approximately HK\$3,837,000 (including purchase price of HK\$3,830,000 and transaction costs of HK\$7,000). Total accumulated number of shares of the Company purchased are 15,979,000 (representing 2.02%\* of the issued share capital of the Company).

On 14 April 2025, the Board has granted a total of 3,339,000 awarded shares (representing 0.42%\* of the issued share capital of the Company) to certain selected participants, comprising to 5 Directors and certain employees of the Group, pursuant to the share award plan.

The total number of awarded shares that were purchased, lapsed and remain available for grant (excluding treasury shares) is 2,407,100, 200,600 and 945,300 as of 1 January 2025, 30 June 2025 and the LPD, representing 0.30%\*, 0.03%\* and 0.12%\*

of the issued share capital of the Company respectively. The total number of awarded shares available for grant (excluding treasury shares) are 945,300 as of the LPD, representing 0.12%\* of the issued share capital of the Company.

At the period ended 30 June 2025, 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 was 200,600 (representing 0.03%\* of the issued share capital of the Company) calculated based on the accumulated 15,979,000 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).

At the LPD, 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 945,300 (representing 0.12%\* of the issued share capital of the Company) calculated based on the accumulated 15,979,000 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).

The Company does not issue any number of shares in respect of awards granted under the share award plan during the period. The number of shares that may be issued in respect of awards granted under the share award plan during the period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the period is nil.

\* Calculated based on the Company's total number of issued share capital of 791,575,204 shares as at 30 June 2025 and at the LPD.

#### MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The maximum number of shares to be subscribed for and/or purchased for the share award plan shall not exceed 10.00% of the total number of issued shares of the Company (excluding treasury shares) as at the Adoption Date.

The maximum number of shares which may be subject to an award or awards to a selected participant shall not in aggregate exceed 1.00% of the total number of issued shares of the Company (excluding treasury shares) as at the Adoption Date.

## OTHER INFORMATION

### MINIMUM VESTING PERIOD

The Board may from time to time considered the performance target which must be achieved and minimum period for which the awarded share must be held before they are vested.

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 the selected participants pursuant to the share award plan. As permitted under the share award plan, the awarded shares granted to the selected participants have a mixed vesting schedule with a total vesting period (i.e. the period between the date of the grants and the last vesting date) of 24 months. While the first vesting of the grant to the selected participants is shorter than 12 months as determined by the Board, the overall awarded shares granted to the selected participants have a mixed vesting schedule with a vesting period spanning from the date of the grant to 29 April 2027. The Board and the remuneration committee of the Company consider that such arrangements (a) are appropriate and commercially competitive and reasonable as a majority of the awarded shares are subject to a longer vesting period, which will ensure that the long-terms interest of the selected participants and the Company are aligned and the selected participants will be motivated to contribute to the Company's development; and (b) are permitted under the terms of the share award plan. The vesting period and performance target are disclosed in the Company's announcement dated 14 April 2025.

The number of the awarded shares granted is determined based on the selected participants' position, years of service, performance and future long-term contribution to the Group. Talent development and reserve are very important to the future development of the Company. In addition to providing competitive salaries, the Group also grants long-term incentives to (a) recognise and reward the contribution of the selected participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development and improve competitiveness of the Group. Through long-term incentives for the selected participants could align the interests of the selected participants with that of the shareholders of the Company effectively, which is expected to have a positive impact on the market value of the Group. As such, the Company's remuneration committee holds the view that the grant of the awarded shares, including the vesting periods are fair and reasonable and consistent with the purposes of the share award plan.

### PERFORMANCE TARGET

The vesting of the awarded shares is subject to the fulfilment of certain performance targets and other requirements as set out in the grant notice to be entered into between the Company and each selected participant. The performance targets shall include: financial targets (such as net profit after tax for the year of the Group and management/business targets (such as productivity, quality, research and development ability, client satisfaction etc.) which shall be determined based on the (i) individual performance; (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the selected participants. In case the vesting conditions are not satisfied in part or in full, the relevant portion of the award shares granted would lapse.

### CLAWBACK MECHANISM

- (i) The Board has an absolute discretion to determine any terms and conditions of the grant of the awarded shares and withdraw the awarded shares.
- (ii) The grant of the awarded shares shall become invalid immediately if the selected participant resigns or if his/her employment contract is terminated.
- (iii) The selected participant should keep the share award plan confidential. If the selected participant is found to disclose or discuss with others, the Company reserves the right to cancel the selected participant's eligibility for the share award plan.
- (iv) The selected participant shall comply with the compliance requirement as required by, including but not limited to, The Stock Exchange of Hong Kong Limited, Security and Future Commission, Company Ordinance, tax authorities and rules and regulation of the Company and/or its affiliates. The Company reserves the right to cancel the selected participant's eligibility for the share award plan or lock up the selected participant's vested shares if the selected participant has failed to comply with the above requirements. Any unvested award shares shall be lapsed and cancelled immediately.

## OTHER INFORMATION

### PAYMENT ON ACCEPTANCE OF THE AWARDED SHARES

Consideration of the awarded shares granted is nil. The participants are required to submit to the Company a duly signed offer letter.

### BASIS OF DETERMINING THE PURCHASE PRICE

The shares may be purchased on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board), or off the market. In the event that any purchases, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the shares were traded on the Stock Exchange.

### AWARDED SHARE PERIOD AND REMAINING LIFE

The share award plan shall be valid and effective for a period of 10 years commencing from the Adoption Date and as at 30 June 2025, the Share Award Plan has a remaining life of up to 27 August 2030, but may be terminated earlier as determined by the Board.

Subject to the share award plan, the trust deed and the fulfilment of the vesting conditions as set out in the grant notice to each selected participant, the awarded shares held by the trustee shall vest in the respective selected participant, and the trustee shall cause the awarded shares to be transferred to such selected participant on the vesting date.

The trustee shall not exercise the voting rights in respect of the awarded shares held under trust constituted by the trust deed. The selected participants shall not have any right to receive any awarded shares set aside for them unless and until the trustee has transferred and vested the legal and beneficial ownership of such awarded shares to and in the selected participants.

Movements in the Company's awarded share during the period are as follows:

Date of grant	Number of awarded shares yet to be vested as at 1 January 2025	Number of awarded shares granted during the period	Number of awarded shares vested during the period	Number of awarded shares cancelled/lapsed during the period	Number of awarded shares yet to be vested as at 30 June 2025	Vesting date	Closing price of per awarded share at the dates of grant of awarded shares	Closing price of per awarded share immediately before the dates of grant of awarded shares (Note 6)	Weighted average closing price of the awarded shares immediately before the dates on which the awarded shares were vested
<b>Directors</b>									
22 March 2023	23,200	–	23,200	–	0	(Note 1)	HK\$14.82	N/A	HK\$4.80
22 March 2024	139,800	–	69,900	–	69,900	(Note 2)	HK\$5.18	N/A	HK\$5.45
14 April 2025	–	349,000	139,600	–	209,400	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51
<b>Employees</b>									
21 December 2022	141,000	–	141,000	–	0	(Note 4)	HK\$13.86	N/A	HK\$6.45
22 March 2023	221,200	–	221,200	–	0	(Note 1)	HK\$14.82	N/A	HK\$4.80
22 March 2024	1,054,200	–	523,500	9,900 (Note 5)	520,800	(Note 2)	HK\$5.18	N/A	HK\$5.45
14 April 2025	–	2,990,000	1,194,400	16,600 (Note 5)	1,779,000	(Note 3)	HK\$5.25	HK\$5.02	HK\$5.51

## OTHER INFORMATION

## Notes:

- (1) Vesting date:
  - (i) the first 30% of the awarded shares shall be vested on 12 April 2023;
  - (ii) the second 30% of the awarded shares shall be vested on 12 April 2024; and
  - (iii) the remaining 40% of the awarded shares shall be vested on 11 April 2025.
- (2) Vesting date:
  - (i) the first 40% of the awarded shares shall be vested on 2 May 2024;
  - (ii) the second 30% of the awarded shares shall be vested on 2 May 2025; and
  - (iii) the remaining 30% of the awarded shares shall be vested on 4 May 2026.
- (3) Vesting date:
  - (i) the first 40% of the awarded shares shall be vested on 8 May 2025;
  - (ii) the second 30% of the awarded shares shall be vested on 29 April 2026; and
  - (iii) the remaining 30% of the awarded shares shall be vested on 29 April 2027.
- (4) Vesting date:
  - (i) the first 40% of the awarded shares shall be vested on 27 March 2023;
  - (ii) the second 30% of the awarded shares shall be vested on 27 March 2024; and
  - (iii) the remaining 30% of the awarded shares shall be vested on 27 March 2025.
- (5) The awarded shares are lapsed.
- (6) During the period ended 30 June 2025, the closing price of per awarded share immediately before the date (14 April 2025) on which the awards were granted was HK\$5.02.
- (7) The purchase price of all awarded shares is nil.
- (8) The total number of awarded shares granted to the 5 highest paid individuals during the period was 448,000.
- (9) The above interests represented long positions.

As at 30 June 2025, the fair value of awarded shares at the dates of granted are as below table. No expected dividends were incorporated into the measurement of fair value. Information on the accounting policy for the grant of awarded shares is provided in the accounting policy for the grant of Note 2(s)(iv) on page 152 of the 2024 annual report of the Company.

Number of awarded shares	Date of grant	Market value per awarded share	Fair value of awarded shares
500,000	21 December 2022	HK\$13.86	HK\$6,930,000
662,000	22 March 2023	HK\$14.82	HK\$9,810,840
2,047,000	22 March 2024	HK\$5.18	HK\$10,603,460
3,339,000	14 April 2025	HK\$5.25	HK\$17,529,750
6,548,000			HK\$44,874,050

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES (INCLUDING SALE OF TREASURY SHARES)

During the period ended 30 June 2025, the trustee of the Company's share award plan (adopted on 28 August 2020) (the "Share Award Plan") purchased 1,106,000 shares of the Company (representing 0.14%\* of the issued share capital of the Company) on the Stock Exchange at a total consideration of approximately HK\$5,576,000 (including purchase price of HK\$5,565,000 and transaction costs of HK\$11,000). Total accumulated number of shares of the Company purchased were 15,279,000 (representing 1.93%\* of the issued share capital of the Company) under the Share Award Plan.

From 4 September 2025 to 12 September 2025, being LPD prior to the issue of this interim report, the trustee purchased 700,000 shares of the Company (representing 0.09%\* of the issued share capital of the Company) on the Stock Exchange at a total consideration of approximately HK\$3,837,000 (including purchase price of HK\$3,830,000 and transaction costs of HK\$7,000). Total accumulated number of shares of the Company purchased were 15,979,000 (representing 2.02%\* of the issued share capital of the Company).

During the period ended 30 June 2025, a total of 3,339,000 awarded shares (representing 0.42%\* of the issued share capital of the Company) were granted to certain selected participants, comprising of 5 Directors and certain employees of the Group on 14 April 2025, pursuant to the Share Award Plan.

At the period ended 30 June 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 200,600 (representing 0.03%\* of the issued share capital of the Company) calculated based on the accumulated 15,979,000 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).

At the end of LPD, 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 was 945,300 (representing 0.12%\* of the issued share capital of the Company) calculated based on the accumulated 15,979,000 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 period ended 30 June 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 30 June 2025 and the LPD.



## OTHER INFORMATION

### SUPPLEMENTAL INFORMATION IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS CONTEMPLATED UNDER THE RENEWED MASTER SUBCONTRACTING AGREEMENT

Reference is made to the announcement of the Company dated 30 May 2025 (the “Announcement”), the Company would like to provide further information in relation to the continuing connected transactions contemplated under the Renewed Master Subcontracting Agreement. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

#### *Details of the subcontracting services contemplated under the Announcement*

The subcontracting services under the Renewed Master Subcontracting Agreement include, but are not limited to: (i) TFT LCD Glass Cutting Services (the “Cutting Services”), which constitute over 65% of the annual caps and involve cutting large glass substrates into precise dimensions for TFT LCD panels used in automotive displays, (ii) Optical Clear Adhesive (OCA) Bonding Services (the “Bonding Services”), which involve the precise application of optically clear adhesive (OCA) film to bond components of automotive display modules, such as TFT LCD panels, touchscreens, or cover glass, ensuring optical clarity, structural integrity, and touch functionality; and (iii) Prototype Module Processing Services (the “Prototype Module Processing Services”), which involve small-batch production processing of automotive display modules during the R&D phase to validate designs and test performance.

#### *Reasons for the relatively low utilization rate of the Subcontracting Transactions contemplated under the announcement dated 29 April 2022 (the “Old Transactions”)*

The Old Transactions mainly including the Bonding Services provided to connected parties which form part of the whole supply-chain for our material procurement from connected parties. The historical amounts under the Old Transactions were lower than expected, as to the best of the management’s knowledge, was due to factors, among others, (i) the expansion in the Group’s display module manufacturing facilities as well as the change of the Group’s group company holding structure; and (ii) the subcontracting services are provided on a non-exclusive basis, the connected parties are not contractually bound to procure subcontracting services from the Group, the pandemic situation and the availabilities of other sources of supply may impact their demand.

### UPDATE ON DIRECTOR’S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Su Ning is a senior vice president of the BOE Group. With effect from 1 July 2025, Mr. Su is entitled to a basic salary of HK\$87,296.00 per month for 12 months per annum for serving as the chief executive officer of the Company (which is determined with reference to his experience, duties and responsibilities) with a discretionary bonus which is determined by the Board based on the Company’s performance. Mr. Su is also entitled to HK\$1,047,552.00 (i.e. equivalent to 12 months of the basic salary) of guaranteed bonus per annum, upon completion of one year of service and the Company has met the performance target set by the Board. Mr. Su is not entitled to any director’s fee or remuneration for his appointment as an executive Director.

Mr. Shao Xibin 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.

Mr. Jin Hao 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.

Upon expiry of term of office in August 2025, Mr. Chu, Howard Ho Hwa ceased to be an independent non-executive director of Guolian Minsheng Securities Co., Ltd. (“Guolian”), a company listed on the Main Board of the Stock Exchange, as he has served six years consecutively as of 26 June 2025.

### CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has substantially complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules throughout the period ended 30 June 2025, and with all information required by the CG Code has been disclosed in the corporate governance report contained in the 2024 annual report of the Company issued in April 2025 and this interim report with below matter for reference.

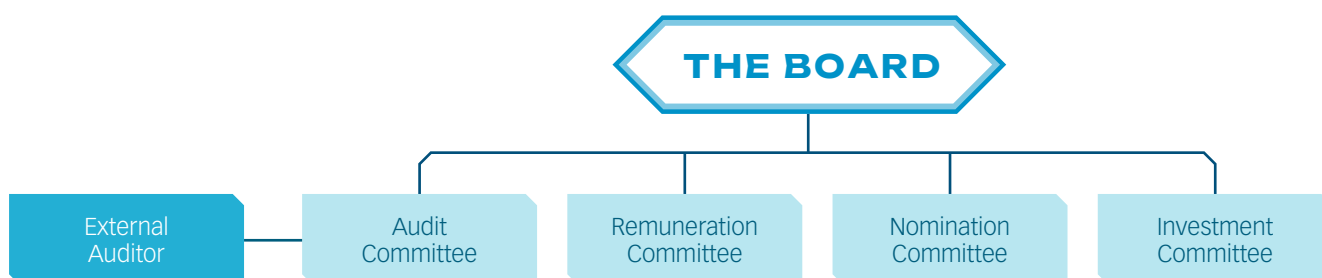
Code provision C.1.5 stipulates that independent non-executive directors and non-executive directors should attend general meetings. Mr. Chu, Howard Ho Hwa, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 25 June 2025 due to other business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

## OTHER INFORMATION

### 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. 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 period ended 30 June 2025.

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 report. 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 interim results for the six months ended 30 June 2025 of the Company now reported on so as to ensure that an effective control and corporate governance environment is maintained.

The interim financial report for the six months ended 30 June 2025 has been reviewed by the Company’s auditors, KPMG, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 “Review on Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

### 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. Gao Wenbao, Ms. Ko Wing Yan, Samantha, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin as at the date of this report. 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. Gao Wenbao (Chairman of the NC), Mr. Su Ning, Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Pang Chunlin as at the date of this report. 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 Group’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.

## OTHER INFORMATION

### 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. Gao Wenbao (Chairman of the IC), Ms. Ko Wing Yan, Samantha and Mr. Su Ning, and other management of the Company as at the date of this report.

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

### INVESTOR RELATIONS

The Company has adopted a shareholders’ communication policy with the objective of ensuring that the shareholders of the Company and stakeholders will have equal and timely access to information about the Group. The Group adhere to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders.

The Company will make the Corporate Communications available on its website ([www.boevx.com](http://www.boevx.com)) and the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)).

A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to the Shareholders by email or by post (if the Company does not possess the functional email address of the Shareholder) on the publication date of the Corporate Communications at the election of the Shareholder.

The Group aimed to have proactive and timely communications with investor regarding the market and industry development, impact and corresponding measures of the Group. Our goals are to deepen investors’ understanding of the Group’s strategies, and through the effective communication, we are able to raise the quality of our management and to maximize the Group’s value.

The Company has reviewed the implementation and effectiveness of the shareholders’ communication policy conducted during the period and believes that the current communication policy has been effective at maintaining clear and timely communication with its shareholders and stakeholders.

Various on-line and off-line communication formats and channels are adopted by the Group, such as announcement, shareholders’ meeting, video or voice conferences, seller-side organized off-line seminar and non-deal roadshow etc. to communicate with various stakeholders such as analysts, retail and institutional investors. These communication channels served to reinforce understanding and trust between the Group and the capital market. Meanwhile our management also gained better knowledge of the expectations and demands from the capital market on the Group. We will seriously consider and put into practice all constructive suggestions. In the first half of 2025, the Group participated in more than 56 investor relations’ events, including but not limited to, post-results roadshows, self-organized investor day, seller-side organized investor conferences/corporate days, individual/group meetings and conference calls. Currently, there are 12 equity research analysts actively covering the Group.

An annual general meeting (the “AGM”) is an important opportunity for communicating with shareholders. The Company’s Chairman, Directors, senior management and the external auditors are available at the AGM to answer questions from shareholders of the Company. The chairmen of the audit committee, the remuneration committee, the nomination the committee and any other committees (as appropriate) of the Company are invited to attend. The chairman of the independent board committee and senior management (if applicable) is/are available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders’ approval.

In March 2025, the Company officially launched a three-year value enhancement plan, guided by the “Automotive + Industrial Display” dual-driver strategy and centered on “value-driven success”. In strategic growth areas, the Company focuses on the development vision of “For AI, for Robot”, through collaborative innovation in display products and system integration, actively explore the diversified practical paths for the implementation of AI scenarios.

## OTHER INFORMATION

## SHARE REPURCHASE

In April and September 2025, the Company repurchased its 1,106,000 shares and 700,000 shares respectively under the share award plan.

These repurchases underscore the Company's firm commitment to the long-term steady development of the capital market, ensuring high-quality growth to reward shareholders and share development benefits with investors.

### 2025 BOE INVESTOR DAY — “V+ BUSINESS STRATEGY” OUTLINES A NEW BLUEPRINT FOR CORPORATE VALUE LEAP

On 8 July 2025, the “2025 BOE Investor Day” was grandly held in Pujiang, Shanghai. As a global leader in automotive displays, the Company fully demonstrated its global strategic layout, latest operational performance, and technological innovation achievements to investors and media. Dr. Gao Wenbao, Mr. Su Ning and other core management attended the event, conveying the Company's strong confidence in its development.

The Company fully and deeply shared the strategic traction value of the company's “V+ Business Strategy” with investors and the media. At the same time, it conducted in-depth exchanges of views on current industrial development trends and hot topics like OLED and AI that have attracted much attention in the industry, fully embracing the wave of industrial development and leading the future direction.





## OTHER INFORMATION

## PUBLICITY EVENTS

## 2025 MID-TERM MAJOR PUBLICITY EVENTS

Meetings/Exhibitions/Talks/Seminars



1



2



3



4



5



6



7



8



9



10



11

1 2025 Consumer Electronics Show (CES) Express news | walk into the BOEVx opening day

2 SAIC-Volkswagen Technology Showcase

3 Annual Results Conference

4 BOE f-OLED Flexible Display Technology Source Forum

5 2025 Shenzhen Smart Cockpit Summit Forum

6 The 21st Shanghai International Automobile Industry Exhibition

7 The Second Supplier Quality Conference 2025

8 Members Conference of CAAM Intelligent Display and "Getting to Know BOE•New Products/Technologies" Exchange Meeting

9 The First Two-Wheeler Intelligent Technology Development Conference

10 2025 Society for Information Display's display week

11 2025 BOE Investor Day

## OTHER INFORMATION

## Collaborations



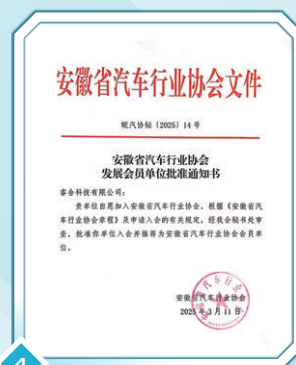
1



2



3



4

- 1 Supporting Xiaopeng's "Twin Stars"
- 2 Jointly develop "variable" flexible OLED cockpit with Haiwei Technology
- 3 Signed a strategic cooperation agreement with BICV
- 4 REHEO Technology Co. Ltd. was approved to become a member of Anhui Automobile Industry Association

## Honors and Awards



1



2



3



4



5



6



7



8

- 1 GAC Technology Innovation Award
- 2 2025 CDIA Display Application Innovation of the Year
- 3 Hangsheng Group Special Contribution Award
- 4 Yanfeng Group Excellent Supplier Award
- 5 ADAYO Foryou General Outstanding Contribution Award
- 6 Desay SV Excellent Business Cooperation Award
- 7 Top 100 Chinese Automotive Supply Chain Companies
- 8 Network security — ISO 27001, ISO 21434 and TISAX

We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at [investor@boevx.com](mailto:investor@boevx.com). All questions or comments will be replied to the extent permitted by applicable laws, regulations and the Listing Rules.

## OTHER INFORMATION

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the directors, during the period ended 30 June 2025, the Company has maintained the prescribed public float under the Listing Rules.

### SIGNIFICANT SUBSEQUENT EVENTS AFTER 30 JUNE 2025 TO 12 SEPTEMBER 2025, BEING THE LATEST PRACTICABLE DATE OF THIS INTERIM REPORT

The Group had no material events for disclosure subsequent to 30 June 2025 and up to the latest practicable date of this interim report.

### DIRECTORS

As at the date of this report, the Board comprises 9 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.



# REVIEW REPORT



## Independent review report to the board of directors of BOE Varitronix Limited

(Incorporated in Bermuda with limited liability)

### INTRODUCTION

We have reviewed the interim financial report set out on pages 54 to 68 which comprises the consolidated statement of financial position of BOE Varitronix Limited as at 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

25 August 2025



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	4	<b>6,670,596</b>	6,157,319
Other operating income	5	<b>168,557</b>	94,770
Change in inventories of finished goods and work in progress		<b>99,890</b>	(234,154)
Raw materials and consumables used		<b>(5,572,407)</b>	(4,872,891)
Staff costs		<b>(668,871)</b>	(538,381)
Depreciation		<b>(134,760)</b>	(118,972)
Other operating expenses	6(c)	<b>(361,752)</b>	(294,040)
<b>Profit from operations</b>		<b>201,253</b>	193,651
Finance costs	6(a)	<b>(5,567)</b>	(8,540)
<b>Profit before taxation</b>	6	<b>195,686</b>	185,111
Income tax	7	<b>(26,140)</b>	(9,734)
<b>Profit for the period</b>		<b>169,546</b>	175,377
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>180,476</b>	172,100
Non-controlling interests		<b>(10,930)</b>	3,277
		<b>169,546</b>	175,377
<b>Earnings per share for profit attributable to equity shareholders of the Company (in HK cents)</b>	8		
Basic		<b>22.9 cents</b>	21.9 cents
Diluted		<b>22.8 cents</b>	21.8 cents

The notes on pages 60 to 68 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15(a).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
<b>Profit for the period</b>	<b>169,546</b>	175,377
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Exchange translation adjustments: net movement in exchange reserve	<b>75,745</b>	(23,776)
<b>Total comprehensive income for the period</b>	<b>245,291</b>	151,601
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>255,274</b>	148,324
Non-controlling interests	<b>(9,983)</b>	3,277
	<b>245,291</b>	151,601

The notes on pages 60 to 68 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

		At 30 June 2025 \$'000	At 31 December 2024 \$'000
Notes			
<b>Non-current assets</b>			
Property, plant and equipment	9	2,041,968	2,060,385
Intangible assets		40,296	29,428
Other financial assets	10	1,726	40,186
Non-current deposits and prepayments and other contract costs	12	76,602	38,822
Restricted bank deposits		–	41,101
Deferred tax assets		60,135	59,718
		<b>2,220,727</b>	2,269,640
<b>Current assets</b>			
Inventories	11	1,853,813	1,778,379
Trade and other receivables, deposits and prepayments and other contract costs	12	2,950,819	3,325,957
Other financial assets	10	784,558	389,759
Current tax recoverable		5,562	9,923
Fixed deposits with more than three months to maturity when placed	13	883,506	843,817
Restricted bank deposits	13	246,130	147,326
Cash and cash equivalents	13	2,888,505	2,700,141
		<b>9,612,893</b>	9,195,302
<b>Current liabilities</b>			
Trade and other payables	14	6,296,457	6,228,142
Lease liabilities		13,273	14,793
Current tax payable		23,640	23,272
Bank loans		257,933	205,322
Deferred income		28,387	28,072
Dividends payable	15	134,095	–
		<b>6,753,785</b>	6,499,601
<b>Net current assets</b>		<b>2,859,108</b>	2,695,701

		At 30 June 2025 \$'000	At 31 December 2024 \$'000
Notes			
<b>Total assets less current liabilities</b>			
		<b>5,079,835</b>	4,965,341
<b>Non-current liabilities</b>			
Lease liabilities		15,781	20,113
Deferred tax liabilities		2,437	2,448
Pillar Two tax liabilities		5,500	–
Deferred income		162,584	171,821
Bank loans		176,421	170,464
		<b>362,723</b>	364,846
<b>NET ASSETS</b>		<b>4,717,112</b>	4,600,495
<b>CAPITAL AND RESERVES</b>			
Share capital	15	197,894	197,894
Reserves		4,463,992	4,337,392
Total equity attributable to equity shareholders of the Company		<b>4,661,886</b>	4,535,286
Non-controlling interests		55,226	65,209
<b>TOTAL EQUITY</b>		<b>4,717,112</b>	4,600,495

The notes on pages 60 to 68 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company										
	Share capital \$'000	Share premium \$'000	Awarded shares held under the Share	Exchange reserve \$'000	Capital reserve \$'000	Other reserves \$'000	Contributed surplus \$'000	Retained profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
			Award Plan \$'000								
<b>Balance at 1 January 2024</b>	197,894	2,101,856	(13,763)	(190,036)	11,781	27,921	429,943	1,787,999	4,353,595	56,116	4,409,711
<b>Changes in equity for 2024:</b>											
Profit for the period	–	–	–	–	–	–	–	172,100	172,100	3,277	175,377
Other comprehensive income	–	–	–	(23,776)	–	–	–	–	(23,776)	–	(23,776)
<b>Total comprehensive income</b>	–	–	–	(23,776)	–	–	–	172,100	148,324	3,277	151,601
Final dividend approved in respect of the previous year	–	–	–	–	–	–	(149,660)	–	(149,660)	–	(149,660)
Shares purchased by the trustee under Share Award Plan	–	–	(4,731)	–	–	–	–	–	(4,731)	–	(4,731)
Vesting of shares under the Share Award Plan	–	–	4,218	–	(9,079)	–	–	4,861	–	–	–
Equity settled share-based transactions	–	–	–	–	9,901	–	–	–	9,901	–	9,901
	–	–	(513)	–	822	–	(149,660)	4,861	(144,490)	–	(144,490)
<b>Balance at 30 June 2024</b>	197,894	2,101,856	(14,276)	(213,812)	12,603	27,921	280,283	1,964,960	4,357,429	59,393	4,416,822



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Award Plan	Exchange reserve	Capital reserve	Other reserves	Contributed surplus	Retained profits	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2025</b>	197,894	2,101,856	(15,652)	(254,169)	7,797	58,215	280,283	2,159,062	4,535,286	65,209		4,600,495
<b>Changes in equity for 2025:</b>												
Profit for the period	-	-	-	-	-	-	-	180,476	180,476	(10,930)		169,546
Other comprehensive income	-	-	-	74,798	-	-	-	-	74,798	947		75,745
<b>Total comprehensive income</b>	-	-	-	74,798	-	-	-	180,476	255,274	(9,983)		245,291
Final dividend approved in respect of the previous year	-	-	-	-	-	-	(134,095)	-	(134,095)	-		(134,095)
Shares purchased by the trustee under Share Award Plan	-	-	(5,576)	-	-	-	-	-	(5,576)	-		(5,576)
Vesting of shares under the Share Award Plan	-	-	9,641	-	(16,037)	-	-	6,396	-	-		-
Equity settled share-based transactions	-	-	-	-	10,997	-	-	-	10,997	-		10,997
	-	-	4,065	-	(5,040)	-	(134,095)	6,396	(128,674)	-		(128,674)
<b>Balance at 30 June 2025</b>	197,894	2,101,856	(11,587)	(179,371)	2,757	58,215	146,188	2,345,934	4,661,886	55,226		4,717,112

The notes on pages 60 to 68 form part of this interim financial report.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 — unaudited  
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
<b>Operating activities</b>		
<b>Cash generated from operations</b>	<b>549,431</b>	835,773
Tax paid		
— Hong Kong Profits Tax paid	—	(9,608)
— Chinese Mainland income taxes paid	<b>(14,978)</b>	(28,978)
— Tax paid in respect of jurisdictions outside Hong Kong and Chinese Mainland	<b>(1,519)</b>	(2,224)
<b>Net cash generated from operating activities</b>	<b>532,934</b>	794,963
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	<b>1,769</b>	668
Payment for the purchase of property, plant and equipment	<b>(84,309)</b>	(436,052)
Payment for the purchase of intangible assets	<b>(13,038)</b>	(4,293)
Payment for purchase of other financial assets	<b>(3,913,567)</b>	(1,180,385)
Proceeds from disposals of other financial assets	<b>3,595,949</b>	791,805
Increase in fixed deposits with more than three months to maturity when placed, net	<b>(39,688)</b>	(421,740)
(Increase)/decrease in restricted bank deposits	<b>(57,703)</b>	14,249
Interest received	<b>41,891</b>	58,957
<b>Net cash used in investing activities</b>	<b>(468,696)</b>	(1,176,791)

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
<b>Financing activities</b>		
Proceeds from bank loans	<b>130,610</b>	221,640
Repayment of bank loans	<b>(78,293)</b>	(229,708)
Capital element of lease rentals paid	<b>(8,361)</b>	(7,471)
Interest element of lease rentals paid	<b>(743)</b>	(655)
Interest paid	<b>(4,824)</b>	(7,885)
Shares purchased under Share Award Plan	<b>(5,576)</b>	(4,731)
<b>Net cash generated from/ (used in) financing activities</b>	<b>32,813</b>	(28,810)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>97,051</b>	(410,638)
<b>Cash and cash equivalents at 1 January</b>	<b>2,700,141</b>	3,500,760
<b>Effect of foreign exchange rates changes</b>	<b>91,313</b>	(15,758)
<b>Cash and cash equivalents at 30 June</b>	<b>2,888,505</b>	3,074,364

The notes on pages 60 to 68 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars otherwise indicated)

## 1 GENERAL

BOE Varitronix Limited (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 of the Company (the “Directors”) consider the ultimate controlling party of the Company and its subsidiaries (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 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 Thin Film Transistor (“TFT”) module assembly capacity.

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 25 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by the auditor of the Company, KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of directors (the “Board”) is included on page 53. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report 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.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (Continued)

## (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 interim financial report 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 interim financial report. Other information, being the total assets excluding deferred tax assets, other financial assets and current tax recoverable, 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 table sets out information about the geographical location of (i) the Group's revenue 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 of customers is distributed. 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.

The Group has changed its presentation of revenue geographic information from "Revenue by Delivery Locations" to "Revenue by Location of Sourcing Decision of Customers" since the preparation of the 2024 annual report so as to enhance clarity of the reported numbers. The new presentation better reflects how the Group manage customer relationships and provides improved insights into our customer demographics and market presence. Consequently, the comparative figures for the previous reporting period have been restated to ensure consistency and comparability.

## (i) Group's revenue from external customers

	Six months ended 30 June	
	2025 \$'000	2024 \$'000 (Restated)
The PRC (place of domicile)	4,448,176	3,687,551
Europe	1,208,630	1,105,916
America	325,251	391,682
Japan	412,530	622,591
Korea	159,576	198,655
Others	116,433	150,924
	2,222,420	2,469,768
Consolidated revenue	6,670,596	6,157,319

## (ii) Group's specified non-current assets

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
<b>Property, plant and equipment and intangible assets</b>		
The PRC (place of domicile)	2,068,373	2,074,262
Others	13,891	15,551
	2,082,264	2,089,813

## 5 OTHER OPERATING INCOME

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Government grants (note)	59,658	16,328
Interest income on financial assets measured at amortised cost	52,005	58,067
Net gain on current other financial assets measured at fair value through profit or loss	31,835	1,833
Net exchange gain	9,244	13,513
Realised gain on disposal of other financial assets	5,751	—
Net gain on disposal of property, plant and equipment	1,455	353
Rental receivable from operating leases	—	24
Other income	8,609	4,652
	168,557	94,770

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\$2,831,000 (2024: HK\$997,000), amortisation of government grants received in relation to acquisitions of machineries of HK\$11,963,000 (2024: HK\$14,588,000), incentive related to production of HK\$43,762,000 (2024: HK\$Nil), and incentives granted in relation to staff retention of HK\$1,102,000 (2024: HK\$743,000). There are no unfulfilled conditions attached to these government grants.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
<b>(a) Finance costs</b>		
Interest on lease liabilities	743	655
Interest on bank borrowings	4,824	7,885
	<b>5,567</b>	8,540
<b>(b) Other item</b>		
Cost of inventories	<b>6,100,343</b>	5,454,644
<b>(c) Other operating expenses</b>		
Amortisation of intangible assets	2,412	1,929
Auditors' remuneration		
— Audit services	1,683	1,640
— Review services	450	450
— Other services	69	18
Bank charges	5,392	2,800
Building management fees	4,481	4,227
Factory consumables, cleaning and security service expenses	24,162	17,774
Freight charges	49,376	47,641
Insurance expenses	3,937	2,868
Legal and professional fees	6,716	4,164
Office expenses	6,014	6,670
Other taxes, surcharge & duties	18,414	15,594
Provision of expected credit losses allowance on trade receivables	44,646	4,719
Repair and maintenance	15,910	22,674
Sales, marketing, commission and quality assurance expenses	63,626	52,289
Subcontracting fees	32,989	28,264
Trademark licence fee	12,353	13,294
Travelling and entertainment expenses	18,802	14,883
Utilities expenses	41,104	42,428
Miscellaneous expenses	9,216	9,714
	<b>361,752</b>	294,040

## 7 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Current tax — Hong Kong Profits Tax	9,262	15,441
Pillar Two income taxes (note (iv))	5,500	—
	<b>14,762</b>	15,441
Current tax — Chinese Mainland income taxes	10,779	28,103
Current tax — Jurisdictions outside Hong Kong and the Chinese Mainland	729	(3,173)
Deferred tax	(130)	(30,637)
	<b>26,140</b>	9,734

## (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 PRC. The standard Chinese Mainland 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, the Varitronix Heyuan, REHEO, Varitronix Huizhou and Chengdu Automotive's applicable tax rate are 15% for the periods ended 30 June 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%.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 7 INCOME TAX (Continued)

### (iii) JURISDICTIONS OUTSIDE HONG KONG AND THE CHINESE MAINLAND

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

### (iv) PILLAR TWO INCOME TAX

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

## 8 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\$180,476,000 (six months ended 30 June 2024: HK\$172,100,000) and the weighted average of 787,908,082 ordinary shares (six months ended 30 June 2024: 787,435,694 ordinary shares) in issue during interim period.

### (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\$180,476,000 (six months ended 30 June 2024: HK\$172,100,000) and the weighted average of 790,141,752 ordinary shares (six months ended 30 June 2024: 789,120,056 ordinary shares) in issue during interim period.

## 9 PROPERTY, PLANT AND EQUIPMENT

### (a) RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for use of office and warehouses, and therefore recognised the additions to right-of-use assets of HK\$1,197,000 (six months ended 30 June 2024: HK\$14,554,000).

### (b) ACQUISITIONS AND DISPOSALS OF OWNED ASSETS

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of HK\$84,309,000 (six months ended 30 June 2024: HK\$414,277,000). Items of property, plant and equipment with a net book value of HK\$314,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$315,000), resulting in a gain on disposal of HK\$1,455,000 (six months ended 30 June 2024: HK\$353,000).

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 10 OTHER FINANCIAL ASSETS

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
<b>Non-current portion</b>		
<i>Financial assets measured at fair value through profit or loss</i>		
— Listed equity securities in Hong Kong	—	38,486
— Unlisted equity securities outside Hong Kong	1,726	1,700
	1,726	40,186
<b>Current portion</b>		
<i>Financial assets measured at fair value through profit or loss</i>		
— Listed equity securities in Hong Kong	54,935	—
— Issued by financial institutions outside Hong Kong (note)	729,623	389,759
	784,558	389,759

Note: The balances as at 30 June 2025 represented the investments in the structured deposit products which were issued by our principal bankers, and with a guaranteed principal and a floating return.

## 11 INVENTORIES

During the six months ended 30 June 2025, the Group recognized inventory provision of HK\$34,793,000 (six months ended 30 June 2024: HK\$53,323,000) and reversal of write-down of inventories of HK\$4,099,000 (six months ended 30 June 2024: HK\$12,524,000).

## 12 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 receivable (which are included in trade and other receivables, deposits and prepayments and other contract costs), based on invoice date and net of loss allowance of HK\$100,580,000 (31 December 2024: HK\$54,955,000) is as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Within 60 days of the invoice issue date	1,711,256	2,140,687
61 to 90 days after the invoice issue date	451,995	435,973
91 to 120 days after the invoice issue date	304,539	183,870
More than 120 days but less than 12 months after the invoice issue date	133,114	135,036
	2,600,904	2,895,566

Trade debtors and bills receivable are generally due within 60 to 90 days from the date of billing.

## 13 CASH AND CASH EQUIVALENTS, FIXED DEPOSITS WITH BANKS AND RESTRICTED BANK DEPOSITS

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Fixed deposits with banks with more than three months to maturity when placed	883,506	843,817
Restricted bank deposits	246,130	188,427
Fixed deposits with banks with three months or less to maturity when placed	1,098,817	671,473
Cash at banks and on hand	1,789,688	2,028,668
Cash and cash equivalents	2,888,505	2,700,141

As at 30 June 2025, the amount of HK\$246,130,000 are deposit at bank which are restricted under conditions (31 December 2024: HK\$188,427,000).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 14 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:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Within 60 days of supplier invoice date	4,700,365	4,386,214
61 to 120 days after supplier invoice date	586,483	477,513
More than 120 days but within 12 months after supplier invoice date	110,541	297,842
More than 12 months after supplier invoice date	32,549	205,657
	5,429,938	5,367,226

## 15 CAPITAL, RESERVES AND DIVIDENDS

## (a) DIVIDENDS

## (i) Dividends payable to equity shareholders of the Company attributable to the interim period

The Board of Director does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

## (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved during the following interim period, of 17.0 HK cents (2024: 19.0 HK cents) per share	134,095	149,660

The final dividend has been recognised as dividends payable in the consolidated statement of financial position as at 30 June 2025.

## (b) EQUITY SETTLED SHARE-BASED TRANSACTIONS

## (i) Share award plan

During the six months ended 30 June 2025, the Group purchased a total number of 1,106,000 shares on the market at a total consideration of approximately \$5,576,000 (six months ended 30 June 2024: \$4,731,000) for the purpose of the share award plan.

On 22 March 2024, the Company awarded a total of 2,047,000 ordinary shares to the eligible persons including its directors and employees. Among the 2,047,000 awarded shares, the first 40% of the awarded shares were vested to the eligible persons on 2 May 2024, the second 30% of the awarded shares were vested on 2 May 2025, and the remaining 30% shall be vested on 4 May 2026. Further details are set out in the Company's announcement dated 24 March 2024.

On 14 April 2025, the Company awarded a total of 3,339,000 ordinary shares to the eligible persons including its directors and employees. Among the 3,339,000 awarded shares, the first 40% of the awarded shares were vested to the eligible persons on 8 May 2025, the second 30% of the awarded shares were vested on 29 April 2026, and the remaining 30% shall be vested on 29 April 2027. Further details are set out in the Company's announcement dated 14 April 2025.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

## (a) FINANCIAL ASSETS MEASURED AT FAIR VALUE

## (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 30 June 2025 \$'000	Fair value measurements as at 30 June 2025 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>				
Structured products	729,623	–	729,623	–
Listed equity securities	54,935	54,935	–	–
Unlisted equity securities	1,726	–	–	1,726
	<b>786,284</b>	<b>54,935</b>	<b>729,623</b>	<b>1,726</b>

	Fair value at 31 December 2024 \$'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>				
Structured products	389,759	–	389,759	–
Listed equity securities	38,486	38,486	–	–
Unlisted equity securities	1,700	–	–	1,700
	<b>429,945</b>	<b>38,486</b>	<b>389,759</b>	<b>1,700</b>

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

During the year ended 31 December 2024, an unlisted equity investment amounted to HK\$38,486,000 has been transferred out of Level 3 to listed equity investments upon its listing as a public company.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

## (a) FINANCIAL ASSETS MEASURED AT FAIR VALUE (Continued)

## (ii) Valuation techniques and inputs used in Level 3 fair value measurements

As at 30 June 2025, the fair value of unlisted equity instruments is determined using the enterprise value/sales ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 3% would have increased/decreased the Group's profit after taxation and retained profits by HK\$43,000.

As at 31 December 2024, the fair value of unlisted equity instruments is determined using the enterprise value/sales ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 3% would have increased/decreased the Group's profit after taxation and retained profits by HK\$43,000.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Unlisted equity securities:		
At 1 January	1,700	41,897
Exchange adjustment	26	(14)
At 30 June	1,726	41,883

## (b) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

## 17 MATERIAL RELATED PARTY TRANSACTIONS

## (a) TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties, including BOE Technology Group Co., Ltd. ("BOE"), the parent of the Company, and its subsidiaries other than the Group (collectively "BOE Group"), except for disclosed elsewhere in these unaudited condensed consolidated interim financial report:

	Notes	Six months ended 30 June	
		2025 \$'000	2024 \$'000
Purchase of goods from BOE Group	1	2,384,787	2,496,481
Purchase of property, plant and equipment from BOE Group	2	11,130	56,337
Lease of property, plant and equipment from BOE Group	2	549	4,045
Rental, management fee, utilities service fees and computer integrated manufacturing system fee charged by BOE Group	3	–	46
Trademark licence fee paid to BOE Group	4	12,246	13,290
Subcontracting fee charged to BOE Group	5	959	737

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 17 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (a) TRANSACTIONS WITH RELATED PARTIES (Continued)

Notes:

1. The transactions were conducted based on the terms as governed by the renewed master purchase agreement entered into between the Company and BOE on 6 September 2021. The agreement was renewed on 10 October 2024 and extended the terms to 31 December 2027. Further details are set out in the Company's announcement dated 10 October 2024. The related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
2. The transactions were conducted based on the terms as governed by the master framework agreement entered into between the Company and BOE on 22 July 2022. The agreement was renewed on 29 May 2024 and extended the terms to 31 December 2025. Further details are set out in the Company's announcement dated 29 May 2024. The related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
3. The transactions were conducted based on the terms as governed by the tenancy agreement ("Tenancy Agreement") for a term commencing from 1 January 2021 to 31 December 2024. The transactions as contemplated under the Tenancy Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.
4. The transactions were conducted based on the terms as governed by the renewed trademark licence agreement ("Trademark Licence Agreement") on 21 December 2022 to extend the terms to 31 December 2024. The agreement was renewed on 30 December 2024 and extended the terms to 31 December 2026. Further details are set out in the Company's announcement dated 30 December 2024. The transactions as contemplated under the Trademark Licence Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.
5. The transactions were conducted based on the terms as governed by the Master Subcontracting Agreement entered into between the Company and BOE on 29 April 2022. The agreement was renewed on 30 May 2025 and extended the terms to 31 December 2027. Further details are set out in the Company's announcement dated 30 May 2025. The related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The above transactions are presented net of value added tax.

## (b) BALANCES WITH RELATED PARTIES

At 30 June 2025, included in trade and other payables were amounts due to BOE Group for the purchase cost and other expenses payable of HK\$898,278,000 (31 December 2024: HK\$953,777,000). Non-current deposits of HK\$43,968,000 (31 December 2024: HK\$48,757,000) were paid to BOE Group for the purchase of the TFT panels toolings for manufacturing TFT modules. Prepayment of HK\$20,657,000 (31 December 2024: HK\$862,000) made to BOE Group were included in trade and other receivables, deposits and prepayments and other contract costs in the consolidated statement of financial position.

Other than non-current deposits, balances with related parties are unsecured, interest-free and are recoverable within one year.

## 18 COMMITMENTS

Capital commitments outstanding at the end of the reporting period not provided for in the Group's financial statements were as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Contracted for	214,432	203,666