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

CONTINUING CONNECTED TRANSACTION
RENEWAL OF TRADEMARK LICENCE AGREEMENT

RENEWED TRADEMARK LICENCE AGREEMENT

The Existing Trademark Licence Agreement will expire after 31 December 2024. On 30 December 2024, the Company and BOE entered into the Renewed Trademark Licence Agreement, subject to the terms and conditions therein, to extend the terms of the Existing Trademark Licence Agreement to 31 December 2026.

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. BOE is 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 Trademark Licence Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Renewed Trademark License Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Renewed Trademark License Agreement are therefore subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 21 December 2022 in relation to the Continuing Connection Transaction – Trademark Licence Agreement.

The Existing Trademark Licence Agreement will expire after 31 December 2024. On 30 December 2024, the Company and BOE entered into the Renewed Trademark Licence Agreement, subject to the terms and conditions therein, to extend the terms of the Existing Trademark Licence Agreement to 31 December 2026.

THE RENEWED TRADEMARK LICENCE AGREEMENT

On 30 December 2024, the Company and BOE entered into the Renewed Trademark License Agreement pursuant to which BOE agrees to grant the Group the right to use the Trademark in connection with the licensed display products and services of the Group on the following principal terms:

Date : 30 December 2024

Parties : (i) BOE, as licensor
(ii) the Company, as licensee

Use of the Trademark : BOE agrees to grant the Group the right to use the Trademark in connection with (1) the licensed display products and services of the Group, including but not limited to, on surfaces, packaging, manuals, transaction documents and brochure of the products; (2) the brand identity (without specified products), including but not limited to, the use of the internal brand touchpoint (such as the building's logo, interior decoration, corporate office supplies and etc.) and the external brand promotion activities (such as exhibitions, forums, other promotion activities and etc.), and these activities can only use the Trademark for promotion purpose; and (3) as a trade name for a company.

Licence fee : The annual licence fee (tax inclusive) is at 0.5% of the revenue from the principal business less the internal purchases of the Company for the previous year, and less any discount (if applicable).

The rate of the annual licence fee was arrived at after arm's length negotiations between the Company and BOE with reference to (i) the historical transaction rate and proper adjustment; and (ii) the license fee

charged by other licensors for similar transactions and the prevailing market conditions.

Term : A term from 1 January 2025 to 31 December 2026, both days inclusive.

Payment : BOE issues a notice of the annual licence fee to the Company every year, and the Company or its subsidiaries shall pay the annual licence fee within 60 days of receiving the notice.

HISTORICAL FIGURES AND ANNUAL CAPS

The existing annual caps and historical actual transaction amounts under the Existing Trademark Licence Agreement for the years in 2023 and 2024 are as follows:

	For the year ended 31 December 2023 (audited) (HK\$ million)	For the year ending 31 December 2024 (unaudited) (HK\$ million)
Actual transaction amounts	19.3	24.3*
Existing annual caps	30	65

* This amount represents actual transaction amounts for the 11 months ended 30 November 2024 which is extracted from the Company's management account up to 30 November 2024. Based on the management assessment on the utilization of the existing annual cap, it is expected that the existing annual cap of HK\$65 million for the transactions contemplated under the Existing Trademark Licence Agreement, will not be exceeded for the year ending 31 December 2024.

The Annual Caps for each of the years ending 31 December 2025 and 2026 are HK\$40.0 million and HK\$47.0 million respectively.

The Annual Caps are arrived at after taking into account (i) the historical and projection of the financial performance of the Company; (ii) the anticipated revenue from the principal business less the internal purchases of the Company of the years ending 31 December 2024 and 2025; and (iii) the arm's length negotiation between the Company and BOE.

Shareholders are reminded that the Annual Caps are the best estimates made by the Company on the maximum annual transaction amounts based on the currently available information possessed by the Company. There are no direct correlation and shall not be construed as to have any direct correlation between the Annual Caps and the financial performance or potential financial

performance of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED TRADEMARK LICENSE AGREEMENT

Since 2017, the Company has been adopting the Trademark for all its corporate promotions, products and other business activities in relation to the display business. As the Trademark has been widely adopted in all the businesses and activities managed and operated by the Company and are generally known and recognised by the public, the Trademark has become an important means of promoting the Company's brand and image and a key icon in all of the Company's external promotion and marketing activities. The continual use of the Trademark will ensure the continuity of promoting the brand and image of the Company, thereby ensuring that the services and businesses of the Company will be well recognised by the public. This will also enhance the Company's long-term competitiveness and efficiency in communication.

The above advantage has also brought us to reach ever higher revenue with our customers' high recognition of BOE Group's competitive edges, such as its panel research, automated manufacturing process, quality, marketing network and so on. The advantage was demonstrated by the Group's fast growth in revenue of which our revenue increased from approximately HK\$2,879 million in 2017 to approximately HK\$10,760 million in 2023 with a compound annual growth rate of 24.6%. The revenue for first half 2024 was approximately HK\$6,157 million, with a growth of approximately 18.2% compared to that the same period last year.

The Directors (including the independent non-executive Directors) are of the view that (i) the Renewed Trademark Licence Agreement is entered into the ordinary and usual course of business of the Group; (ii) the terms of the Renewed Trademark Licence Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and on normal commercial terms or better; and (iii) the Renewed Trademark Licence Agreement is in the interests of the Company and the Shareholders as a whole. In view of the above, the Company entered into the Renewed Trademark License Agreement to continue to use the Trademark.

INTERNAL CONTROL

For the transactions contemplated under the Renewed Trademark Licence Agreement, the Company has adopted the following internal control measures to safeguard the interests of the Company:

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

the Renewed Trademark Licence Agreement are conducted in accordance with the terms of the Renewed Trademark Licence Agreement, and report to the audit committee of the Company semi-annually.

The Company's external auditors will review the transactions contemplated under the Renewed Trademark Licence Agreement annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded.

The Director(s) who are interested in the transaction(s) shall abstain from voting on the Renewed Trademark Licence Agreement and the Annual Caps therein for the year of 2025 and 2026.

The Directors consider that the internal control system of the Group is adequate to ensure that the transactions contemplated under the Renewed Trademark Licence 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.

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. BOE is 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 Trademark

Licence Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Renewed Trademark License Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Renewed Trademark License Agreement are therefore subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

- (a) Mr. Gao Wenbao (“**Mr. Gao**”), an executive Director, holds 1,860,700 A shares of BOE, and is currently a director, a president and the vice chairman of the executive committee of the 10th Board of Directors of the BOE Group, and the chairman of Beijing Zhongxiangying Technology Co., Ltd. and other positions. Mr. Gao is also the group president and BOE University principal of the back-desk (business support system) of BOE, and the front-desk head of the display device and the IoT innovation business of BOE;
- (b) Mr. Su Ning (“**Mr. Su**”), an executive Director, holds 150,000 A shares of BOE, and is currently a vice president of the BOE Group;
- (c) Mr. Shao Xibin (“**Mr. Shao**”), a non-executive Director, holds 552,040 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.

In view of the above, Mr. Gao, Mr. Su, Mr. Shao, Mr. Jin and Mr. Meng might be considered having interests in the Renewed Trademark Licence Agreement and the transactions contemplated thereunder (including the Annual Caps), and thus have abstained from voting at the Board meeting approving the Renewed Trademark Licence Agreement and the transactions contemplated thereunder (including the Annual Caps). Save as disclosed above, none of the Directors has a material interest in the Renewed Trademark Licence 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:

- “Annual Caps” : for the purpose of Chapter 14A of the Listing Rules, means the maximum fees payable by the Company to BOE for the two years ending 31 December 2025 and 2026 under the Renewed Trademark Licence Agreement, the details of which are set out in the paragraph headed “Historical Figures and Annual Caps” of this announcement
- “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

“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
“Existing Trademark License Agreement”	: the trademark license agreement entered into between BOE as the licensor and the Company as the licensee dated 21 December 2022 pursuant to which BOE agrees to grant the Group the right to use the Trademark in connection with the licensed display products and services of the Group for a term commencing from 1 January 2023 to 31 December 2024, details of which are set out in the announcement of the Company dated 21 December 2022
“Group”	: the Company and its subsidiaries
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“IoT”	: Internet of Things
“LCD”	: liquid crystal display
“Listing Rules”	: the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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)
“Renewed Trademark Licence Agreement”	: the renewed trademark license agreement entered into between BOE as the licensor and the Company as the licensee dated 30 December 2024 pursuant to which BOE agrees to grant the Group the right to use the Trademark in connection with the licensed display products and services of the Group for a term commencing from 1 January 2025 to 31 December 2026

“Share(s)” : the ordinary share(s) of HK\$0.25 each in the share capital of the Company

“Shareholder(s)” : holder(s) of the Share(s)

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

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

“TFT” : thin film transistor

“Trademark” : the trademark 「京东方」 and 「BOE」

“%” : per cent

By Order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, dated 30 December 2024

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.

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