

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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

**2024 FINAL RESULTS ANNOUNCEMENT**

**CHAIRMAN’S STATEMENT**

**Highlights**

<b>HK\$ million (Unless otherwise indicated)</b>	<b>For the year ended 2024</b>	<b>For the year ended 2023</b>
Revenue	13,449	10,760
EBITDA <sup>1</sup>	686	771
Profit Attributable to Shareholders	391.3	475.3
Profit Attributable to Shareholders excluding grants and net exchange gain	359.7	413.8
Basic Earnings per Share	49.6 HK cents	60.4 HK cents
Diluted Earnings per Share	49.5 HK cents	60.2 HK cents
Final Dividend per Share	17.0 HK cents	19.0 HK cents
Operating cash inflow	1,457	1,186
	<b>As of 31 December 2024</b>	<b>As of 31 December 2023</b>
Cash resources <sup>2</sup>	4,122	3,572
Cash and Fixed Deposits Balance	3,544	3,501

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

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

On behalf of BOE Varitronix Limited (the “Company”) and its subsidiaries (“BOEVx” or the “Group”), I present the results for the full year ended 31 December 2024 (the “year under review”).

During the year under review, revenue of HK\$13,449 million was recorded, an increase of 25% when compared with HK\$10,760 million recorded in 2023. EBITDA of the Group was HK\$686 million, 11% lower than HK\$771 million recorded in 2023. The profit attributable to shareholders was HK\$391.3 million, a decrease of 18%, when compared to that for the year 2023.

The Group has strong cash resources and in a net cash position. As at 31 December 2024, the Group has total cash resources of HK\$4,122 million, compared to HK\$3,572 million at the end of 2023. The Group has bank loans of HK\$376 million as at 31 December 2024, a decrease of 39% when compared with HK\$620 million as at the end of 2023. Among the bank loans of HK\$376 million, HK\$170 million is long-term borrowing mainly to facilitate our capital expenditure. The increase in our overall cash resources and decrease in bank loans were attributable to our rigorous efforts in working capital management. 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.

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 customer service, exceptional quality, and enhanced production capacity.

The Group's TFT module business and touch panel display module business contributed around 93% of the Group's revenue while the revenue from monochrome display business decreased in its contribution during the year under review. Among the Group's revenue, automotive display business contributes 94% and the remaining mainly represents industrial display business.

The overall operating profit margin was hit by the switch in the product mix, the impact of price adjustments, and increase of cost of inventory. In addition, the increase in freight charges due to geo-political conflicts, the increase in sales, marketing, commission and quality assurance expenses for our increased effort for the overseas market exploration, the increase in insurance expenses for the protection of recoverability, the increase in subcontracting fees due to urgent orders, as well as the increase in factory consumables to improve our quality also impacted our profitability. We are committed to work to reduce our production and operating costs to improve profitability.

During the year under review, the profit attributable to shareholders decreased by approximately HK\$84 million, or 18%, compared to that of 2023. The decline is primarily attributed to the factors outlined in the operating profit margin, as well as a reduction in government grants.

EBITDA has decreased by 11% to HK\$686 million, with EBITDA margin of approximately 5.1% (2023: 7.2%) of the Group's revenue. The decrease was mainly due to the same factors as the decrease of profit attributable to shareholders mentioned above. The lower magnitude in decrease as compared to that of the profit attributable to shareholders was mainly due to the impact of depreciation, and with the further

optimisation of our production capacity and our continuous effort for better quality and supply chain management in future, we believe that the net profit attributable to shareholder margin shall be positively impacted.

## **DIVIDENDS**

The Group has no change in its dividend policy.

The Board (the “Board”) of Directors (the “Director”) has recommended a final dividend of 17.0 HK cents (2023: 19.0 HK cents) per share. The annual dividend payout ratio was 34% (the amount of final dividend proposed after the end of the reporting period over profit attributable to equity shareholders of the company) (2023: 32%).

## **BUSINESS REVIEW**

### **Automotive Display Business**

For the year under review, the revenue for the automotive display business was HK\$12,660 million, an increase of 30% from the revenue of HK\$9,710 million recorded in 2023. 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 2023.

The Group has maintained number one market share in the global automotive display market in terms of delivery quantity, 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.

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 People’s Republic of China (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.

The PRC government has implemented supportive policies such as trade-in incentives for old vehicles, initiatives to promote NEV to rural areas, the development of smart vehicle infrastructure, the elimination of purchase restrictions, and tax concessions. Concurrently, leading NEV manufacturers launch new models and adjusted pricing, driving a considerable increase in NEV sales across the PRC market. Through strategies such as joint development of new technologies, offering high-value products at competitive prices,

and delivering high-quality solutions, we have successfully contributed to our customers' growth while growing alongside with them.

Our revenue from overseas increase stably. In the United States, despite the macroeconomic challenges posed by high inflation and interest rates, we achieved considerable revenue growth. This is attributed to our strategic investments in research and development (“R&D”) and marketing, including our participation in the Consumer Electronics Show (“CES”) for three consecutive years in 2024, which allowed us to showcase our product innovations to customers with positive outcomes. 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, increasing our workforce in local areas such as Michigan, USA, France, Korea and other Asian countries to provide timely support. Furthermore, we have successfully expanded our product applications to agricultural vehicles, and with the launch of additional modules, we see ample growth opportunities for our business. We will continue to explore new applications to drive further growth.

In Japan, we have actively participated in exhibitions held by Japanese automakers, receiving positive market responses. Our revenue has recorded significant growth thanks to our efforts in advanced product technology development and superior customer services accelerated by the establishment of our new office in Nagoya, Japan and additional R&D workforce invested in Japan.

Our system business is key of our "three-step development strategy". Through our ongoing efforts in R&D and market expansion in the last three years, we have successfully securing orders from leading NEV manufacturers. Additionally, with the mass production of orders obtained in previous years, our revenue from the system business grow significantly in 2024. Furthermore, the composition of our Tier 1 customer base has become more diverse and resilient.

During the year under review, we implemented a comprehensive series of quality control measures, continued to enhance our quality management and improvement systems, and consequently gained more trust from our customers. We have established a Quality Control Committee (“QCC”) in 2024 and implemented centralized quality management to ensure consistent supplier performance oversight across our manufacturing facilities. The QCC monitors supplier quality and implements measures to meet our stringent quality requirements. We have also deployed more automated production processes to stabilize output and maintain quality consistency.

We have also convened quality conference with suppliers to communicate and align on quality standards required by customers. We also designated specific months as the “Quality month” during the year to thoroughly review the quality performance of suppliers. We conduct rigorous assessments of suppliers, utilizing best-in-class suppliers as benchmarks to evaluate their capabilities and quality rating. Closely reference to the quality specifications and comments of our customers is the primary factor for choosing

suppliers.

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. We are also arranging for experts to provide guidance to suppliers on quality requirements, significantly improving the yield of their products. Through our ongoing efforts, we have significantly enhanced our quality, reducing cost of quality and have received supplier awards from numerous leading NEV manufacturers.

We implemented stringent procurement controls aligned with production requirements to minimize the accumulation of raw materials. Throughout the year, we effectively managed lead times, ensuring we met production needs while avoiding excess inventory, inventory turnover days has significant improved from 67 days in 2023 to 55 days for the year 2024.

The manufacturing facilities in Chengdu, China (the "Chengdu Plant") was set up in late 2022, it leverages state-of-the-art production equipment, such as super-sized display product's production capacity to meet the market needs. With our rigours efforts, the Chengdu Plant further consolidated its production efficiency and quality control. The Chengdu Plant is ramping up to achieve better operational efficiency to enhance our profitability of the automotive display business.

## **Industrial Display Business**

For the year under review, the industrial display business generated revenue of HK\$789 million, a decrease of approximately 25% from HK\$1,050 million recorded for 2023. This business represented approximately 6% of the Group's overall revenue.

The decline in revenue during the year was primarily due to reduced consumer demand as a trend of transitioning to larger and full-color display products. We will continue to focus on promoting our products for new applications and emerging markets, and discover new opportunities.

## **INDUSTRY REVIEW**

In 2024, the global geopolitical landscape experienced an escalation of tensions amid a persistently high inflationary environment. The slower-than-expected decline in interest rates contributed to a slower growth trajectories of certain economies, resulting in increased complexity, severity, and uncertainty regarding global economic development. Although the GDP growth of the PRC exceeded the global average, the adverse external environment had a notable impact on the PRC economy, presenting various challenges for its industries and trade sectors.

The PRC government intensified its macroeconomic control efforts. The focus was placed on expanding domestic demand, optimizing the economic structure, and bolstering confidence. According to the National Bureau of Statistics, the PRC GDP in 2024 recorded

a 5% year-over-year increase, surpassing market expectations. The stable growth observed in consumption, exports, and per capita disposable income of residents suggests a positive outlook for PRC economic prospects.

The NEV industry is a priority for the PRC government, which has implemented a variety of supportive policies, including trade-in subsidies for older vehicles, initiatives to promote NEVs in rural areas, the development of smart vehicle infrastructure, the elimination of purchase restrictions, and tax incentives. These measures are driving rapid growth in the PRC NEV industry.

According to statistics from the China Association of Automobile Manufacturers (“CAAM”) in 2024, the production and sales volume of automobiles in the PRC increased year-over-year by 3.7% and 4.5%, reaching 31.3 million and 31.4 million units respectively, and the production and sales volume of NEV in the PRC recorded a year-over-year growth of 34.4% and 35.5% respectively, reaching 12.9 million units each. The automotive industry, especially NEV, has become an important driving force behind the PRC industrial economic growth.

Globally, the European and United States markets are currently facing several near-term challenges. In the broader macroeconomic context, factors such as economic downturns, high inflation, a slower-than-anticipated decline in interest rates, and geopolitical conflicts have negatively impacted consumer demand for vehicles. Additionally, the absence of government subsidies and inadequate NEV infrastructure have impeded the growth of NEV sales across both the European and American markets. The European Union has implemented tariffs of up to 45.3% on imports of electric vehicles from China, while the U.S. government’s shift toward supporting fuel-powered vehicles has also affected the NEV industry. These developments may alter the competitive landscape among manufacturers worldwide.

In the Japanese and Korean markets, the overall development of the NEV industry has also been hindered by the prevailing economic downturn, insufficient mileage, limited charging infrastructure and safety concerns.

In Japan, the sales volume of imported NEV brands has recorded considerable growth, reflecting the Japanese market’s continued importance as an overseas target for the PRC NEV manufacturers.

In the Korean market, local automotive manufacturers are planning to introduce more affordable NEV models, while leading companies are increasing their investments in charging infrastructure. These initiatives are expected to enhance the popularity of NEVs and expedite the development of the necessary supporting infrastructure. This indicates a positive outlook for NEV adoption in the Korean market moving forward.

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. At the same time, the Industrial Display business maintains considerable profitability, which remains an important component of our overall strategy.

As an overall view, global geopolitical tensions have been intensified, leading to the possible imposition of additional tariffs on NEVs manufactured in the PRC. This may impact the competitiveness of our customers' products and, in turn, affect our revenue and profitability. To mitigate the risks, we have actively seeking demand in emerging markets and is setting up overseas production bases to counteract the impact of tariffs and other potential impacts.

We will also rigorously monitor the efficiency of the Chengdu Plant as well as other new production facilities while it is ramping up to achieve better operational efficiency and to our best, to avoid any possible excessive inventory provision and losses.

### **Automotive Display Business**

The automotive display device business represents a vast, tens of billion-level market with significant room for growth. The global automotive display modules market is exhibiting a steady upward trajectory, particularly in emerging technologies such as oxide and LTPS, which we are well-equipped. According to Omdia data, the total global in-vehicle display module shipments, the global medium and large-sized (8 inches and above) shipments and the global oxide and LTPS shipments are forecasted to have a compound annual growth rates of 3.05%, 7.16% and 17.24% over the next three years respectively.

As regard to product mix, liquid crystal display ("LCD") technology remains the predominant solution with its cost competitiveness compared to that of organic light-emitting diode ("OLED") due to the complex manufacturing process and higher investment cost. With the pursuance of higher quality displays, we believe more advanced technology as annexed in Technology Development section below will be applied. We will work with our suppliers, among others, to utilise our major shareholder's new 8.6 higher-generation OLED production line in Chengdu to strive for higher competitiveness when appropriate.

The NEV industry is a strategic priority for the PRC government as mentioned in the Industry Review section, with ample opportunities for us.

Amid the ample opportunities ahead, the automotive market is rapidly consolidating around the top-tier NEV manufacturers, with leading players is poised to increase significantly in future. 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. Those supply chains are adapting to the new industry

dynamics. We remain cautious about business with emerging automotive startups and are proactively promoting changes within the supply chain, improving cost management of our plants and driving cost down to respond to remain competitive. We will also maintain our steadfast commitment to support prominent players and keep the robust strategic partnerships with them.

Given the trend of NEV penetration rates in the PRC surpassing 50%, the automotive industry is transitioning from electrification to artificial intelligence (“AI”), high-end display technologies, and large-screen capabilities. Smart cockpit solutions will be increasingly integrated and empowered by AI to achieve more advanced functionalities. With the support of big data, the AI capabilities of leading NEV manufacturers will continue to outpace new market entrants, establishing a strengthening technological monopoly. 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 a significant leap in quality from satisfactory to exceptional.

Simultaneously, young consumers are diversifying their brand preferences and prioritizing cost-effectiveness and functionality. Traditional overseas vehicle manufacturers may leverage local R&D, procurement, and design teams to develop models tailored for the PRC market, while integrating into the local manufacturing system to enhance cost competitiveness. We will collaborate closely with leading automotive manufacturers to optimize product dimensions, promote platform-based and standardized offerings, and enhance R&D and quality systems to achieve optimal cost-effectiveness and product quality.

Globally, the U.S. and European markets will continue to present opportunities, as outlined in the Industry Review section, while maintaining a cautious approach to protecting local interests. Additionally, shifts in NEV policies resulting from changes in political leadership introduce uncertainty to the industry’s development. We have a strategy to increase our global sales by improving our local presents, diversify production locations, product diversities, quality, responsiveness to the market and cost competitiveness and challenges.

In 2024, we have participated in CES in the United States for three consecutive years, showcasing the innovative capabilities of our products on a global stage. Additionally, we plan to establish more laboratories in Europe and the United States to support customers’ R&D needs. To enhance our market presence and customer support, we will also expand our sales and service teams, ensuring more effective and timely sales services and market promotion.

In response to the diverse supply chain location requirements of our overseas customers, we are exploring various strategies to meet these needs, including opportunities for overseas mergers and acquisitions, as well as the establishment of global production bases. Such capital expenditures will be implemented gradually, with the objective of aligning order intake with production capacity.



Emerging markets, particularly in Southeast Asia, represent a key growth area for the NEV industry. As our leading customers expand their operations, we are proactively exploring local markets and have already achieved promising results. With the continued growth of our business, we may further strengthen our investment in the Southeast Asian market.

Our system business is a vital component of our "three-step development strategy". The smart cockpit is poised to become a cornerstone of automotive systems, while the low-altitude economy presents substantial development potential. In 2024, we introduced the first group standard for integrated displays in smart cockpits within the PRC market. This successful establishment of the standard not only supports the standardized development and technological advancements of integrated displays for smart cockpits but also underscores our technical expertise and industry leadership in the automotive display sector. In addition, to capitalize on opportunities in the smart cockpit and low-altitude economy sectors, we will proactively cultivate a talent pool to support the development of new product lines.

We will further enhance our production, R&D, and customer service capabilities for the current and potential businesses, and deploy core technologies and human resources to achieve sustained and rapid business growth.

The NEV industry is significantly influenced by government policies and subsidies. The support to NEVs may diminish consumer demand for our customers' products, this consequently impacts our sales. To mitigate policy risks in any single region, we are actively exploring additional markets to achieve a more stable income mix.

The demand for vehicle intelligence is on the rise, positioning AI and smart cockpits as the future standard in development. To uphold our leadership in product technology, we are making substantial investments in R&D to cater for the need. Additional R&D facilities such as laboratories will be established, we will also leverage our shareholders' strengths in production capacity and technology, enabling us to consistently produce more advanced, higher-quality, and cost-effective products to sustain our competitiveness.

Competition in the NEV market is intense, and ongoing price competition may erode profit margins. Additionally, the heightened competition could lead to the exit of less resilient automotive manufacturers. Having said that, a leading automotive manufacturer could still achieve higher sales due to its good product creativeness, attractive price performance ratio, customer loyalties. To mitigate risks associate with less promising customers and enhance profitability, we will concentrate more on leading customers and establish strategic partnerships with them so as to increase our sales and drive to lower marginal costs.

The NEV industry is a key focus of government support in the PRC. Favorable policies and subsidies have not only driven rapid industry growth but have also intensified market competition. Additionally, suppliers from non-automotive sectors are entering the automotive market, further increasing supply chain competition. However, we are confident that our strong customer relationships, superior quality control, and robust

supply chain management will enable us to maintain our leading position in the industry.

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 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.

The vest opportunities in the automotive market may give challenge to our supply chain. If our suppliers are unable to meet our requirements for quantity, quality or timing, we could suffer supply shortages or increase in procurement cost.

We have expanded our supplier sourcing to enhance diversity, and with our strong relationship with our major shareholder, we are confident in our ability to manage the stability and cost of raw materials effectively.

Our costs may increase due to market demand in talents and logistic. To maintain competitiveness and secure advantages, we have 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 so to drive a higher revenue per our staff.

### **Industrial and Other Display Business**

Customers are shifting to different kind of displays including TFT, the Group continues to explore the possibility of applying TFT technology to other products and has successfully obtained automotive related industrial display business. We believe that our quality has been recognized and are confident in pursuing other cooperation opportunities in future.

The Industrial and Other display business represents a tens of billions market opportunity to us, and leverage our long industry knowledge, strong supply-chain and customer relationship, we continuously look into this opportunities and realise our further expansion, there are vest application opportunities in industrial and other displays business such as for unmanned stores, show room, public transportation, aviation, train and coaches station, car parking and charging facilities, vendors machines, fringe, new generation study desk, home appliance, e.t.c.. We believe the further development of these business could pave huge growth to us.

## 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, 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.

Regarding automotive business, we maintain a strong position in the high-end and large-size product segments. Thanks to our advanced-generation production lines in both amorphous silicon and oxide-based, we are well-equipped to remain competitive in terms of cost, supply capacity, and quality. Our controlling shareholder, the BOE Technology Group Co., Ltd., provides unparalleled resources in R&D technology and production capacity, which will enable us to successfully compete in the LTPS/Oxide/OLED in-vehicle technology upgrade market.

Expanding into overseas markets is a core focus of our business strategy. We will actively participate in global exhibitions to showcase our technological innovations to international audience. Additionally, we will strengthen strategic partnerships with leading Tier-1 customers to collaboratively secure new business opportunities. To better support our customers’ R&D needs, we plan to expand our overseas sales teams and laboratories, ensuring tailored and responsive customer service.

The Group remains resolute in its efforts to expand the automotive display business, solidifying its market-leading position while setting clear short-term and long-term strategic objectives. We will continue to execute its “three-step development strategy” that is to further strengthen the leading position of the automotive display device business, then to explore the development of the automotive display system business, and ultimately grasp the development opportunities from system and smart cockpit solutions. Our “HERO” (Healthiness, Entertainment, Relaxation and Office) application initiative together with the smart cockpit solutions empowered by AI, have been introduced as the first group standard for integrated displays in smart cockpits in the PRC market. We believe this will be the milestone for our future growth.

Apart from automotive business, we will also leverage our existing resources to explore the vast opportunities in industrial and other display business to foster “Twin Engines” fast growth to our business.

Sustainable development is crucial to the Group’s success, and we place great emphasis on environmental protection and sustainability. Our production plants regularly measure and monitor pollutant emissions, we also take a collaborative approach to supply chain for the overall sustainability management, and set 2025 targets for reducing carbon emissions, energy and water consumption, and waste, and undertake to achieve “carbon neutrality” by 2050. The Group held its 2024 Annual Supplier Quality Conference in Chengdu, with the theme “Quality First, Shape Future”, for the purpose of further strengthening communication and cooperation with suppliers and aiming to provide customers with

satisfactory quality products and services and maintain sustainability of our environment.

In September 2024, the Group won the TISAX AL2 level label and ISO/IEC 27001 information security management system certification and ISO/SAE 21434 automotive cybersecurity management system certification issued by BSI. It further demonstrates that we have reached a new level in information security management and established Industry model and benchmark.

## **TECHNOLOGY DEVELOPMENT**

To leverage the opportunities arising from automotive intelligence, we are dedicated to advancing our technical capabilities. Our investment in research and development is steadily increasing, with R&D expenditures raised from HK\$237 million in 2023 to HK\$284 million in 2024. Furthermore, the number of R&D technicians grew from approximately 410 in 2023 to around 450 in 2024. We are fully equipped with the requisite resources and talent, and we are optimistic about the promising opportunities that the future holds.

From new energy era to the intelligent era, people's demand for cars is no longer just at the level of comfortable transportation tools. Personalized needs such as more intelligence, leisure, and entertainment are becoming important considerations for car buyers. With the development of smart driving and smart cockpits, it is time to truly create a human-vehicle ecosystem and use smart cockpits as the "third living space". The vehicle display screen is the best expression of cockpit intelligence and the best interface.

Facing the future development of new cars in the new era, the Group has been committed to innovation and change, and promotes industry progress and change through continuous technological innovation. The Group's vehicle-mounted products have gone from being single-sized in the past to increasing sizes and diversifying shapes, and then to the application and development of technologies such as resolution, depth of field, and low reflection of ambient light; through system integration design, the screen-to-side-mirror has been realized A perfect replacement; expand usage scenarios through under-screen cameras, smart interior screens, panoramic head-up display (PHUD) and other solutions; realize high-end business applications with both green and artistic beauty through LCD dimming glass.

Relying on its ability to provide integrated solutions from display panel and module manufacturing to system integration, AI empowerment, and extended medical and health services, the Group proposes "HERO" project creates a smart cockpit that integrates Healthiness, Entertainment, Relaxation and Office to truly achieve the integration of emotion and intelligence between people and cars.

## **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 car manufacturers. At the same time, our 44.8-inch PHUD was exhibited for the first time at CES 2025, which received good market feedback.

## **ADS-Pro**

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

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

Recently, we had several BD Cell and Mini LED display screen projects awarded in well-known car manufacturers, which shows customers' recognition of us.

## **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.

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

### **3D Display**

Regarding 3D display, at present, reliability verification of 12.3-inch, 5K ultra-HD naked eye 3D display hardware has been completed, which can be applied to instrument cluster and entertainment display, and is currently cooperating with some car makers to verify the vehicle machine system to explore more vehicle machine use scenarios.

The next step is actively expanding the application of 3D in the field of industrial control and commercial display to enable more application scenarios.

### **Light Field Screen Technology**

Light Field Screen Technology use 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 are eliminated. At the same time, due to the large-screen display, the mobile cinema experience in the car is truly realized, which greatly enriches the entertainment scenes in the cockpit.

We will complete the prototype development in the first half of 2025, and will combine speech recognition, gesture interaction and other functions to enrich the human-computer interaction experience, the product will be applied to back seat screen, headrest screen.

### **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.

We are actively developing this technology and expect to produce a POC prototype for promotion in the first half of 2025.

### **Privacy on Demand Technology (“POD”)**

Due to the consideration of driving safety requirement, Switchable Privacy display among automotive business is still growing. The evaluation of BOEVx Privacy on Demand (POD) Technology has been completed. Performance can meet most of the OEM requirements. The patented configuration has improved the long-lasting large angle light leakage issue. This technology has promoted to different Tier-1 and OEM all over the world and gets preliminary positive feedback from the customer. We expect this technology will be launched in the market in 2025.

## **Front Light/ Taillight Application**

Due to the trend of autonomous driving, information exchange like eye-contact and gesture between driver and pedestrian will be less and less. Therefore, another way of information exchange system between cars and pedestrians has to be implemented to ensure road safety. The new way of front light/taillight display can show different complex messages with high brightness and can pass the stringent reliability test condition of front light/taillight requirement is under development. With this lighting system, a car can show the message using high resolution display and let the pedestrian understand the car's current situation. This can help to improve road safety with the autonomous driving level increase. We expected the evaluation will be completed in Q3 2025 and bring the growing point of display business.

## **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, the first domestic group standard for smart cockpit displays has been approved by the authoritative project. The standard stipulates in detail the technical requirements for smart cockpit displays, from optical performance, electrical performance, safety performance and environmental adaptability. It also provides corresponding test methods. This move is to promote the use of smart cockpit displays. A strong guarantee for technological upgrading and standardization and unification in terms of quality, performance and safety. The formulation of the standard "Technical Specifications for Smart Cockpit Displays" will set a clear technical benchmark for the entire industry.

In terms of technology development, we have developed the BVP (BOE Vision Plus) image quality enhancement technology integrated into the display assembly, using a dedicated image quality chip to improve the screen-side image quality, so that the image has better clarity, dark details and layering. This can be achieved using ordinary normal backlight.

For Camera Monitoring System ("CMS"), the Group has completed the development of the first product that passed the authoritative test based on the new China national standard GB15084 for class III under the regulation for indirect vision device in vehicle in the PRC and has obtained 3C certification, which realize our market value and actively explore and deploy from passenger cars to commercial vehicles. We also actively develop the layout from Class III mirrors for passenger cars to Class II, IV, V and VI mirrors for commercial vehicles, and successfully completed preparations for pre-research and mass production project development.

## **Detachable After-market Instrument Cluster Display**

The first mass-produced independent instrument product uses pogo pin (pluggable spring pin connector) connection method for plug-and-play, which perfectly solves the functional needs of end customers for instrument display. At present, it has been designated as a customer project for mass production (2024). At the same time, many car manufacturers are docking similar products and developing a new product type.

Automotive independent instruments (including SOC), dual-screen independent instrument projects, brand-new UI/UE design, and systematic design to meet customers' multi-language and multi-theme needs. In the project, new work contents such as actual vehicle testing and production line production calibration were completed, laying a technical foundation for the subsequent development and production of complex controller systems. Customer orders have been obtained and mass production is planned in 2025.

The self-developed rotating structure assembly will be suitable for ceiling screen projects and back seat screen projects, further enhancing the comprehensive capabilities.

The back screen rotation technology has been put into mass production in the assembly project (2024).

We have rotating structure ceiling screen project awarded in car manufacturers, which will be mass-produced in 2025.



## **IMPORTANT EVENT AFTER THE YEAR ENDED 31 DECEMBER 2024**

The Group had no material events for disclosure subsequent to 31 December 2024 and up to the date of this announcement.

### **ACKNOWLEDGEMENT**

During the year under review, the Group has achieved higher growth in revenue through successful implementation of our strategy. 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, 26 March 2025**

## **REVIEW OF OPERATIONS**

### **REVENUE BY LOCATION OF SOURCING DECISION OF CUSTOMERS**

#### **THE PRC**

During the year under review, based on the location of sourcing decision of customers, the PRC generated revenue of HK\$8,350 million, representing an increase of approximately 35% as compared with that in 2023. Approximately 62% of the Group's total revenue was sourced from this region and mainly from automotive display business.

The year 2024 presents both challenges and opportunities. The escalation of conflict has heightened tensions in the international political landscape, while leadership changes in advanced economies have introduced instability to the PRC's economic development and the NEV industry. Nevertheless, thanks to the PRC government's targeted initiatives to stimulate consumer demand and enhance economic structure, the PRC's GDP recorded a growth rate of 5% in 2024, surpassing expectations and highlighting the sustainability of the country's economic growth.

The NEV sector is a key priority within the 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. According to 2024 data from CAAM, automobile production and sales in the PRC increased by 3.7% and 4.5%, reaching 31.3 million and 31.4 million units, respectively. In contrast, NEV production and sales experienced remarkable growth of 34.4% and 35.5%, totalling 12.9 million units each. The automotive industry, particularly NEVs, plays a significant role in driving the PRC's industrial and economic growth.

The NEV sector has emerged as an unstoppable trend within the automotive industry. CAAM forecasts that the overall sales volume of NEVs will sustain robust growth, with an anticipated increase of approximately 24% in 2025. We have strategically seized this opportunity. 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 year, the Group has successfully increased revenue across various TFT and touch panel display modules. Additionally, we partnered with a major automotive manufacturer to launch a 45-inch automotive display for its new NEV flagship model, 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 China, 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.

As the PRC's penetration rate of NEV surpasses 50% by the end of 2024, the NEV industry has officially entered the second phase of the automotive sector's transformation, characterized by "intelligentization". In this context, we will witness a shift among car manufacturers moving from the growth phase to a competitive environment where only a few will prevail during this period of intelligence-focused evolution.

As a supplier of NEV manufacturers, the Group works with our NEV business partners to empower their growth and remain competitive. With the immense business opportunities brought by the growth of demand of NEV and the demand for larger and more advanced display and the sustainable renewal of automotive, we have prepared the new TFT and touch panel display modules manufacturing facilities in the Chengdu Plant to greet the needs, the Chengdu Plant further strengthens the production and supply capacity of the Group. We collaborate closely with the PRC's leading automotive companies to optimize product dimensions and promote platform-based, standardized offerings to achieve optimal cost performance. Concurrently, we have progressively enhanced our personnel, technology, and quality process systems. Through these efforts, we have consistently improved product quality and technical capabilities, increased factory operational efficiency, and elevated our services, resulting in a significant transition from existing standards to excellence.

Due to the keen competition, it will be more challenging for the leading PRC automotive manufacturers to maintain significant growth rate in the PRC market. To achieve breakthrough in the growth rate, overseas markets will be a critical option for the leading PRC automotive manufacturers. Thought facing certain challenges such as insufficient NEV charging network, immature distribution channel for PRC NEV manufacturers and unstable political pressure from foreign governments, the PRC automotive manufactures have improved much in cost performance ratio, product uniqueness, product design and product quality, and are becoming more welcomed by overseas customers, the PRC NEV manufacturers have increased their footprints across the globe with higher global sales. With strong customer relationship and excellent product quality, the Group believes the

orders from overseas regions will have notable growth.

## **EUROPE**

During the year under review, revenue of HK\$2,444 million was generated from the display business in Europe based on the location of sourcing decision of customers, which represented a decrease of approximately 4% as compared with 2023. The European region contributed approximately 18% of the total revenue for the Group in the year under review.

The decrease was hindered by geopolitical conflict, inflation, energy crisis, downturn of global economy, and high interest rate.

Under the changing market environment, our sales team in Europe has been working diligently to capture the business opportunities emerged from new demand, such as cyber security, privacy, safety and sustainability, and putting effort to maintain strong relationship with our customers. During the year, the Group optimized features of our system products, and successfully won orders about cyber security and virtual screens. The Group will keep endeavour to explore the potential market of system business.

During the year, the Group also explored business opportunities from high potential industrial customers in Europe, and successfully won orders and opportunities from new energy transportation and aviation industry.

With the commencement of production for specific projects in 2025, we anticipate material revenue growth from the European market.

## **AMERICA**

Under the year under review, America generated revenue of HK\$838 million based on the location of sourcing decision of customers, contributing approximately 6% to the total revenue of the Group. The revenue has increased by approximately 47% as compared with that of 2023.

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 2024. The Group has been striving to grasp the NEV trend to promote our products to existing and new customers. In 2024, we participated in CES in America for the third 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 Middle 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 year, revenue generated from Japan based on the location of sourcing decision of customers was HK\$1,157 million, representing an increase of approximately 50% from that of 2023. Japan accounted for approximately 9% of the Group's revenue.

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 2024. Leveraging the long experience for serving leading automotive customers and the strong relationship obtained, the Group continued to win orders from leading automotive manufacturers in both TFT display and monochrome display modules.

The Group is committed to promoting our new oxide display modules and system solutions to both current and potential customers, recognizing the potential for growth. Additionally, 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 customer's plans to expand production capacity in the PRC, we believe there is significant potential for revenue growth from the Japanese customers.

## **KOREA**

During the year, revenue generated from Korea based on the location of sourcing decision of customers was HK\$376 million, representing an increase of approximately 24% from that of 2023. Korea accounted for approximately 3% of the Group's revenue.

Revenue from Korea was mainly derived from automotive display business. The increase in revenue during the year was mainly due to the mass production of orders we obtained in previous years. Korea will 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, local automotive manufacturers are planning to introduce more affordable NEV models, while major companies are ramping up their investments in charging infrastructure. These initiatives are expected to enhance the appeal of NEVs and accelerate the development of the necessary supporting infrastructure, indicating a positive outlook for NEV adoption in the Korean market going forward.

## Consolidated statement of profit or loss

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	4	<b>13,448,506</b>	10,760,416
Other operating income, net	5	<b>199,046</b>	174,215
Change in inventories of finished goods and work in progress		<b>(279,040)</b>	549,090
Raw materials and consumables used		<b>(10,899,226)</b>	(9,307,367)
Staff costs		<b>(1,116,425)</b>	(938,819)
Depreciation		<b>(244,301)</b>	(202,110)
Other operating expenses	6(c)	<b>(671,107)</b>	(465,702)
<b>Profit from operations</b>		<b>437,453</b>	569,723
Finance costs	6(a)	<b>(15,362)</b>	(25,220)
Share of losses of associates		-	(4,471)
<b>Profit before taxation</b>	6	<b>422,091</b>	540,032
Income tax	7	<b>(20,506)</b>	(58,951)
<b>Profit for the year</b>		<b>401,585</b>	481,081
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>391,282</b>	475,260
Non-controlling interests		<b>10,303</b>	5,821
		<b>401,585</b>	481,081
<b>Dividends</b>	8		
Final dividend proposed after the end of the reporting period		<b>134,568</b>	150,399
<b>Earnings per share for profit attributable to equity shareholders of the Company (in HK cents)</b>	9		
Basic		<b>49.6 cents</b>	60.4 cents
Diluted		<b>49.5 cents</b>	60.2 cents

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
<b>Profit for the year</b>	<u>401,585</u>	<u>481,081</u>
<b>Other comprehensive income for the year (after tax and reclassification adjustments):</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
- Exchange translation adjustments: net movement in exchange reserve	<u>(65,343)</u>	<u>(26,894)</u>
<b>Total comprehensive income for the year</b>	<u>336,242</u>	<u>454,187</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	327,149	449,146
Non-controlling interests	<u>9,093</u>	<u>5,041</u>
	<u>336,242</u>	<u>454,187</u>



## Consolidated statement of financial position

At 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,060,385	1,759,580
Intangible assets		29,428	25,061
Other financial assets		40,186	41,897
Non-current deposits and prepayments		38,822	101,264
Restricted bank deposits		41,101	-
Deferred tax assets		59,718	8,843
		<u>2,269,640</u>	<u>1,936,645</u>
<b>Current assets</b>			
Inventories		1,778,379	1,947,101
Trade and other receivables, deposits and prepayments and other contract costs	10	3,325,957	2,555,501
Amounts due from associates		-	12,220
Other financial assets		389,759	15,405
Current tax recoverable		9,923	10,354
Fixed deposits with more than three months to maturity when placed		843,817	-
Restricted bank deposits		147,326	55,884
Cash and cash equivalents		2,700,141	3,500,760
		<u>9,195,302</u>	<u>8,097,225</u>
<b>Current liabilities</b>			
Trade and other payables	11	6,228,142	4,738,130
Lease liabilities		14,793	8,159
Current tax payable		23,272	13,925
Bank loans		205,322	236,439
Deferred income		28,072	26,138
		<u>6,499,601</u>	<u>5,022,791</u>

**Consolidated statement of financial position (continued)***At 31 December 2024*

	2024 HK\$'000	2023 HK\$'000
<b>Net current assets</b>	<u>2,695,701</u>	<u>3,074,434</u>
<b>Total assets less current liabilities</b>	<u>4,965,341</u>	<u>5,011,079</u>
<b>Non-current liabilities</b>		
Lease liabilities	20,113	13,907
Deferred tax liabilities	2,448	3,468
Deferred income	171,821	200,496
Bank loans	<u>170,464</u>	<u>383,497</u>
	<u>364,846</u>	<u>601,368</u>
<b>NET ASSETS</b>	<u>4,600,495</u>	<u>4,409,711</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	197,894	197,894
Reserves	<u>4,337,392</u>	<u>4,155,701</u>
Total equity attributable to equity shareholders of the Company	4,535,286	4,353,595
Non-controlling interests	<u>65,209</u>	<u>56,116</u>
<b>TOTAL EQUITY</b>	<u>4,600,495</u>	<u>4,409,711</u>

## **Notes:**

### **1. General**

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

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

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

### **2. Basis of preparation**

The final results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2024 but are extracted therefrom.

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

The accounting policies used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended 31 December 2023, except for the adoption of all new and revised HKFRSs that are first effective for accounting periods beginning on or after 1 January 2024 (see note 3).

### **3. Changes in accounting standards and its application**

The Group has applied the following amendments to HKFRS issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of

liabilities as current or non-current and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants

- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### **4. Revenue and segment reporting**

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

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

##### **(a) Operating segment results**

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

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

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

## (b) Geographic information

The following tables set out information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment and intangible assets ("specified non-current assets"). The geographical location is based on the location 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.

In the current financial year, the Group has changed its presentation of revenue geographic information from "Revenue by Delivery Locations" to "Revenue by Location of Sourcing Decision of Customers" 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.

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000 (Restated)
The PRC (place of domicile)	<u>8,349,868</u>	<u>6,173,725</u>
Europe	2,444,354	2,536,252
America	837,619	570,322
Japan	1,156,877	772,530
Korea	375,989	304,053
Others	<u>283,799</u>	<u>403,534</u>
	<u>5,098,638</u>	<u>4,586,691</u>
Consolidated revenue	<u>13,448,506</u>	<u>10,760,416</u>

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
The PRC (place of domicile)	2,074,262	1,765,921
Others	<u>15,551</u>	<u>18,720</u>
	<u>2,089,813</u>	<u>1,784,641</u>

## 5. Other operating income, net

	2024 HK\$'000	2023 HK\$'000
Changes in fair value of non-current other financial assets	(1,377)	(716)
Government grants (note)	34,617	71,607
Interest income on financial assets measured at amortised cost	115,440	93,282
Net gain on current other financial assets measured at fair value through profit or loss	9,721	-
Net exchange loss	(1,628)	(4,522)
Net gain on disposal of property, plant and equipment	535	1,708
Rental receivable from operating leases	25	4,212
Gain on disposal of investments in associates	26,765	-
Other income	14,948	8,644
	<u>199,046</u>	<u>174,215</u>

Note: The amount represents the incentives granted by the government to the Group for engaging in research and development of high technology manufacturing and other subsidies of HK\$9,795,000 (2023: HK\$21,835,000), amortisation of government grants received in relation to acquisitions of machineries of HK\$21,224,000 (2023: HK\$48,522,000), incentive related to production of HK\$811,000 (2023: HK\$781,000) and incentives granted in relation to staff retention of HK\$2,787,000 (2023: HK\$469,000). There are no unfulfilled conditions attaching to these government grants.

## 6. Profit before taxation

Profit before taxation is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
(a) <i>Finance costs</i>		
Interest on lease liabilities	1,383	921
Interest on bank borrowings	13,979	24,299
	<u>15,362</u>	<u>25,220</u>

	2024 HK\$'000	2023 HK\$'000
<b>(b) Other items</b>		
Trade receivables and amounts due from associates in respect of:		
- Expected credit loss allowance	10,855	7,298
Cost of inventories	12,290,039	9,620,357
Research and development costs	284,160	236,522
Contributions to defined contribution retirement plans	74,359	64,886
Equity settled share-based payment expenses	13,374	20,385
	<u>                    </u>	<u>                    </u>
<b>(c) Other operating expenses</b>		
Amortisation of intangible assets	4,064	3,153
Auditors' remuneration		
- Audit services	3,232	3,281
- Assurance services	583	586
- Tax and other services	115	31
Bank charges	5,301	3,387
Building management fees	8,726	9,354
Provision of expected credit losses allowance on trade receivables and amounts due from associates	10,855	7,298
Factory consumables, cleaning and security service expenses	62,168	34,340
Freight charges	99,938	73,620
Insurance expenses	6,252	3,640
Legal and professional fees	18,784	10,592
Office expenses	12,651	11,702
Other taxes, surcharge & duties	38,971	23,893
Repair and maintenance	39,787	36,639
Sales, marketing, commission and quality assurance expenses	127,300	61,997
Subcontracting fees	77,771	26,842
Trademark licence fee	14,552	19,305
Travelling and entertainment expenses	41,229	36,612
Utilities expenses	86,273	82,095
Expense related short-term lease	11,127	16,150
Miscellaneous expenses	1,428	1,185
	<u>                    </u>	<u>                    </u>
	<u>671,107</u>	<u>465,702</u>

## 7. Income tax in the consolidated statement of profit or loss

Taxation in the consolidated statement of profit or loss represents:

	2024 HK\$'000	2023 HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	33,456	22,226
Over-provision in respect of prior years	<u>(2,135)</u>	<u>(492)</u>
	<u>31,321</u>	<u>21,734</u>
<b>Current tax – PRC income taxes</b>		
Provision for the year	37,483	23,614
Under-provision in respect of prior years	<u>1,311</u>	<u>9,795</u>
	<u>38,794</u>	<u>33,409</u>
<b>Current tax – Jurisdictions outside Hong Kong and the PRC</b>		
Provision for the year	4,621	6,276
(Over)/under-provision in respect of prior years	<u>(2,509)</u>	<u>1,755</u>
	<u>2,112</u>	<u>8,031</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(51,721)</u>	<u>(4,223)</u>
	<u>20,506</u>	<u>58,951</u>

(i) Hong Kong Profits Tax

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

(ii) PRC income taxes

The Group's operations in the Chinese Mainland are subject to Corporate Income Tax Law of the People Republic of China ("PRC"). The standard Corporate Income



Tax rate is 25%.

Varitronix (Heyuan) Display Technology Limited (“Varitronix Heyuan”), REHEO technology Co. Ltd. (“REHEO”) and Varitronix Automobile Electronics (Huizhou) Co., Ltd (“Varitronix Huizhou”), subsidiaries of the Group, were designated as high and new technology enterprise, which qualified for a reduced Corporate Income Tax rate of 15%. Chengdu BOE Automotive Display Technology Co., Ltd. (“Chengdu Automotive”), subsidiary of the Group was entitled to preferential tax policy of the western development and was subject to the preferential Corporate Income Tax rate of 15%. Accordingly, the Varitronix Heyuan, REHEO, Varitronix Huizhou and Chengdu Automotive’s applicable tax rate are 15% for the periods ended 31 December 2024 and 2023.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, Varitronix Heyuan and Chengdu Automotive was entitled to the bonus deduction of its certain research and development costs incurred as tax deductible expenses when determining its assessable profits for the years ended 31 December 2024 and 2023. The Group made their best estimate for the bonus deduction to be claimed for Varitronix Heyuan in ascertaining its assessable profits for the years ended 31 December 2024 and 2023.

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

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

(iii) Jurisdictions outside Hong Kong and the Chinese Mainland

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

## 8. Dividends

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

	<i>2024</i> <b>HK\$’000</b>	<i>2023</i> <b>HK\$’000</b>
Final dividend proposed after the end of reporting period of 17.0 HK cents (2023: 19.0 HK cents) per share	<u><b>134,568</b></u>	<u><b>150,399</b></u>

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

The proposed final dividend for the year ended 31 December 2024 is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

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

	<i>2024</i> HK\$'000	<i>2023</i> HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 19.0 HK cents (2023: 23.0 HK cent) per share	<u>149,660</u>	<u>180,964</u>

**9. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the consolidated profit attributable to ordinary equity shareholders of the Company of HK\$391,282,000 (2023: HK\$475,260,000) and the weighted average of 788,571,961 ordinary shares (2023: 786,365,101 ordinary shares) in issue during the year, calculated as follows:

**Weighted average number of ordinary shares**

	<i>2024</i>	<i>2023</i>
Issued ordinary shares at 31 December	<u>788,571,961</u>	<u>786,365,101</u>

## (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\$391,282,000 (2023: HK\$475,260,000) and the weighted average of 790,536,366 ordinary shares (2023: 788,953,698 ordinary shares), calculated as follows:

### Weighted average number of ordinary shares (diluted)

	<i>2024</i>	<i>2023</i>
Weighted average number of ordinary shares at 31 December	<b>788,571,961</b>	786,365,101
Effect of deemed issue of share under Company's share option scheme for nil consideration	-	67,855
Effect of Share Award Plan	<b>1,964,405</b>	2,520,742
Weighted average number of ordinary shares (diluted) at 31 December	<b>790,536,366</b>	788,953,698

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

As at the end of the reporting period, the aging analysis of trade debtors and bills receivables (which are included in trade and other receivables, deposits and prepayments and other contract costs), based on the invoice date and net of loss allowance of HK\$54,955,000 (2023: HK\$44,100,000), is as follows:

	<i>2024</i>	<i>2023</i>
	<b>HK\$'000</b>	HK\$'000
Within 60 days of the invoice issue date	<b>2,140,687</b>	1,482,570
61 to 90 days after the invoice issue date	<b>435,973</b>	378,849
91 to 120 days after the invoice issue date	<b>183,870</b>	255,079
More than 120 days but less than 12 months after the invoice issue date	<b>135,036</b>	94,903
	<b>2,895,566</b>	2,211,401

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

## 11. Trade and other payables

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

	<i>2024</i> <b>HK\$'000</b>	<i>2023</i> HK\$'000
Within 60 days of supplier invoice date	<b>4,386,214</b>	3,242,495
61 to 120 days after supplier invoice date	<b>477,513</b>	377,646
More than 120 days but within 12 months after supplier invoice date	<b>297,842</b>	131,089
More than 12 months after supplier invoice date	<b>205,657</b>	56,951
	<b><u>5,367,226</u></b>	<u>3,808,181</u>

## 12. Commitments

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

	<i>2024</i> <b>HK\$'000</b>	<i>2023</i> HK\$'000
Contracted for	<b><u>203,666</u></b>	<u>346,202</u>

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

## 13. Contingent liabilities

As at 31 December 2024, the Group has no material contingent liabilities (31 December 2023: Nil).

## DIVIDEND

The Board has recommended declaring a final dividend of 17.0 HK cents (2023: 19.0 HK cents) per share, representing a total of 17.0 HK cents (2023: 19.0 HK cents) per share for the year ended 2024. The Group has no change in its dividend policy.

## ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Wednesday, 25 June 2025. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 19 June 2025 to Wednesday, 25 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited ("Computershare"), of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 18 June 2025.

Subject to the shareholders approving the recommended final dividend at the AGM of the Company, such dividend will be payable on or around Friday, 18 July 2025 to shareholders whose names appear on the register of members of the Company on Friday, 11 July 2025. To determine eligibility for the final dividend, the register of members of the Company will be closed from Tuesday, 8 July 2025 to Friday, 11 July 2025 (both days inclusive), during which period no shares can be registered. In order to qualify for the aforementioned final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Computershare, of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 7 July 2025.

## **OTHER INFORMATION**

### **Staff**

As at 31 December 2024, the Group employed 7,393 staff around the world, of whom 124 were in Hong Kong, 7,210 were in the People's Republic of China (the "PRC") and 59 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 strive to improve human resources efficiency and corporate governance capabilities, arrange sufficient human resources, provides different training and development programmes to attract, motivate and retain talented staff.

### **Liquidity and Financial Resources**

As at 31 December 2024, the total equity of the Group was HK\$4,600 million (2023:

HK\$4,410 million). The Group's current ratio, being the proportion of total current assets against total current liabilities, was 1.41 as at 31 December 2024 (2023: 1.61).

At the year end, the Group held a liquid portfolio of HK\$4,122 million (2023: HK\$3,572 million) of which HK\$3,544 million (2023: HK\$3,501 million) was in cash and fixed deposits balance, HK\$390 million (2023: HK\$15 million) was in current other financial assets, HK\$188 million (2023: HK\$56 million) was in restricted bank deposits. At the year end, the Group had the bank borrowings balance of HK\$376 million (2023: HK\$620 million). The carrying amounts of bank borrowings are denominated in Renminbi. The Group's gearing ratio (bank borrowings over net assets) was approximately 8.2% as at 31 December 2024 (2023: 14.1%).

The Group's inventory turnover ratio (cost of inventories over average inventories balance) for the year was 7 times (2023: 5 times). Debtor turnover days (average trade receivables over revenue times 365) for the year was 69 days (2023: 72 days).

### **Foreign Currency and Interest Rate Exposure**

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Euros, Japanese Yen and Renminbi.

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

As of 31 December 2024, the bank borrowings of the Group are with fixed and floating interest rate, where the balance are HK\$30 million and HK\$346 million respectively (as of 31 December 2023: HK\$443 million and HK\$177 million respectively). The Group will monitor interest rate movements and consider appropriate measures when arrange bank borrowings with floating rates.

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

During the year ended 31 December 2024, the trustee of the Company's share award plan (adopted on 28 August 2020) (the "Share Award Plan") purchased 1,800,000 shares of the Company (representing 0.23%\* of the issued share capital of the Company) on the Stock Exchange at a total consideration of approximately HK\$9,172,000 (including purchase price of HK\$9,153,000 and transaction costs of HK\$19,000). Total accumulated number of shares of the Company purchased is 14,173,000 (representing 1.79%\* of the issued shares capital of the Company) under the Share Award Plan.

During the year ended 31 December 2024, a total of 2,047,000 awarded shares

(representing 0.26%\* of the issued shares capital of the Company) were granted to certain selected participants, comprising of 5 Directors and certain employees of the Group on 22 March 2024, pursuant to the Share Award Plan.

As at 31 December 2024, after deducting the 2,047,000 awarded shares granted on 22 March 2024, the total number of awarded shares that can be granted was 2,407,100 (representing 0.30%\* of the issued share capital of the Company) based on the accumulated number of shares of the Company purchased in so far and was 61,587,520 (representing 7.78%\* of the issued share capital of the Company) based on the maximum number of awarded shares that can be granted at the adoption date (excluding treasury shares).

Other than the aforesaid, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

\* Calculated based on the Company's total number of issued share capital of 791,575,204 shares as at 31 December 2024.

## **CORPORATE GOVERNANCE**

In the opinion of the Directors, the Company has complied with the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the year ended 31 December 2024, other than as summarised as below.

Code provision C.1.6 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 special general meeting ("SGM") of the Company held on 21 November 2024 due to other business arrangements.

Apart from code provision F.2.2 stipulates that the chairman of the board should attend the annual general meeting, Mr. Gao Wenbao, the Chairman of the Board, was unable to attend the SGM due to other business arrangements. Mr. Su Ning was appointed to chair the SGM and address any questions raised. Given his extensive knowledge of the Group's business, he was considered a suitable candidate to act as the chairman in the absence of Mr. Gao.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

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

## **AUDIT COMMITTEE**

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

The AC has reviewed with management the accounting principles, estimates and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including the review of the final results for the year ended 31 December 2024 of the Company now reported on.

## **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 announcement. There are more than half of the members are independent non-executive Directors.

## **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 announcement. Among those members of the NC, more than half of the members are independent non-executive Directors.

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



## **INVESTMENT COMMITTEE**

The Investment Committee of the Company (the “IC”) is established to source, review (including exit) and select appropriate investment projects to achieve the Group’s advancement and transformation strategy. The IC 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 announcement.

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

## **SCOPE OF WORK OF THE COMPANY’S AUDITORS**

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND THE ANNUAL REPORT**

This announcement has been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.boevx.com](http://www.boevx.com)). The Company’s annual report for the year ended 31 December 2024 will be despatched to the shareholders of the Company who have elected to receive printed copies and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**BOE Varitronix Limited**  
**Gao Wenbao**  
Chairman

Hong Kong, 26 March 2025

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