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BOE VARITRONIX LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

**CONTINUING CONNECTED TRANSACTION
ENTERING INTO THE FRAMEWORK TENANCY AGREEMENT**

On 1 May 2026, the Company entered into the Framework Tenancy Agreement with BOE commencing from 1 May 2026 to 30 April 2029 (both days inclusive).

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is the 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 therefore a connected person of the Company under the Listing Rule. Therefore, the transactions contemplated under the Framework Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Base on the percentage ratio calculated pursuant to Rule 14.07 of the Listing Rule, the Framework Tenancy Agreement and the transactions contemplated thereunder (including its annual caps) are subject to the reporting, announcement and annual review requirements, but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 1 May 2026, the Company and BOE entered into the Framework Tenancy Agreement whereby BOE has agreed to lease the Premises to the Company on the following terms:

Date : 1 May 2026

- Parties : Lessor - BOE
Lessee - the Company
- Premises : The properties owned by BOE and/or its subsidiaries (excluding subsidiaries of the Group unless such subsidiaries are also Connected Subsidiaries under the Listing Rules, in which case such subsidiaries shall be included) as set out in each of the relevant Tenancy and Property Service Agreements.
- Term : from 1 May 2026 to 30 April 2029 (both days inclusive).
- Pricing basis and policy for the rent and property service fees : The parties agreed that the rent and property management fees (including other miscellaneous expenses in relation to the lease of the Premises, if any) in respect of the Premises leased to the Company and/or its subsidiaries shall be determined in accordance with the following principles, to ensure that the relevant pricing terms are fair and reasonable:
- (a) based on the respective interests of the lessor and lessee;
 - (b) with reference to the then prevailing market conditions and at a rate of the rental, market turnover rent ratio and property management fees for similar or comparable premises and/or commercial properties which may be leased by the Company and/or its subsidiaries from independent third parties; and
 - (c) where the similar or comparable premises and/or commercial properties referred to above are not available, with reference to a rate of the rental, market turnover rent ratio and property management fees of premises and/or commercial properties that are of the same grade and that are in the same district.

The rental payment method, payment time and related arrangements shall be subject to each of the relevant Tenancy and Property Service Agreements between BOE and/or its subsidiaries and the Company and/or its subsidiaries.

BOE and/or its subsidiaries and the Company and/or its subsidiaries have entered/or will enter into various Tenancy and Property Service Agreements for the lease of the relevant Premises. The terms and conditions thereof shall comply with that of the Framework Tenancy Agreement.

Annual Caps under the Framework Tenancy Agreement

The transactions contemplated under the Framework Tenancy Agreement are new transactions with BOE, thus no historical transaction figure is available. For the period from 1 May 2026 to 31 December 2026, the financial year ending 31 December 2027 and 31 December 2028, and for the period from 1 January 2029 to 30 April 2029, the annual caps under the Framework Tenancy Agreement are HK\$19.0 million, HK\$15.5 million, HK\$16.0 million and HK\$5.5 million respectively. Such annual caps are determined with reference to: (i) the estimated aggregated annual rental, market turnover rent ratio and property management fees payable under the relevant Tenancy and Property Service Agreements which are estimated to be entered into by BOE and/or its subsidiaries (excluding subsidiaries of the Group unless such subsidiaries are also Connected Subsidiaries under the Listing Rules, in which case such subsidiaries shall be included) and the Company and/or its subsidiaries in accordance with the terms of the Framework Tenancy Agreement; and (ii) allowing a reasonable buffer to cater for possible increases in the number of the lease transaction and in the amount of rental, market turnover rent ratio and property management fees payable.

Reasons for and Benefits of Entering into the Framework Tenancy Agreement

The Group intends to integrate and optimise its existing operational structure and infrastructure configuration by leasing the Premises held by BOE Group. The Board believes that entering into the Framework Tenancy Agreement provides the Group with a reliable and flexible properties resource solution. Given that BOE Group possesses a widely distributed and geographically advantageous diversified property portfolio, this arrangement not only ensures that the Group can obtain high-quality space that meets its production and office needs in a timely manner during its business expansion, but also helps reduce potential disruptions to daily operations caused by unstable property supply or frequent relocation.

By leveraging BOE Group's existing property resources and management capabilities, the Group can obtain the required properties on fair and reasonable terms with reference to independent third-party market leasing levels in similar district, ensuring that relevant arrangements are in the overall interests of the Shareholders. In addition, the above arrangement is highly consistent with the Group's "asset-light" operating strategy, which eliminates the Group's need to bear the huge initial capital expenditure required for the acquisition of properties and related infrastructure construction, thereby optimising the overall capital allocation efficiency. As a result, the Group is able to focus its financial resources on high value-added areas such as technology research and development, production capacity improvement and other core business development, thereby enhancing the Group's competitive advantage in the market and creating sustainable long-term value for the Shareholders.

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

INTERNAL CONTROL

For the transactions contemplated under the Framework Tenancy Agreement, the Company has adopted the following internal control measures to safeguard the interests of the Company:

(a) The Group will follow a series of procedures in selecting the Premises and determining the rentals and terms of the tenancies. When the management of the Group is about to lease the Premises, the operation team of the Group will conduct site visits and source available properties in the selected location. The Group will then collect rental quotations of not less than three shortlisted properties from independent third parties if there are such number of available properties in the selected location. Furthermore, the Group will further assess the rental and obtain comparable information for the determination of terms of tenancy. In the event of the number of shortlisted properties in the selected location is less than three, the Company will assess the fairness and reasonableness of the rental with reference to the comparable information of similar properties in the vicinity such as rental rate per square feet and location, which may include those not meeting into the selection criteria of the Group or unavailable to the Group. Should there be no comparable information available, the Group may engage independent property appraiser to prepare valuation reports; and/ or conduct internal research to assess the valuation. After the operation team of the Group gathers and analyses the aforesaid information of the proposed tenancy, the management of the Group will review and approve the tenancy. With such internal approval, the Tenancy and Property Service Agreements will be entered into between relevant parties;

(b) The senior management of the relevant departments of the Group shall conduct regular checks on a monthly basis to review and assess whether the transactions are conducted in accordance with the terms of the Framework Tenancy Agreement;

(c) The internal audit department of the Group will conduct regular checks to assess whether the rent is determined in accordance with the terms of the Framework Tenancy Agreement. Moreover, the internal audit department of the Group would report its findings to the audit committee of the Company semi-annually;

(d) The finance department of the Group shall monitor and ensure that the annual caps under the Framework Tenancy Agreement are not exceeded on a regular basis. In the event that the actual transaction amount in respect of the transactions conducted pursuant to the Framework Tenancy Agreement is expected to reach the annual caps limit, the finance department of the Group will report it to the management of the Group so that the management of the Group will take appropriate action to ensure compliance with the requirements under the Listing Rules;

(e) The Company's external auditors and the independent non-executive Directors will (i) review the transactions conducted pursuant to the Framework Tenancy Agreement annually; and (ii) check and confirm, among others, whether the rent has been adhered to and whether the relevant annual caps have been exceeded; and

(f) The Director(s) who is interested in the relevant transaction(s) shall abstain from voting on matters related to the Framework Tenancy Agreement and the annual caps.

The Directors consider that the internal control system of the Group is adequate to ensure that the transactions contemplated under the Framework Tenancy 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 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 BOE Group. The ultimate beneficiary of BOE is the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government.

LISTING RULES IMPLICATIONS

BOE(HK), a wholly-owned subsidiary of BOE, is the 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 therefore a connected person of the Company under the Listing Rule. Therefore, the transactions contemplated under the Framework Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Base on the percentage ratio calculated pursuant to Rule 14.07 of the Listing Rule, the Framework Tenancy Agreement and the transactions contemplated thereunder (including its annual caps) are subject to the reporting, announcement and annual review requirements, but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement,

(a) Mr. Su Ning (“Mr. Su”), an executive Director, holds 150,000 A shares of BOE, and is currently a senior vice president of BOE;

(b) Mr. Shao Xibin (“Mr. Shao”), a non-executive Director, holds 342,820 A shares of BOE, and is currently the deputy person in charge of the mid-desk of the technology and product of the mid-desk of the display device and the IoT innovation business of BOE, the person in charge of the mid-desk of the technology and the product mid-desk terminal product and technology development of the display device and the IoT innovation business of BOE, senior vice president and co-chief technology officer of BOE;

(c) 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; and

(d) Mr. Liu Jing (“Mr. Liu”), a non-executive Director, holds 425,920 A shares of BOE, and is currently a member of the executive committee, a senior vice president and the head of the front-desk of the display device and IoT innovation business of BOE.

Mr. Su, Mr. Shao, Mr. Meng and Mr. Liu presented at the Board meeting were not counted in the quorum and they have abstained from voting at the Board meeting approving the Framework Tenancy Agreement (including its annual caps). Save as disclosed above, none of the Directors has a material interest in the Framework Tenancy 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(s)”	: 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 and affiliates, 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(s)”	: has the same meaning as ascribed to it under the Listing Rules
“Connected Subsidiary(ies)”	: subsidiaries of the Company, of which shares BOE directly or indirectly holds 10% or more not through the Company and its subsidiaries, and that are regarded as connected subsidiaries of the Company under the Listing Rules
“Director(s)”	: director(s) of the Company
“Framework Tenancy Agreement”	: the framework tenancy agreement entered into between the Company and BOE dated 1 May 2026 in respect of the lease of the Premises from 1 May 2026 to 30 April 2029, the particulars of which are disclosed in this announcement
“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
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	: the People’s Republic of China (for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Premises”	: the premises owned by BOE and/or its subsidiaries (excluding subsidiaries of the Group unless such subsidiaries are also Connected Subsidiaries under the Listing Rules, in which case such subsidiaries shall be included) as provided in the relevant Tenancy and

	Property Service Agreements entered into under the Framework Tenancy Agreement
“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 meaning ascribed to it under the Listing Rules
“Tenancy and Property Service Agreements”	: various tenancy and property service agreements (including tenancy agreements and property service agreements that each separately entered into under the Framework Tenancy Agreement) for the lease of the relevant Premises entered into and/or to be entered into by the Company and/or its subsidiaries and BOE and/or its subsidiaries, the terms of which are determined in accordance with those under the Framework Tenancy Agreement (as applicable)
“TFT”	: thin film transistor
“%”	: percentage

By order of the Board
BOE Varitronix Limited
Su Ning
Chairman

Hong Kong, 4 May 2026

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