

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)

2022 FINAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Highlights

HK\$ million	For the year ended 2022	For the year ended 2021
Revenue	10,722	7,738
EBITDA ¹	841	513
Profit Attributable to Shareholders	582.5	327.8
Basic Earnings per Share	78.4 HK cents	45.1 HK cents
Diluted Earnings per Share	77.8 HK cents	44.8 HK cents
Final Dividend per Share	23.0 HK cents	15.0 HK cents
	As of 31 December 2022	As of 31 December 2021
Cash and Fixed Deposits Balance	2,881	2,267

¹ 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.

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 2022.

During the year under review, revenue of HK\$10,722 million was recorded, an increase of 39% when compared with HK\$7,738 million recorded in 2021. EBITDA¹ of the Group was HK\$841 million, 64% higher than HK\$513 million recorded for the same period in the previous year. The profit attributable to shareholders of HK\$582.5 million was recorded, an increase of 78%, when compared with HK\$327.8 million recorded in 2021.

As at 31 December 2022, the cash and fixed deposits balance of the Group was HK\$2,881 million, compared to HK\$2,267 million at the end of 2021. The Group has bank loan of HK\$667 million as at 31 December 2022 and there was no bank borrowing at the end of 2021. The Group mainly sources its funding for operation from its operation and capital raising. The cash position

of the Group remains strong during the year. The Group is committed to maintain the bank borrowings at an appropriate level.

The Group has achieved remarkable results in 2022 with record-high revenue and profit attributable to shareholders. During the year under review, our revenue has increased across all geographical regions as a result of increase in sales of Thin Film Transistor (“TFT”) and touch panel display modules to customers, with exceptional growth in the People’s Republic of China (“the PRC”). Our sales in the PRC has increased by 48% in the year under review as compared to that of 2021 which is mainly contributed by the commencement of mass production of TFT and touch panel display modules projects and overall increase in market demand in the PRC in the automotive market. For other regions like Europe, America and Korea, we have also recorded a notable overall growth contributed by the increase in sales of TFT and touch panel display modules in the automotive business. During the year, the selling price of certain products has increased in response to the increase in the demand for larger and better screen and the increase in material costs resulted from this global shortage of electronic components.

The Group’s TFT module business and touch panel display modules business contributed around 89% of the Group’s revenue while the revenue from monochrome display business contributed around 11% during the year. The revenue from the former has increased by 45% while the latter has increased by 1%.

During the year under review, EBITDA has increased by 64% to approximately HK\$841 million, around 7.8% of the Group’s revenue. The increase is mainly contributed by the increase in economies of scale contributed by the increase in revenue. The profit attributable to shareholders has increased by HK\$254.7 million, approximately 78% as compared to that of 2021. The profit attributable to shareholders ratio, being the profit attributable to shareholders over the Group’s revenue, increased to approximately 5.4% as compared to 4.2% for the year ended 2021. The Group’s overall profitability has been improving through the continuous achievement of economies of scales as our sales increases and our cost control measures. The staff costs and other operating expenses have increased comparing with the same period of last year which is partly due to the preparation and commencement of operation of new production base for automotive displays in Chengdu, the PRC to cater for our expansion of business. Nevertheless, the increase was corresponding to the increase in sales and business activities during the year and the Group has constantly been carrying out efficiency management measures with an aim to achieve further economies of scales.

The Group has recorded approximately HK\$16.8 million net exchange gain during the year as compared to a net exchange gain of HK\$10.2 million in year 2021. The Group has also recorded HK\$52.8 million interest income as compared to HK\$25.4 million in year 2021.

DIVIDENDS

The Board (the “Board”) of Directors (the “Director”) has recommended a final dividend of 23.0 HK cents (2021: 15.0 HK cents) per share. The annual dividend payout ratio was 31% (the amount of final dividend proposed after the end of the reporting period over profit attributable to equity shareholders of the company) (2021: 34%).

BUSINESS REVIEW

Automotive Display Business

For the year under review, the automotive display business generated revenue of HK\$9,577 million, an increase of 47% from the revenue of HK\$6,509 million recorded in 2021. This business represented approximately 89% of the Group's overall revenue.

During the year, the Group's automotive display business has recorded a significant growth in sales as compared to last year. With our continuous effort in developing the TFT display business over the past few years, the Group is now in the global leading position with the highest market shares in terms of overall automotive TFT display products and in medium-to-large size display modules. The overall automotive display demand, in particular the PRC, began to gradually increase in the first half of 2021 and be further accelerated in 2022 due to the government tax concession policy in the PRC and strong promotion of new energy vehicle ("NEV") by NEV manufacturers. According to China Association of Automobile Manufacturers, there were 27,021,000 cars manufactured and 26,864,000 cars sold in 2022 respectively, the large number of cars manufactured and sold amidst the increase in market demand for more, larger and better displays matched with the scheduled commencement of mass production of larger TFT and touch panel display modules projects during the year facilitated the high growth of our sales. In terms of average selling price, in addition to the increase in selling price of certain products due to the increase in material costs, the gradual shift in product mix to higher average selling price products like touch panel display modules, larger-size TFT display modules, display modules with high-end display technology and product with system solution also contributed to the increase in sales.

The development of our automotive business in the PRC has yielded remarkable results in 2022. The PRC is the largest market of the Group's automotive display business and accounted for approximately 70% of the Group's revenue in 2022. Our customer base has been expanding and covers major car brands for both conventional and NEV manufacturers. During the year, the sales of NEV in the PRC has been increasing with more NEV customers began to ramp-up its production in 2022.

Our automotive business in Europe has recorded growth during the year. Our major customers in Europe have gradually recovered from the impact of the pandemic and showed increasing demand. The commencement of mass production of new TFT and touch panel display modules projects in the year also contributed to the increase in revenue. Monochrome display modules have also increased slightly as compared to the last year.

Other regions like Europe, Korea and America have also benefited from the recovery and ramp-up of orders during the year.

Industrial Display Business

For the year under review, the industrial display business generated revenue of HK\$1,145 million, a decrease of 7% from the revenue of HK\$1,228 million recorded in 2021. This business represented approximately 11% of the Group's overall revenue.

The decrease of revenue during the year is mainly due to the decrease in demand of special need for educational product and demand from a world-renowned high-end home appliance brand for the same period of 2021 while there was less such demand in 2022.

BUSINESS OUTLOOK

During the year, the Group has successfully expanded our automotive business and increased our overall revenue and profit. The Group has grasped market opportunities benefited from the swift recovery of the economy of the PRC and the strong demand of the PRC's automotive market in both conventional vehicles and NEV as boosted by i) strong personal expenditure; ii) the government tax concession policy and iii) the demand for more, larger and higher quality panels. The mass production of various TFT and touch panel modules projects during the year has boosted the revenue and brought economies of scales which improved our overall net profit margin.

Looking forward to 2023, the Group expects that our revenue will continue to grow based on the market condition which mainly drive from the increasing demand from TFT and touch panel display modules in the PRC and other regions such as America, Europe and Korea. The gradual mass production of high-end display products like BD display, Mini-LED, AMOLED display, Camera Monitor System ("CMS") and display system solution in coming years will also contribute to the growth. It is expected that the Group will continue to enhance profitability level through further economies of scale as revenue increases. With the new China national standard GB15084-2022 for "Motor vehicles – Devices for indirect vision – Requirements of performance and installation" for vehicle CMS products to be in force in the PRC since 1 July 2023, this may allow us to capture the CMS business opportunity and gain from the market. Furthermore, with the quality of the PRC-made automotive recognized internationally and at competitive prices, the PRC's automotive exports are gradually increasing, which may benefit the Group's revenue in the future.

The recent geopolitical conflict and the global inflation, interest rate hike of America, supply chain tension and market competition may still cast cloud of uncertainty over the global economy and supply and demand condition. The Group will stay vigilant and take necessary measures to minimize the potential impact that may have caused.

Automotive Display Business

During the year under review, the Group has increased our global automotive display market share and captured the largest market share in terms of total shipment quantity, area and especially shipment for display larger than 8 inches. We have established a strong customer network and obtained mass production projects for major automobile manufacturers. The growth is especially remarkable in the PRC for TFT and touch panel display modules for both conventional vehicles and NEV manufacturers.

The Group expected that the trend of shifting to NEV in the PRC will continue based on the market trend and the PRC's target to achieve peak carbon emissions and carbon neutrality. The Group has successfully developed close relationship with major NEV manufacturers in the PRC and obtained a number of TFT and touch panel display modules orders over the past years, which contributed significant revenue to the Group in 2022. Automobile manufacturers, in particular NEV manufacturers, are aggressively upgrading user experience through multiple, large-sized, irregular and high-quality displays with improving human-machine-interface ("HMI"). In view of this trend, the Group has been promoting different products, like large-sized TFT touch panel display modules, BD display, Mini-LED, AMOLED display modules, CMS, HUD and display system products to our customers. The Group has won large-sized AMOLED display projects for several NEVs. In relation to the development of system business, the Group has won business

for display system solution for several PRC automobile manufacturers. We have won several display system projects from 2-wheeler vehicle manufacturers in the PRC and expect to bring new income stream for the Group in coming years. It is expected end customers are looking for the above new technology and desiring for new vehicles with enjoyment of better and the latest user experience. The product iteration and the life of a car together with our continuous evolvement of our technology create sustainable development of the Group. It is expected that the revenue from high-end display products will increase in the coming years.

For Europe, the Group continues to win new business from our long-term customers as well as newly developed customers. We work very closely with our customers and continue to secure high-volume platform projects from the Group's long-established Tier-1 customers during the year. For NEV, the Group has won order with new display technology and system solution. Several projects awarded to the Group by top-tier European automotive manufacturers, which will bring-in more revenue and deepen our market involvement in future years.

For Korea and America automotive business, we expect the growth will continue as the mass production of TFT display projects continues to ramp-up in 2023.

Industrial Display Business

The Group has been introducing TFT display products to our long-term customers and has also developed new customers like high-end consumer products in industrial, home appliances and education-related products. In respect of the slower market demand of education-related products in the PRC, we expect their contributions to revenue shall be reduced in the future. Our monochrome display products will continue to play a key role in non-automotive business as the demand is relatively stable in the areas of industrial meters, medical and other products.

Development Strategy

Through the relentless effort of the Group, we have achieved staged development to pursuit our vision to become a leading integrated automotive smart cockpit display system solution provider. We have developed our competitive advantage in providing versatile, state-of-the-art products with stable supply and quality assurance.

In view of the positive outlook of the automotive display business, the Group has expanded TFT and touch panel display module manufacturing facilities in Chengdu, the PRC. The Group believes the expansion can allow us to capture upcoming business opportunities and further expand our market share with the completion of set up of manufacturing facilities in Chengdu, the PRC in the fourth quarter of 2022.

The Group will strive to expand and maintain our leading position of the automotive display business by establishing stronger relationship with our strategic partners, including major automotive manufacturers, NEV manufacturers and suppliers, customers and other eco-system partners, to develop our business in relation to smart cockpit display.

The digitalization and upgrading of HMI experience in smart cockpit is becoming a major trend in the automotive industry. The need for larger-sized and more displays in the cockpit has been increasing with more and more advanced display technologies being integrated, like CMS, naked-eye 3D display and Privacy on Demand (POD). The related automotive technology such as AR-HUD and CMS are launching to the market with new demand of related products ramping

up. Riding on this trend, the roadmap for the Group in coming years is to develop and strengthen our business in automotive display system riding on latest technology development so as to enable us to further strengthen our position as a global leading integrated automotive smart cockpit display system solution provider in order to maximise the benefit to the Group as well as the value to our shareholders.

As a leading automotive display manufacturer, the Group also attaches great importance to environmental protection and sustainable development. In order to reduce carbon emissions and support the carbon neutral policy of the PRC, the Group is planning to install solar power generation devices on the idle roofs of factories and power storage facilities, which will help to reduce energy costs as well as the carbon emissions in the long run. In addition, when constructing the vehicle base in Chengdu, the PRC, the Group introduced the concept of green development in the project design stage, and constantly explored opportunities for improvement by benchmarking against green buildings and green factories. As a result, related design and construction were adopted on infrastructure such as high-efficiency equipment, waste heat recovery, and free cooling etc. Meanwhile, we started the implementation of the ISO9001, QC080000, ISO14001, ISO45001 and other systems during transition into operation phase, laying the foundation for a national green factory. The Group is committed to reduce the impact on the environment through various measures in the process of operation and production while maintaining efficiency.

Technology Development

With the development of the IoT and the application of new technologies, Electrification, Networking, Smart and Sharing have become the inevitable development trend in the automotive field. And with the increase in market share of new energy vehicles year by year, the smart vehicle cockpit has become a new trend in the automotive market, and automotive display is an essential “window” for the smart vehicle cockpit.

Screens in large size, free-form, curved and interactive becomes a new trend in smart vehicle cockpit displays. The Group is dedicated to the development of a next-generation automotive display technology and contributes to the evolution of smart automobile.

Advanced Super Dimension Switch (“ADS”) Pro

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-LED, 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 have several BD Cell and Mini-LED display screen projects awarded by well-known car manufacturers, which demonstrates customers’ recognition on 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.

Also, 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, with the characteristics of high efficiency and long life at the same time.

Curved Display

For curved display solutions, we overcome different challenges, such as automobile reliability, mechanical durability, cross-color, black level and etc. Dual 12.3" Curved (R3000) Cockpit Display Module is already in mass production.

3D Display

Regarding the 3D display, with the continuous development of autonomous driving, the communication between the driver and the car requires a new HMI. 3D space image and HMI input will be the focus of future development. Currently, the Group is developing a naked eye 3D display with a ~5K ultra-high panel to provide visually attractive 3D performance, such as providing more viewpoints, a wider FOV (Field of View) and adjustable 3D depth by algorithm.

Currently, first samples had been produced and interactive algorithm development of voice assistant interactive animation such as Nomi/Siri are undergoing, which realize humanized communication, dialogue scenes and 3D interactive display scene with inspiration.

Smart Surface Display

With the development of smart cockpits, smart surface display technology is gradually applied to automotive interiors. It is a surface display technology that integrates functionality and intelligence. In the design of the smart cockpit, it can reduce unnecessary buttons and switches, thus making the design of the cockpits more concise and intelligent. In recent years, electric vehicles have gained many users with their advantages of environmental protection, quietness, excellent performance, and low cost of use. Coupled with strong policy support from countries all over the world, their sales have continued to rise. Behind the fiery market, consumers also put forward higher requirements for the intelligence of electric vehicles, among which, the smart surface is a very important part.

The smart surface is an important component of the car interior that integrates decoration and display functions. It uses a certain medium material to increase the optical structure of the product. Users can get display feedback and responses by activating the Smart Surface Display through touch sensing, gestures or voice commands when the user needs it.

Passive Liquid Crystal Display

The low cost and good performance of new color on Polarizer Versi-colour (VCI) technology has made the monochrome display become colourful and more attractive. This technology has been widely accepted by automotive and motorcycle customer. The first Color on Polarizer VCI has been successfully phased in mass production stage in second quarter of 2022. This model is also the first VCI model in China E-bike industry which is a huge market that will be one of the focus in 2023.

The verification process of VCI motorcycle cluster has been completed in 2022 and the promotion activity has been started. That means our product has been qualified for the stringent outdoor requirement in motorcycle industry. The focus of monochrome business will shift to system business in 2023 which means our product will step into a higher value sector and expect this will be another growing point in monochrome business this year.

Monochrome HUD

The usage of LED segment HUD products has been breaking new highs in the past years. To the best of our knowledge, it has mainly been using in Taiwan and Southeast Asia markets for motorcycle cluster application. The Group leveraged the advantages of LCD to launch after-market monochrome HUD products to the potential high-volume HUD market during the period. Meanwhile, in conjunction with AR algorithms, AR-HUD products for the high-end market are launched for expanding the product category and benefiting to develop more market opportunities.

Next HUD technology

Meanwhile, we are proactively planning for the next HUD technology generation like 3D and lightguide technology. We have completed the first local 3D AR-HUD demo unit which breakthrough the deficiency of fixed image distance and is now able to display different information at different visual distance and realises true 3D depth of field effect.

Smart Cockpit Display System

For smart cockpit display system, the Group has fruitful achievement from a number of products launch and related technology development completion. Not only have we launched productions for local NEV automobile manufacturers, we have been continuously winning projects from both overseas and local automobile manufacturers as well.

In the development of AR-HUD system, we have already launched the first product for mass production based on DLP (Digital Light Processing) PGU (Picture Generation Unit) which is the first local OEM before-market AR-HUD that achieved the highest technical level, broadest application coverage, and with the most comprehensive ADAS functions. In the meantime, the Group is developing a TFT PGU based AR-HUD product, which expects release for production in 2023, will enable the Group to provide a more complete and cost advantage AR-HUD solution to the market.

One thing worthwhile to highlight is, in November 2022, the “Optical performance testing method of automotive head-up display” (車用平視顯示器光學性能測試方法), which is the first China authoritative testing standard and the establishment was led by the BOE Group, was released. It demonstrated the technological innovation strength and leading industry position of the BOE Group as a leading enterprise in the global semiconductor display industry.

Camera Monitor System (“CMS”)

In the development of Camera Monitor System (“CMS”), in addition to the mature passenger vehicle platform, we are proactively tapping into the commercial vehicle application. After the successful completion of our proprietary vision system platform based on a well-known

image/video processing System on Chip (“SoC”) and we have further completed a new CMS vision system platform based on FPGA (Field Programmable Gate Array) and the new generation image/video processor from Horizon Robotics. In parallel, we are developing a special TFT display CMS monitor system in which in-cell heater will be implemented in order to solve display latency problem under low temperature operation.

ACKNOWLEDGEMENT

During the year, the Group has achieved record-high revenue and profit 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. The Company's shares have been included in the Hang Seng Index series constituent stocks and Hong Kong Stock Connect in March 2023. The inclusion will help facilitate the expansion of the Company's shareholder base, increase the trading liquidity, and further enhance the Company's reputation in the capital market and the brand awareness, resulting in further realization of the value of investment in the Company. On behalf of the Board, I would like to express my sincere gratitude to our management, employees, shareholders, investors and business partners for your continuing support.

Gao Wenbao
Chairman

Hong Kong, 21 March 2023

REVIEW OF OPERATIONS

THE PRC

The PRC generated revenue of HK\$7,495 million during the year under review, representing an increase of approximately 48% as compared with that in 2021. This region has accounted for 70% of the Group's total revenue. Revenue from automotive display business remained a major part of and the rest was mainly derived from educational and industrial sector.

During the year under review, the Group has successfully captured the increasing market demand in the PRC and significantly increased our revenue from the automotive display business. We continue to be one of the leading players in the PRC automotive display industry. The overall PRC market has experienced a rapid growth during the year benefited from the government's tax incentive policy and the strong promotion of NEV by the manufacturer in the PRC. As such, the demand in automobile has accelerated especially in the second half of 2022. During the year, the commencement of mass production of various TFT and touch panel module projects in the year and the ramp-up of demand from our customers has resulted in the surge of our revenue in the PRC. The average selling price has also increased because of change of product mix and price increment in response to the increase in cost of raw materials during the year.

NEV has become an unstoppable trend in the automobile industry. The Group has successfully increased our revenue in various TFT and touch panel display modules and AMOLED display technologies for NEV during the year. We have penetrated major players in NEV and are awarded projects in the upcoming car models which will benefit our business in future years. For display system related projects, the Group has been promoting our solutions to NEV and achieved positive results. The Group has also achieved further breakthrough in the provision of panel and system solution and has sold our products to certain NEV customers.

The government of the PRC has approved the "Motor vehicles – Devices for indirect vision – Requirements of performance and installation" policy which will be effective from July 2023, our affiliated company has prepared its products ready to be launched and to meet the potential substantial market need in the market.

EUROPE

During the year under review, revenue of HK\$1,607 million was generated from the display business in Europe, which represented an increase of 12% as compared to 2021. The European business contributed 15% of the total revenue for the Group in 2022.

European automotive business has shown gradual increase during the year under review amidst the geopolitical conflict and inflation. The production and demand of our long-term customers have been increasing and the Group has recorded an increase in revenue. Our revenue from both TFT display business and monochrome display business has increased with more revenue derived from TFT related products.

During the year, our sales team in Europe has been working diligently to capture the business opportunities emerged from new demand. The increase in revenue was due to increased average selling price and improved order fulfilment.

We have successfully won projects from major automobile manufacturers, including large volume platform projects and also projects from high-end luxury cars. For NEV, we have also obtained orders for our large-sized display products and system solution for passenger cars as well as new emerging commercial NEV. The demand for more, larger and better display is increasing across NEV and conventional cars and we have prepared ourselves to cater for the needs.

During the year, the Group's industrial display business in Europe has decreased as compared with that of 2021 which is mainly due to demand from a home appliance brand for the year 2021 and there was less such demand in 2022.

KOREA

Revenue generated from Korea was HK\$397 million in 2022, representing an increase of 19% from that of 2021. Korea accounted for 4% of the Group's revenue.

Revenue from Korea was mainly derived from automotive display business. The increase in revenue during the year was mainly contributed by the ramp-up of orders from the mass production of medium-sized automotive TFT display modules.

AMERICA

America generated revenue of HK\$680 million in 2022, contributing 6% to the total revenue of the Group. The revenue has increased by 56% as compared to that of 2021.

The significant increase was mainly contributed by ramp-up of orders of mass production of TFT display modules to several automotive customers. 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 industry and medical sectors. The Group has also been putting efforts to target the NEV trend to promote our products to existing customers and new customers.

Consolidated statement of profit or loss

For the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	4	10,722,361	7,737,943
Other operating income, net	5	143,494	62,389
Change in inventories of finished goods and work in progress		385,540	249,937
Raw materials and consumables used		(9,290,616)	(6,587,154)
Staff costs		(680,018)	(593,824)
Depreciation		(165,770)	(159,734)
Other operating expenses	6(c)	(444,527)	(359,473)
Profit from operations		670,464	350,084
Finance costs	6(a)	(12,361)	(915)
Share of losses of associates		(456)	(490)
Profit before taxation	6	657,647	348,679
Income tax	7	(98,077)	(38,960)
Profit for the year		559,570	309,719
Profit attributable to:			
Equity shareholders of the Company		582,451	327,798
Non-controlling interests		(22,881)	(18,079)
		559,570	309,719
Dividends	8		
Final dividend proposed after the end of the reporting period		182,062	110,449
Earnings per share for profit attributable to the equity shareholders of the Company (in HK cents)	9		
Basic		78.4 cents	45.1 cents
Diluted		77.8 cents	44.8 cents

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	2022 HK\$'000	2021 HK\$'000
Profit for the year	<u>559,570</u>	<u>309,719</u>
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
- Exchange translation adjustments: net movement in exchange reserve	<u>(235,277)</u>	<u>24,181</u>
Total comprehensive income for the year	<u>324,293</u>	<u>333,900</u>
Attributable to:		
Equity shareholders of the Company	<u>361,030</u>	<u>333,397</u>
Non-controlling interests	<u>(36,737)</u>	<u>503</u>
	<u>324,293</u>	<u>333,900</u>

Consolidated statement of financial position

At 31 December 2022

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Property, plant and equipment		1,490,300	583,434
Interest in associates		7,922	-
Intangible assets		22,173	38,457
Goodwill		-	11,487
Other financial assets		42,588	40,614
Non-current deposits and prepayments		98,265	15,332
Deferred tax assets		11,286	654
		1,672,534	689,978
Current assets			
Inventories		1,568,001	832,617
Trade and other receivables, deposits and prepayments and other contract costs	10	2,157,832	1,744,344
Other financial assets		65	4,367
Current tax recoverable		4,122	4,740
Fixed deposits with more than three months to maturity when placed		61,723	-
Cash and cash equivalents		2,818,823	2,267,118
		6,610,566	4,853,186
Current liabilities			
Trade and other payables	11	3,389,694	2,135,804
Lease liabilities		7,392	11,513
Current tax payable		65,324	17,476
Bank loans		636,288	-
Deferred income		4,427	3,260
		4,103,125	2,168,053

Consolidated statement of financial position (continued)

At 31 December 2022

	2022 HK\$'000	2021 HK\$'000
Net current assets	2,507,441	2,685,133
Total assets less current liabilities	4,179,975	3,375,111
Non-current liabilities		
Lease liabilities	4,402	11,042
Deferred tax liabilities	9,977	13,165
Deferred income	18,911	5,279
Bank loans	30,912	-
	64,202	29,486
NET ASSETS	4,115,773	3,345,625
CAPITAL AND RESERVES		
Share capital	197,853	184,039
Reserves	3,866,845	2,848,385
Total equity attributable to equity shareholders of the Company	4,064,698	3,032,424
Non-controlling interests	51,075	313,201
TOTAL EQUITY	4,115,773	3,345,625

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 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 2022 but are extracted therefrom.

The Group’s 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”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The 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 2021, except for the adoption of all new and revised HKFRSs that are first effective for accounting periods beginning on or after 1 January 2022 (see note 3).

3. Changes in accounting standards and its application

The HKICPA has issued the following amendments to HKFRS that are first effective for the current accounting period of the Group:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKFRS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

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 table sets out information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, intangible assets and interest in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. 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 and the location of operations, in the case of intangible assets and interest in associates.

(i) Group's revenue from external customers

	<i>2022</i> HK\$'000	<i>2021</i> HK\$'000
The People's Republic of China ("PRC") (place of domicile)	7,494,766	5,067,853
Europe	1,607,278	1,440,522
America	680,320	435,503
Korea	396,589	334,185
Others	543,408	459,880
	3,227,595	2,670,090
Consolidated revenue	10,722,361	7,737,943

Revenue from external customers located in Europe are analysed as follows:

	<i>2022</i> HK\$'000	<i>2021</i> HK\$'000
Czech Republic	443,518	466,542
Germany	237,130	291,976
Romania	214,818	168,060
Italy	112,275	79,923
France	99,060	68,991
Portugal	73,059	88,793
United Kingdom	24,330	20,405
Other European countries	403,088	255,832
	1,607,278	1,440,522

(ii) Group's specified non-current assets

	<i>2022</i> HK\$'000	<i>2021</i> HK\$'000
The PRC (place of domicile)	1,515,654	626,290
Others	4,741	7,088
	1,520,395	633,378

5. Other operating income, net

	2022 HK\$'000	2021 HK\$'000
Changes in fair value of other financial assets	(736)	(1,720)
Gain on deemed disposal of a subsidiary	98	-
Government grants (note)	55,416	15,447
Impairment loss on an associate	-	(2,421)
Interest income on financial assets measured at amortised cost	52,849	25,403
Loss on deemed disposal of an associate	-	(2,400)
Net exchange gain	16,840	10,157
Net gain on disposal of property, plant and equipment	884	912
Rental receivable from operating leases	14,122	14,594
Other income	4,021	2,417
	<u>143,494</u>	<u>62,389</u>

Note: The amount represents the incentives granted by the PRC authorities to the Group for engaging in research and development of high technology manufacturing and other subsidies of HK\$16,035,000 (2021: HK\$6,230,000), amortisation of government grants received from the PRC authorities in relation to acquiring machineries of HK\$10,197,000 (2021: HK\$6,037,000), incentive related to production of HK\$22,400,000 (2021:HK\$Nil), subsidies of HK\$2,748,000 (2021:HK\$Nil) under Employment Support Scheme of Hong Kong Government and incentives granted in relation to staff retention of HK\$4,036,000 (2021: HK\$3,180,000). There are no unfulfilled conditions attaching to these government grants.

6. Profit before taxation

Profit before taxation is arrived at after charging:

	2022 HK\$'000	2021 HK\$'000
(a) <i>Finance costs</i>		
Interest on lease liabilities	669	915
Interest on bank borrowings	11,692	-
	<u>12,361</u>	<u>915</u>

	2022 HK\$'000	2021 HK\$'000
(b) Other items		
Trade and other receivables in respect of:		
- expected credit loss allowance	20,372	16,379
Cost of inventories	9,530,183	6,795,531
Research and development costs	190,165	199,705
Contributions to defined contribution retirement plans	44,799	40,080
Equity settled share-based payment expenses	22,590	14,789
	<hr/> <hr/>	<hr/> <hr/>
(c) Other operating expenses		
Amortisation of intangible assets	5,298	3,757
Auditors' remuneration		
- Audit services	3,891	2,887
- Other services	30	575
Bank charges	1,680	1,439
Building management fees	5,116	4,046
Expected credit losses allowance	20,372	16,379
Factory consumables, cleaning and security service expenses	13,334	12,283
Freight charges	62,032	52,456
Insurance and quality assurance expenses	6,330	6,088
Legal and professional fees	12,826	15,343
Office expenses	12,340	5,691
Other taxes, surcharge & duties	19,326	27,347
Repair and maintenance	31,939	21,907
Sales, marketing and commission expenses	48,864	42,126
Subcontracting fees	84,747	68,893
Trademark licence fee	21,818	1,666
Travelling and entertainment expenses	17,097	15,739
Utilities expenses	70,012	56,053
Miscellaneous expenses	7,475	4,798
	<hr/> <hr/>	<hr/> <hr/>
	444,527	359,473

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

Taxation in the consolidated statement of profit or loss represents:

	2022 HK\$'000	2021 HK\$'000
Current tax – Hong Kong profits tax		
Provision for the year	38,920	4,379
Over-provision in respect of prior years	(3,467)	-
	<u>35,453</u>	<u>4,379</u>
Current tax – the PRC income taxes		
Provision for the year	57,761	20,597
Under/(over)-provision in respect of prior years	332	(1,204)
	<u>58,093</u>	<u>19,393</u>
Current tax – Jurisdictions outside Hong Kong and the PRC		
Provision for the year	13,447	6,136
Under provision in respect of prior years	1,137	94
	<u>14,584</u>	<u>6,230</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(10,053)</u>	<u>8,958</u>
	<u>98,077</u>	<u>38,960</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 PRC are subject to Corporate Income Tax Law of the PRC. The standard PRC corporate income tax rate is 25%.

Varitronix (Heyuan) Display Technology Limited (“Varitronix Heyuan”), subsidiary of the Group, was 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. (formerly known as Chengdu BOE Automotive Electronic Limited)

(“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 two subsidiaries’ applicable tax rate are 15% for the year ended 31 December 2022 (2021: 15%).

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 2022 and 2021. 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 2022 and 2021.

Other subsidiaries of the Group incorporated in the PRC are subject to the standard PRC corporate income tax rate of 25%.

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

(iii) Jurisdictions outside Hong Kong and the PRC

Taxation for subsidiaries with operations outside Hong Kong and the PRC 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>2022</i> HK\$’000	<i>2021</i> HK\$’000
Final dividend proposed after the end of reporting period of 23.0 HK cents (2021: 15.0 HK cents) per share	182,062	110,449

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 2022 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>2022</i> HK\$'000	<i>2021</i> HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 15.0 HK cents (2021: 5.0 HK cent) per share	109,284	36,302
	109,284	36,302

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\$582,451,000 (2021: HK\$327,798,000) and the weighted average of 742,756,425 ordinary shares (2021: 727,080,789 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	<i>2022</i>	<i>2021</i>
Issued ordinary shares at 31 December	742,756,425	727,080,789

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to ordinary equity shareholders of the Company of HK\$582,451,000 (2021: HK\$327,798,000) and the weighted average of 748,648,454 ordinary shares (2021: 732,457,164 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	<i>2022</i>	<i>2021</i>
Weighted average number of ordinary shares at 31 December	742,756,425	727,080,789
Effect of deemed issue of share under Company's share option scheme for nil consideration	2,400,478	2,320,123
Effect of Share Award Plan	3,491,551	3,056,252
Weighted average number of ordinary shares (diluted) at 31 December	748,648,454	732,457,164

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\$39,465,000 (2021: HK\$19,923,000), is as follows:

	<i>2022</i> HK\$'000	<i>2021</i> HK\$'000
Within 60 days of the invoice issue date	1,444,061	1,083,109
61 to 90 days after the invoice issue date	244,722	270,250
91 to 120 days after the invoice issue date	160,660	124,294
More than 120 days but less than 12 months after the invoice issue date	156,530	138,580
	2,005,973	1,616,233

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>2022</i> HK\$'000	<i>2021</i> HK\$'000
Within 60 days of supplier invoice date	2,408,202	1,170,681
61 to 120 days after supplier invoice date	462,904	454,423
More than 120 days but within 12 months after supplier invoice date	50,119	16,822
More than 12 months after supplier invoice date	18,872	9,933
	2,940,097	1,651,859

12. Commitments

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

	<i>2022</i> HK\$'000	<i>2021</i> HK\$'000
Contracted for	905,255	93,518

13. Contingent liabilities

As at 31 December 2022, the Group has no material contingent liabilities (31 December 2021: Nil).

DIVIDEND

The Board has recommended declaring a final dividend of 23.0 HK cents (2021: 15.0 HK cents) per share, representing a total of 23.0 HK cents (2021: 15.0 HK cents) per share for the year ended 2022. The Group has no change in its dividend policy.

ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Tuesday, 27 June 2023. 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 Tuesday, 20 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 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 Monday, 19 June 2023.

Subject to the shareholders approving the recommended final dividend at the AGM of the Company, such dividend will be payable on or around Wednesday, 19 July 2023 to shareholders whose names appear on the register of members of the Company on Wednesday, 12 July 2023. To determine eligibility for the final dividend, the register of members of the Company will be closed from Friday, 7 July 2023 to Wednesday, 12 July 2023 (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 Thursday, 6 July 2023.

OTHERS

Staff

As at 31 December 2022, the Group employed 5,731 staff around the world, of whom 127 were in Hong Kong, 5,549 in the PRC and 55 were in overseas. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group operates an employee (including directors) share option scheme and a share award plan, and provides rent-free quarters to certain of its employees in Hong Kong and the PRC.

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 general employees to improve and excel.

The Group always keeps pace with the times and strives to improve human resources efficiency and corporate governance capabilities, provides different training and development programmes to attract, motivate and retain talented staff.

Liquidity and Financial Resources

As at 31 December 2022, the total equity of the Group was HK\$4,116 million (2021: HK\$3,346 million). The Group's current ratio, being the proportion of total current assets against total current liabilities, was 1.61 as at 31 December 2022 (2021: 2.24).

At the year end, the Group held a liquid portfolio of HK\$2,881 million (2021: HK\$2,271 million) of which HK\$2,881 million (2021: HK\$2,267 million) was in cash and fixed deposits balance, HK\$65 thousand (2021: HK\$4 million) was in other financial assets. At the year end, the Group had the bank borrowings balance of HK\$667 million (2021: HK\$Nil). The Group's gearing ratio (borrowings over net assets) was 16.2% as at 31 December 2022 (2021: Nil%).

The Group's inventory turnover ratio (cost of inventories over average inventories balance) for the year was 8 times (2021: 10 times). Debtor turnover days (trade receivables over revenue times 365) for the year was 68 days (2021: 76 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 State dollars, Euros, Japanese Yen and Renminbi.

The Group is not engaged in the use of any financial instruments for hedging purposes. However, the 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 2022, the bank borrowings of the Group are with fixed and floating interest rate, where the balance are HK\$33 million and HK\$634 million respectively (as of 31 December 2021: HK\$ Nil bank borrowing). 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

A. The existing manufacturing facilities in Heyuan of the PRC have been highly utilised. To capture the upcoming business opportunities and further expand its market share in the automotive display industry, the Group has established the project of setting up its new TFT and touch panel display module manufacturing facilities in Chengdu of the PRC, therefore the Company raised fund for the project from the Placing and by the Shareholder Subscription during the year 2022. The completion of the Placing and the Shareholder Subscription took place on 9 September 2022 and 21 October 2022, respectively.

The net proceeds (after deducting the commissions and expenses payable by the Company relating to the Placing) from the Placing of 33,300,000 new ordinary Shares to 28 independent third parties was approximately HK\$499.8 million (representing a net placing price of approximately HK\$15.01 per placing share), which was based on the placing price of HK\$15.20 per placing share.

The net proceeds (after deducting the expenses payable by the Company relating to the Shareholder Subscription) from the Shareholder Subscription of 19,730,000 new ordinary Shares to BOE Technology (HK) Limited, the controlling shareholder and therefore a substantial shareholder of the Company, was approximately HK\$299.0 million (representing a net subscription price of approximately HK\$15.15 per subscription share), which was based on the subscription price of HK\$15.20 per subscription share.

The aggregated net proceeds from the Placing and the Shareholder Subscription were amounted to HKD798.8 million. Such net proceeds are intended to be applied in the manner consistent with that disclosed in the announcement and circular of the Company dated 1 September 2022 and 28 September 2022 respectively.

B. During the year ended 31 December 2022, the trustee of the Company's share award plan (adopted on 28 August 2020) (the "Share Award Plan") does not purchase any shares of the Company on the Stock Exchange of Hong Kong Limited. Total number of shares of the Company purchased in prior years is 12,373,000 (representing 1.56% of the issued shares capital of the Company) under the Share Award Plan.

During the year ended 31 December 2022, a total of 3,000,000 awarded shares (representing 0.38% of the issued shares capital of the Company) were granted to selected participants, of which 2,500,000 awarded shares (representing 0.32% of the issued shares capital of the Company) were granted to 5 Directors and certain employees of the Group on 15 June 2022 and 500,000 awarded shares (representing 0.06% of the issued shares capital of the Company) were granted to certain employees of the Group on 21 December 2022, pursuant to the Share Award Plan.

As at 31 December 2022, the total number of awarded shares that can be granted was 3,153,000 (after deducting the 2,500,000 awarded shares and 500,000 awarded shares granted on 15 June and 21 December 2022), based on the total number of shares of the Company purchased in so far, representing 0.40% of the issued share capital of the Company.

Other than the aforesaid, during the year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Calculated based on the Company's total number of issued share capital of 791,410,204 shares as at 31 December 2022.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2022.

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 10 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 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 3 independent non-executive Directors: Mr. Fung, Yuk Kan Peter (Chairman of the AC), Mr. Chu, Howard Ho Hwa and Mr. Hou Ziqiang. 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.

The AC has reviewed with management the accounting principles 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 2022 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. Hou Ziqiang. Among the 5 members of the RC, 3 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. Hou Ziqiang. Among the 5 members of the NC, 3 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 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, Ms. Ko Wing Yan, Samantha and Mr. Su Ning and other management of the Company.

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

SCOPE OF WORK OF THE COMPANY’S AUDITORS

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2022 have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in respect of this announcement was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor on this announcement.

By Order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, dated 21 March 2023

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. Hou Ziqiang are independent non-executive Directors.