



**BOE VARITRONIX LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

**BOE Varitronix interim net profit increased by 423% yoy to HK\$95.1 million**

**Highlights of 2021 interim results (As at 30 June 2021, 6 months)**

- ✓ Revenue was HK\$3.2 billion, up 69% year-over-year.
- ✓ Profit attributable to shareholders was HK\$95.1 million, up 423% year-over-year.
- ✓ Basic earnings per share was 12.9 HK cents, compared to 2.5 HK cents in the same period last year.

(27 August 2021, Hong Kong) BOE Varitronix Limited (“BOE Varitronix”, the “Company” and its subsidiaries, the “Group”; Stock Code: 710) is pleased to announce the results for the period ended 30 June 2021.

During the period under review, revenue of HK\$3.2 billion was recorded, an increase of 69% compared to the same period in the previous year. EBITDA of the Group was HK\$174 million, up 93% year-over-year, which accounted for 5.4% of the Group revenue. The Group’s profit attributable to shareholders was HK\$95.1 million, soaring 423% year-over-year. The profit attributable to shareholders ratio rose to 3%, whereas the same period in 2020 was 1%.

The cash position of the Group remains strong during the period. As at 30 June 2021, the cash and fixed deposits balance of the Group was HK\$1.601 billion, compared to HK\$1.635 billion at the end of 2020.

**Business review**

For the period under review, the Group’s business has recovered from the impact of the COVID-19 pandemic emerged in the first half of 2020 and the Group’s automotive display business continued to grow notably from the second half of 2020 and throughout the first half of 2021. The Group’s revenue has increased by 69% compared with the same period of last year. The major growth engine is from the People’s Republic of China (the “PRC”) in which the automotive market has experienced a fast recovery from the impact of the COVID-19 pandemic. The growth was mainly derived from the sales of Thin Film Transistor (“TFT”) modules and touch panel display modules products which contributed by commencement of mass production of new projects being awarded in prior years.

The automotive display business generated revenue of HK\$2.578 billion, an increase of 86% from the same period of 2020. This business represented 81% of the Group’s overall

revenue. The industrial display business generated revenue of HK\$622 million, an increase of 21% from the revenue of HK\$512 million recorded in that same period in 2020. This business represented 19% of the Group's overall revenue.

The Group's automotive display business has recorded a remarkable growth as compared to the same period of last year. The Group's market share in the global automotive market remained at a leading position. As the China's automotive market had a rapid recovery after the COVID-19 pandemic, the market demand has been increasing since the second half of 2020 and throughout the first half of 2021. The revenue from new energy vehicles ("NEV") display in the PRC has also recorded a significant growth during the period as a result of ramp-up of orders from customers. This has benefited from the increasing acceptance of NEV from end users as evidenced by the increasing number of NEV sales in the PRC.

The scheduled commencement of mass production of awarded TFT and touch panel module projects have also contributed to the increase in revenue in the period. The overall average selling price of the PRC market has been increasing since the second half of 2020 due to the shift of product mix to more contribution from touch panel module products and large-sized TFT with high selling price.

### **Business outlook**

The Group's revenue and profit are expected to increase further in the second half of 2021 comparing the first half of 2021. The global shortage of electronic components during the period will still pose an uncertainty to the Group's business in the remainder of the year or even longer. Nevertheless, the Group has been taking various measures to reduce the impact and ensure smooth production and delivery. And the Group has increased the selling price of our products in response to the increase in material and other costs due to the recent global shortage of electronic components, and the effect will be reflected in the second half of 2021.

The Group has been able to establish a strong foothold in the fast-growing PRC automotive market in the past year and will continue to deepen our cooperation with our strategic partners. The Group will put extra efforts in other geographical regions, especially in Europe, to support the trend towards NEV. In view of the positive outlook of the automotive display business and to capture further market share, the Group is considering to expand our TFT and touch panel display module manufacturing facilities in the PRC through joint venture cooperation with BOE Technology Group Co., Ltd, ("the BOE Group") and may involve the acquisition of land and construction of production plant and facilities. The Group considers it is in the best interest of the Group to strengthen our manufacturing capacities in order to cope with the increasing demand in the automotive market.

Following the advancement in autonomous driving technologies, the Group considers it is important to enhance in-vehicle immersive experience for car users and continue to invest in related technologies and product development. The Group aims to become an integrated automobile smart cockpit display system solution provider to capture this future trend. In terms of display quality and experience, large-sized display modules, wide-screen display, AMOLED, the BOE Group's self-developed BD cell display and etc, can greatly improve users' visual experience. For interactive experience, Human Machine Interface ("HMI") is an important element. The Group has been developing technologies like gesture control and

infra-red emission and sensing, 3D touch, naked eye 3D display and also augmented reality head-up display (“AR-HUD”) to enhance HMI experience in the cockpit.

The Group have increased its investment in Shenzhen Jiangcheng Technology Co., Ltd. in the first quarter of 2021 and reached a capital increase agreement to raise additional funding to support the on-going development AR-HUD and HUD related technologies and products. Mass production of an AR-HUD project for a PRC local brand car is scheduled in year 2022. Regarding the development of display system, the Group has allocated a dedicated team to develop display system solution for both the PRC and overseas market. Also, display system solution projects from a leading PRC NEV manufacturer were awarded and mass production will commence in the second half of the year and year 2022.

- The End -

#### About BOE Varitronix Limited

BOEVx (HKEX: 710) provides comprehensive and one-stop solutions and products, including the design, manufacturing and sales of automotive displays, industrial displays, home appliance application displays, and medical product displays. It combines rigorous research and development, innovative product design, flexible specifications and efficient production to maximize customer satisfaction. With focuses on automotive display business and continuously strengthens its own capabilities to become the world's leading smart automotive display and solution provider, providing customers with one-stop services such as automotive integrated display system and smart automotive display system. Through its global sales network, the Company operates businesses in China, Europe, Korea, Japan, America and etc. With years of intensive cultivation of automotive display business and the trust of customers, it has become one of the leading automotive display suppliers and has established strategic cooperation with many well-known and NEV manufacturers. Based on strong foundation in display products and technologies, BOEVx continues to grow and aims to become a leading automotive cockpit display system solution provider.

<https://www.boevx.com>