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

**CONTINUING CONNECTED TRANSACTION –
THE RENEWED MASTER SUBCONTRACTING AGREEMENT**

Given that the Master Subcontracting Agreement has expired on 31 December 2024 and the Company anticipates that it would continue to provide subcontracting services to the Purchasers in the future. On 30 May 2025 (after trading hours), the Company and the Purchasers entered into the Renewed Master Subcontracting Agreement, pursuant to which the Company has agreed to provide subcontracting services of manufacturing TFT/TP modules and other products on a non-exclusive basis to the Purchasers, for a term from 30 May 2025 to 31 December 2027. (both days inclusive).

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is a substantial shareholder of the Company holding approximately 53.02% of the issued share capital of the Company as at the date of this announcement. Each of the Purchasers is a subsidiary of BOE and an associate of BOE(HK) and is thus a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Renewed Master Subcontracting Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

INTRODUCTION

Reference is made to the announcement of the Company dated 29 April 2022 in relation to the Master Subcontracting Agreement.

Given that the Master Subcontracting Agreement has expired on 31 December 2024 and the Company anticipates that it would continue to provide subcontracting services to the Purchasers in the future. On 30 May 2025 (after trading hours), the Company and the Purchasers entered into the Renewed Master Subcontracting Agreement, pursuant to which the Company has agreed to provide subcontracting services of manufacturing TFT/TP modules and other products on a non-exclusive basis to the Purchasers, for a term from 30 May 2025 to 31 December 2027 (both days inclusive).

RENEWED MASTER SUBCONTRACTING AGREEMENT

The principal terms of the Renewed Master Subcontracting Agreement are as follows:

Date

30 May 2025 (after trading hours)

Parties

- (i) the Company; and
- (ii) the Purchasers

Subject

The Group has agreed to provide subcontracting services of manufacturing TFT/TP modules and other products on a non-exclusive basis to the Purchasers, for a term from 30 May 2025 to 31 December 2027. For the avoidance of doubt, the Group is not contractually bound to provide the subcontracting services to the Purchasers which is free to provide the subcontracting services to any other independent third-party customers during the term of the Renewed Master Subcontracting Agreement.

The Purchasers may provide major components and materials to the Company. The Group will further process and assemble the components and materials to manufacture TFT/TP modules and other products in accordance with the design and specifications provided by the Purchasers.

The Company shall procure members of the Group to enter into separate and definite agreement(s) from time to time with the Purchasers which would provide, among others, the exact quantity, specifications and quality requirement of the TFT/TP modules and other products, place and date of delivery, processing fee per unit and payment terms, pursuant to the terms of the Renewed Master Subcontracting Agreement.

Pricing Policy

The terms of subcontracting services include the processing service fee, the cost of the materials which are provided by the Company, the packaging fee (including the usage fee of the recycled packaging material), the inspection fee, the transportation fee, the after-sale service, the insurance fee, the storage fee and etc. which receivable by the Company from the Purchasers.

The Company shall charge the Purchasers the processing fee on a “cost-plus” basis, which will be determined based on the costs incurred by the Company (including, among others, labour , material, power, utilities, land and equipment depreciation, transportation, inspection insurance, administrative expenses and etc.) with respect to the provision of the subcontracting services plus a profit margin.

It is not commercially practical for the Company to agree with the Purchasers on a pre-determined range of profit margins as it is an industry practice in the automotive and industrial display business that the pricing conditions of each transaction are typically determined at the time of the transaction with reference to, among other factors, the scale and complexity of the manufacturing process (taking into account the specifications requirement, the nature and scope of works to be performed, the estimated time required to complete the works, the availability of skilled staff, the availability of relevant materials).

The terms of the above will be on normal commercial terms and determined between the Company and the Purchasers on an arm’s length basis. The terms of the subcontracting services between the Company and the Purchasers shall be no less favourable than those with independent third parties under the same terms and conditions. The exact pricing of each order shall be subject to each agreement.

Payment Terms

The Purchasers shall settle the processing fee to the Company within 60 days from the last day of each calendar month in respect of the TFT/TP modules and other products delivered during that calendar month.

Term

The Renewed Master Subcontracting Agreement will become effective on 30 May 2025 and expire on 31 December 2027 (both days inclusive).

HISTORICAL FIGURES AND PROPOSED SUBCONTRACTING ANNUAL CAP

The table below sets out (1) the historical transaction figure of the Subcontracting Transactions for the three years ended 31 December 2022, 2023 and 2024; and (2) the previous annual caps for the Subcontracting Transactions for the three years ending 31 December 2022, 2023 and 2024.

<i>(in HK\$ '000)</i>	Actual transaction amount			Previous annual caps		
	For the year ended 31 December			For the year ended 31 December		
	2022	2023	2024	2022	2023	2024
Subcontracting Transactions	8,127	3,666	994	60,000	85,000	120,000

*From 1 January 2025 to the date of this announcement, the actual amount of the subcontracting transactions conducted between the Purchasers and the Company and its subsidiaries is approximately HK\$0.61 million and none of the applicable percentage ratios calculated based on this amount exceeds 0.1% and as such, these transactions are exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The table below sets out the Subcontracting Annual Caps for the period from 30 May 2025 to 31 December 2025 and for the two years ending 31 December 2026 and 2027.

<i>(in HK\$ '000)</i>	Subcontracting Annual caps		
	For the period	For the year	For the year
	from 30 May	ending 31	ending 31
	2025 to 31	December 2026	December 2027
	December 2025		
Subcontracting Transactions	52,000	76,000	79,000

The Subcontracting Annual Caps were determined by the Group after taking into account, among others, the following matters:

- (i) the estimated market price of the Subcontracting Transactions;
- (ii) estimated demand on the Subcontracting Transactions for the year ending 31 December 2025, 2026 and 2027 taking into account the anticipated increase in the scale and business operation of the Purchasers; and

(iii) an additional buffer of approximately 5%.

REASONS FOR AND BENEFITS OF THE SUBCONTRACTING TRANSACTIONS

The Group is principally engaged in the automotive and industrial display business and has monochrome display manufacturing capacity and TFT and TP display module assembly capacity, while the BOE Group is a leading supplier of semiconductor display technologies, products and services. As part of ordinary and usual course of business, the Group provides subcontracting services to the Purchasers, could allow stable processing for the Purchasers which shall resell the products to ultimate customers all over the world.

The Board considers that the Subcontracting Transactions could provide benefits to the Group, among others, (i) generating additional revenue to the Group; (ii) utilising our production facilities more efficiently; (iii) allowing the Group to keep up-to-date knowledge to the development of technology and the industry; and (iv) allowing the Group to meet the production and quality requirement of the ultimate customers, and has a better chance to be a qualified supplier of them for other products and increase our market share and revenue in future.

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

INTERNAL CONTROL

Before entering into any agreement in respect of the Subcontracting Transactions, the sales and marketing department of the Group compares the principal terms of the Purchasers' processing fee receivable by the Group with that of independent customers and ensure the major terms received by the Group, the pricing policies are fair and reasonable and no less favourable than the terms available to the Group from independent customers. The senior management of the sales and marketing department of the Group will conduct regular checks on a monthly basis to review and assess whether the Subcontracting Transactions are conducted in accordance with the terms of the Renewed Master Subcontracting Agreement.

The finance department of the Group shall monitor and ensure the Subcontracting Annual Caps are not exceeded. The internal audit department of the Group shall review that the Subcontracting

Transactions are and will be conducted in accordance with the terms of the Renewed Master Subcontracting Agreement, and report to the audit committee of the Company semi-annually.

The Company's external auditors will review the Subcontracting Transactions annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant caps have been exceeded.

The Director(s) who are interested in the relevant transaction(s) shall abstain from voting on the Renewed Master Subcontracting Agreement and the Subcontracting Annual Caps for the period from 30 May 2025 to 31 December 2025 and each of the two years ending 31 December 2026 and 2027.

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

INFORMATION ON THE PARTIES

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

BOE, a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000725 for its A shares and stock code: 200725 for its B shares), being the ultimate beneficial owner holding approximately 53.02% of the issued share capital of the Company as at the date of this announcement, is a supplier of semiconductor display technologies, products and services and its products are widely used in a broad spectrum of applications such as mobile phones, tablets, notebooks, monitors, televisions, vehicle displays and digital information displays. BOE is one of the major suppliers of TFT displays in the global market. BOE also has production lines for manufacturing TFT modules mainly for consumer products like phones, tablets, notebook computers, monitors, televisions, vehicle displays and digital information displays. The Group is the sole platform of automotive display module and system business within the BOE Group.

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

Hefei Xinsheng is a wholly-owned subsidiary of BOE and is principally engaged in investment

in construction, research and development, production and sales of TFT-LCD devices related products and their supporting products.

Ordos Yuansheng is a wholly-owned subsidiary of BOE and is principally engaged in manufacture and sales of AM-OLED products and auxiliary products.

LISTING RULES IMPLICATIONS

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

GENERAL

As at the date of this announcement,

- (a) Mr. Gao Wenbao (“**Mr. Gao**”), an executive Director, holds 1,860,700 A shares of BOE, and is currently a director and a vice chairman of the 11th Board of Directors and a member of the strategic committee of BOE Group;
- (b) Mr. Su Ning (“**Mr. Su**”), an executive Director, holds 150,000 A shares of BOE, and is currently a senior vice president of BOE Group;
- (c) Mr. Shao Xibin (“**Mr. Shao**”), a non-executive Director, holds 342,820 A shares of BOE, and is currently the chief new product officer 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 head of LCD product development centre of the mid-desk of the technology and product of the display device and the IoT innovation business of BOE, the deputy head of the mid-desk of the technology and the product mid-desk terminal product and technology development of the display device and the IoT innovation business of BOE;

- (d) Mr. Jin Hao (“**Mr. Jin**”), a non-executive Director, holds 189,750 A shares of BOE, and is currently the deputy person in charge of the mid-desk of the planning and operation of the mid-desk of the display device and the IoT innovation business of BOE, the head of the mid-desk of the production and marketing operation centre of the planning and operation of the mid-desk of the display device and the IoT innovation business of BOE, the team leader of business operation team of the domestic marketing platform area of the front-desk of the display device and the IoT innovation business of BOE; and
- (e) Mr. Meng Chao (“**Mr. Meng**”), a non-executive Director, holds 537,500 A shares of BOE, and is currently the CPIO of the performance management center of the back-desk of BOE (business support system), and the Vice Chief Financial Officer of Chief Financial Officer organisation.

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

DEFINITIONS

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

“associate”	: has the same meaning as ascribed to it under the Listing Rules
“Board”	: the board of Directors
“BOE”	: BOE Technology Group Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000725 for its A shares and stock code: 200725 for its B shares), a company established in the PRC with limited liability
“BOE(HK)”	: BOE Technology (HK) Limited, a company established in Hong Kong with limited liability, a wholly-owned subsidiary of BOE
“BOE Group”	: BOE and its subsidiaries, for the purpose of this announcement, excluding the Group

“Chengdu BOE”	: Chengdu BOE Optoelectronics Technology Co., Ltd.* (成都京東方光電科技有限公司)
“Company”	: BOE Varitronix Limited (stock code: 710), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person”	: has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	: director(s) of the Company
“Group”	: the Company and its subsidiaries
“Hefei Xinsheng”	: Hefei Xinsheng Optoelectronics Technology Co., Ltd.* (合肥鑫晟光電科技有限公司)
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“LCD”	: liquid crystal displays
“Listing Rules”	: the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Subcontracting Agreement”	: the master subcontracting agreement entered into between the Company and the subcontractors dated 29 April 2022 pursuant to which the Group has agreed to provide subcontracting services of manufacturing TFT/TP modules and other products on a non-exclusive basis to the subcontractors, up to 31 December 2024
“Ordos Yuansheng”	: Ordos Yuansheng Optoelectronics Co., Ltd.* (鄂爾多斯市源盛光電有限責任公司)
“PRC”	: the People’s Republic of China (for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan)

“Purchasers”	: collectively, Chengdu BOE, Hefei Xinsheng and Ordos Yuansheng
“Renewed Master Subcontracting Agreement”	: the renewed master subcontracting agreement entered into between the Company and the Purchasers dated 30 May 2025
“Share(s)”	: the ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	: holder(s) of the Share(s)
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Subcontracting Transactions”	: all transactions contemplated under the Master Subcontracting Agreement and the Renewed Master Subcontracting Agreement
“Subcontracting Annual Caps”	: the proposed maximum annual processing fee payable by the Purchasers to the Company for the Subcontracting Transactions
“substantial shareholder”	: has the same meaning ascribed to it under the Listing Rules
“TFT”	: thin film transistor
“TP”	: touch panel
“%”	: per cent

* for identification only

By Order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, dated 30 May 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.