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BOE VARITRONIX LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD PLAN

Talent development and reserve are very important to the future development of the Company. In addition to providing competitive salaries, the Group also grants long-term incentives to (a) recognise and reward the contribution of the Selected Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development and improve competitiveness of the Group. Through long-term incentives for the Selected Participants could align the interests of the Selected Participants with that of the shareholders of the Company effectively, which is expected to have a positive impact on the market value of the Group. As such, the Company's remuneration committee holds the view that the grant of the Awarded Shares, including the vesting periods are fair and reasonable and consistent with the purposes of the Plan.

The Company will purchase shares in the market from time to time for grant purposes based on the grant status, vesting status, and shareholding under the Plan.

Reference is made to the announcement of BOE Varitronix Limited (the "Company") dated 28 August 2020 (the "Announcement") relating to the adoption of share award plan on 28 August 2020. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board (including all independent non-executive Directors), based on the recommendation of the remuneration committee of the Company, has granted a total of 2,047,000 Awarded Shares to the Selected Participants, comprising 5 Directors and certain employees of the Group, pursuant to the Plan. A summary of such grant is set out below:

Date of grant : 22 March 2024

- Purchase price of the Awarded Shares granted : Nil
- Closing price of the Shares on the date of grant : HK\$5.18 per Share
- Vesting date of the Awarded Shares : (i) the first 40% of the Awarded Shares to be vested on 2 May 2024;
- (ii) the second 30% of the Awarded Shares to be vested on 2 May 2025; and
- (iii) the remaining 30% of the Awarded Shares to be vested on 4 May 2026.
- Reasons of the grant : Talent development and reserve are very important to the future development of the Company. In addition to providing competitive salaries, the Group also grants long-term incentives to (a) recognise and reward the contribution of the Selected Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development and improve competitiveness of the Group. Through long-term incentives for the Selected Participants could align the interests of the Selected Participants with that of the shareholders of the Company effectively, which is expected to have a positive impact on the market value of the Group. As such, the Company's remuneration committee holds the view that the grant of the Awarded Shares, including the vesting periods are fair and reasonable and consistent with the purposes of the Plan.
- Performance target : The vesting of the Awarded Shares is subject to the fulfilment of certain performance targets and other requirements as set out in the grant notice to be entered into between the Company and each Selected Participant.

The performance targets shall include: financial targets (such as net profit after tax for the year of the Group and management/business targets (such as productivity, quality,

research and development ability, client satisfaction etc.) which shall be determined based on the (i) individual performance; (ii) performance of the Group and/ or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Participants.

In case the vesting conditions are not satisfied in part or in full, the relevant portion of the Award Shares granted will lapse.

- Clawback mechanism : (i) the Board has an absolute discretion to determine any terms and conditions of the grant of the Awarded Shares and withdraw the Awarded Shares.
- (ii) the grant of the Awarded Shares shall become invalid immediately if the Selected Participant resigns or if his/ her employment contract is terminated.
- (iii) the Selected Participant should keep the Plan confidential. If the Selected Participant is found to disclose or discuss with others, the Company reserves the right to cancel the Selected Participant's eligibility for the Plan.
- Financial assistance : The Group has not provided any financial assistance to the Selected Participant to facilitate the purchase of Shares under the Plan.
- Consideration of the Award Shares granted : Nil
- Approximate percentage of the Awarded Shares to the total number of issued Shares as at the date of this announcement : 0.26%

Details of the Selected Participants are set out below:

<u>Name of Selected Participants</u>	<u>Number of Awarded Shares</u>
Executive Director:	
Ko Wing Yan, Samantha	24,000
Su Ning	119,000
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	143,000
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Independent non-executive Director:	
Fung, Yuk Kan Peter	30,000
Chu, Howard Ho Hwa	30,000
Pang Chunlin	30,000
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	90,000
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Sub-total for all Directors:	<hr/>
	233,000
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Certain employees of the Group	1,814,000
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Total:	<hr/>
	2,047,000
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NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

After the grant of the Awarded Shares, 424,000 Shares underlying the Awards will be available for future grant pursuant to the Plan. The Plan was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements provided for the Plan.

In accordance with the Plan and subject to the terms of the Trust Deed, the Awarded Shares shall be purchased and held by the Trustee until they are vested and transferred to the Selected Participants.

The Company will purchase shares in the market from time to time for grant purposes based on the grant status, vesting status, and shareholding under the Plan.

The grant of Awarded Shares to the above Directors, who have met the fulfilment of the vesting conditions as set out in the grant notice and the Plan, forms part of their remuneration packages and is therefore fully exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules. Each of the above Directors has abstained from voting on the board resolution approving the grant of Awarded Shares to that Director was concerned and the grant of Awarded Shares has complied with relevant Listing Rules.

By order of the Board
BOE Varitronix Limited
Gao Wenbao
Chairman

Hong Kong, 24 March 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.