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China Display Optoelectronics Technology Holdings Limited
華顯光電技術控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 334)

**REVISION OF REVENUE LIMIT AND ANNUAL CAPS
FOR CONTINUING CONNECTED TRANSACTIONS
UNDER THE MASTER SALE AND
PURCHASE (2025-2027) AGREEMENT**

Reference is made to the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively in relation to, inter alia, the Master Sale and Purchase (2025-2027) Agreement entered into between the Company and TCL Technology. Pursuant to the Master Sale and Purchase (2025-2027) Agreement, among other things, each member of the Group may, at its absolute discretion, request to purchase its required Materials from members of TCL Technology Group, and each member of TCL Technology Group may, at its absolute discretion, request to purchase Products from members of the Group.

On 12 August 2025, the Company and TCL Technology entered into the Supplemental Agreement to amend and supplement the Master Sale and Purchase (2025-2027) Agreement by revising the 2025 Sale Revenue Limit. Save for the aforesaid revision, all other terms and conditions of the Master Sale and Purchase (2025-2027) Agreement remain unchanged.

Further, the Company anticipates that the Annual Caps under the Master Sale and Purchase (2025-2027) Agreement will not be sufficient to meet the demand of the Group and therefore proposes to revise the Annual Caps. Save for the Revised Annual Caps and the revision contemplated under the Supplemental Agreement, all terms and conditions of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TCL Technology, the ultimate controlling shareholder of the Company, indirectly holds approximately 64.20% of the number of issued Shares of the Company and therefore is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Supplemental Agreement and the Revised Annual Caps and the Master Sale and Purchase (2025-2027) Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the revision contemplated under the Supplemental Agreement constitutes a material change to the continuing connected transactions under the Master Sales and Purchase (2025-2027) Agreement, the Company must re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised Annual Caps exceed 5%, the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps are subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT

The Company entered into the Master Sale and Purchase (2025-2027) Agreement with TCL Technology on 10 September 2024, pursuant to which, among other things, each member of the Group may, at its absolute discretion, request to purchase its required Materials from members of TCL Technology Group, and each member of TCL Technology Group may, at its absolute discretion, request to purchase Products from members of the Group. The Master Sale and Purchase (2025-2027) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2027 were subsequently approved, confirmed and ratified by the Shareholders during a special general meeting held on 7 November 2024.

Principal terms and details of the Master Sale and Purchase (2025-2027) Agreement are set out in the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively.

SUPPLEMENTAL AGREEMENT

On 12 August 2025, the Company and TCL Technology entered into the Supplemental Agreement to amend and supplement the Master Sale and Purchase (2025-2027) Agreement by revising the 2025 Sale Revenue Limit.

Set out below are the principal terms of the Supplemental Agreement:

Date: 12 August 2025 (after trading hours)

Parties: (i) the Company (for itself and on behalf of the Group);
and
(ii) TCL Technology (for itself and on behalf of TCL Technology Group).

Condition Precedent: The Supplemental Agreement is conditional on and subject to compliance by the Company with relevant requirements of the Listing Rules, including but not limited to obtaining the Shareholders' approval at the SGM.

Save as disclosed above, the Supplemental Agreement is not subject to other condition precedent.

Major Terms: Subject to satisfaction of the condition precedent, the Revenue Limit for sale of Products by the Group to TCL Technology Group shall be amended and replaced to the effect that each of the Company and TCL Technology undertakes with each other that:

(i) the aggregate amount of sales of Products to TCL Technology Group by the Group (A) for the year ending 31 December 2025 (i.e. the 2025 Sale Revenue Limit) shall not exceed 60% of the Group's then total revenue in the financial year ending 31 December 2025, and (B) for each of the year ending 31 December 2026 and 31 December 2027 shall not exceed 50% of the Group's then total revenue in each of the financial year ending 31 December 2026 and 31 December 2027 respectively.

For the avoidance of doubt, the Revenue Limit in respect of purchase of Materials from TCL Technology Group by the Group during the term of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged.

Save as the aforesaid and the proposed revision of Annual Caps as further disclosed in the section headed “REVISION OF ANNUAL CAPS IN RESPECT OF THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT”, all other terms and conditions of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged and continue in full force and effect.

REVISION OF ANNUAL CAPS IN RESPECT OF THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT

Based on the actual amounts of Materials purchased from and Products sold to members of TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement and the projected demand for Materials and Products, the Company anticipates that the Annual Caps under the Master Sale and Purchase (2025-2027) Agreement will not be sufficient to meet the Group’s demand for Materials and TCL Technology Group’s demand for Products. Accordingly, the Company proposes to revise the Annual Caps.

For the avoidance of doubt, no revision to the Sale Annual Cap for the year ending 31 December 2027 is proposed.

Historical Figures and Proposed Revised Annual Caps

The following table sets out the respective relevant historical figures of the purchase of Materials from and sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the seven months ended 31 July 2025, the existing Annual Caps for the three years ending 31 December 2027 and the proposed Revised Annual Caps for the three years ending 31 December 2027 (where applicable):

	For the seven months ended 31 July 2025 (for actual amount only)/ For the year ending 31 December 2025 (for 2025 Annual Caps and Revised Annual Caps) RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000
Master Sale and Purchase (2025-2027) Agreement			
<i>Sale of Products to TCL Technology Group</i>			
Existing Sale Annual Caps	2,500,000	3,000,000	3,600,000
Actual amount	1,964,850	N/A	N/A
Utilisation Rate	78.6%	N/A	N/A
Proposed Revised Sale Annual Caps	4,200,000	3,800,000	N/A
<i>Purchase of Materials from TCL Technology Group</i>			
Existing Purchase Annual Caps	2,500,000	3,000,000	3,600,000
Actual amount	1,300,025	N/A	N/A
Utilisation Rate	52.0%	N/A	N/A
Proposed Revised Purchase Annual Caps	3,200,000	3,800,000	4,180,000

Basis for determining the Revised Annual Caps

The proposed Revised Sale Annual Caps and Revised Purchase Annual Caps in relation to the Master Sale and Purchase (2025-2027) Agreement are determined with reference to the following factors:

Sale of Products to TCL Technology Group

- (i) Since the Group's establishment of an integrated panel and module business model with TCL CSOT's "t9" display panel production line in the fourth quarter of 2022, the Group has been equipped with the capability to meet the technical specifications of more first-tier brand customers, and therefore secured more orders from new brand customers. Accordingly, and benefiting from the expansion in the scope of application of medium-sized display products and the growing demand for smart home devices and tablet products, the Group recorded an encouraging growth in revenue. As disclosed in the Company's annual report for the year ended 31 December 2024, revenue of the Group increased by 76.6% to RMB4.59 billion for the year ended 31 December 2024. Based on the unaudited management accounts of the Group, the Group recorded revenue of approximately RMB3.94 billion for the seven months ended 31 July 2025, representing a year-on-year increase of over 80%.
- (ii) Based on (a) existing order quantity, production and shipment schedule, unit price of products; (b) potential orders from new customers; and (c) the Group's production capacity, revenue is projected to reach approximately 5.4 billion for the nine months ending 30 September 2025, and RMB7.04 billion for the year ending 31 December 2025.
- (iii) As a result, the unaudited historical amount of sale of Products to TCL Technology Group has increased proportionally to reach approximately RMB1.96 billion during the seven months ended 31 July 2025, representing 78.6% of the 2025 Sale Annual Cap. On the basis of the current trend and the existing orders on hand, the actual amount of sale of Products (a) is projected to reach RMB2.59 billion by the end of September 2025, thereby exceeding the 2025 Sale Annual Cap; and (b) is estimated to be RMB4.17 billion at the end of 2025.

- (iv) As further explained in the section headed “REASONS FOR AND BENEFITS OF THE TRANSACTIONS – The Supplemental Agreement and revision of the 2025 Sale Revenue Limit”, due to industry common practices, some of the Independent Third Party first-tier brand customers currently only transact with one of the affiliates of TCL Technology Group rather than directly with the Group to purchase the Group’s Products, resulting in a significant increase in the amount of sale of Products to TCL Technology Group. The Company has been proactively addressing the issue by negotiating with and requesting certain designated Independent Third Party customers to switch to direct transactions with the Group. Since the transition requires coordination across multiple internal departments of the designated Independent Third Party customers and involves a lengthy process, a more conservative estimate suggests the adjustment will take full effect by the second quarter of 2026. All designated Independent Third Party customers are expected to complete the transition by the end of 2026. Once implemented, the amount of sale of Products to TCL Technology Group is expected to decrease significantly in the two years ending 31 December 2027.
- (v) The average price of Products is expected to remain stable throughout the three years ending 31 December 2027.
- (vi) The Group estimates an approximately 5% and 10% organic growth in revenue the year ending 31 December 2026 and 2027 respectively.
- (vii) In view of the aforesaid paragraphs (i) – (vi), the Revised Sale Annual Cap for the year ending 31 December 2026 is proposed to be RMB3.80 billion. No revision to the Sale Annual Cap for the year ending 31 December 2027 is proposed as the amount of sale of Products to TCL Technology Group is expected to be within the existing annual cap of RMB3.6 billion.

Purchase of Materials from TCL Technology Group

- (i) As mentioned above, the Group has secured a stable source of Materials and the technical skills to meet the specifications of first-tier brand customers after the establishment of an integrated panel and module business model with TCL CSOT’s “t9” display panel production line.

- (ii) As a result, the Group's demand for Materials increased proportionally with the growth in revenue, with the unaudited historical amount of purchase of Materials from TCL Technology Group increasing by 79.4% year-on-year to reach RMB1.30 billion during the seven months ended 31 July 2025, accounting for 52.0% of the 2025 Purchase Annual Cap.
- (iii) In particular, the "t9" display panel production line of TCL CSOT supplies only one to two kinds of Materials to the Group and is capable of providing a stable supply of such Materials at more competitive terms and pricing as compared to other Independent Third Party suppliers. To reduce production costs and enhance corporate competitiveness, the Group has progressively increased procurement of Materials from TCL Technology Group, including sourcing Materials for a new project from the "t9" display panel production line of TCL CSOT, which contributed RMB57 million to the purchase amount of Materials during the six months ended 30 June 2025. Whereas the Group is constantly exploring the feasibility of sourcing such Materials at similar price from other Independent Third Party suppliers, the trend is expected to continue for the time being. Accordingly, unless the Group could identify another source of similarly priced Materials from Independent Third Party supplier, the Group is expected to continue sourcing from TCL Technology Group, hence the amount of purchase of Materials from TCL Technology Group related to this project is expected to reach RMB120 million in the year ending 31 December 2026.
- (iv) On the basis of the current trend including that as set out in (iii) above, and the existing orders on hand, the amount of Materials needed for production (a) is projected to reach RMB2.68 billion by the end of November 2025, thereby exceeding the 2025 Purchase Annual Cap; and (b) is estimated to be RMB3.00 billion at the end of 2025.
- (v) The average cost of Materials is expected to remain stable throughout the three years ending 31 December 2027.
- (vi) Coupled with the increase in purchase of Materials from TCL Technology Group for the new project as set out in (iii) above, the Group estimates an approximate 15% and 10% organic growth in the amount of Materials to be purchased in the year ending 31 December 2026 and 2027. On this basis, the Revised Purchase Annual Caps for each of the year ending 31 December 2026 and 2027 is proposed to be RMB3.80 billion and RMB4.18 billion respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

(i) The Supplemental Agreement and revision of the 2025 Sale Revenue Limit

The Group has been purchasing Materials from TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement that meets the specific demands of first-tier brand customers. The Group has also been selling Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement, which may be further processed or onward sold to Independent Third Party first-tier brand customers which the Group has yet to establish direct business relationships with.

With the Group gradually stepping up its production capacity and capability, the Group has been successfully listed as a supplier of certain Independent Third Party first-tier brand customers which are renowned consumer electronics and smart manufacturing companies offering a wide range of electronic appliances (“**End Customers**”). Such End Customers have also established business relationship with various members of TCL Technology Group for purchase of different types of electronic products. To streamline administration and accounting, the End Customers require all members of TCL Technology Group (including the Group) to centralise their dealings and sales through a single sales channel, which for the time being is one of the subsidiaries of TCL CSOT (“**TCL Sales Channel**”).

Under this arrangement, TCL Sales Channel serves as the direct point of sale with the End Customers and will, on behalf of other members of TCL Technology Group including the Group, accept orders from and settle payment with the End Customers. TCL Sales Channel will then make respective purchase from relevant members of TCL Technology Group for onward sale to the End Customer. It is in this context that the Group’s sale of Products to TCL Technology Group is made. For the period from 1 January 2024 up to the date of this announcement, substantial part of the sale of the Group’s Products to TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement and Master Sale and Purchase (2025-2027) Agreement were respectively made for the onward sale to Independent Third Party brand customers under such arrangement which is specifically catered for the End Customers’ internal administrative and sourcing policy.

Although TCL Sales Channel is the point of sale vis-à-vis the End Customers, TCL Sales Channel only plays an administrative and supporting role and acts as a “central platform” accepting orders and processing payments with the End Customers. In particular, all onward sale of Products by TCL Sales Channel to End Customers are sold at the same price charged by the Group to TCL Sales Channel without any markup. Customer management in relation to orders for the Group’s Products, including negotiations on specifications of the Products, delivery and payment terms are performed and handled by the Group through a direct communication channel maintained with the End Customers.

With the surging demand from the End Customers coupled with the Group’s ramped up production capacity as discussed in detail in the section headed “Basis for Determining the Revised Annual Caps”, orders from the End Customers and hence the corresponding sale to TCL Technology Group is expected to grow. Whereas the Company has been actively negotiating with designated End Customers to switch to direct transactions with the Group, as mentioned in the section headed “Basis for determining the Revised Annual Caps” and further discussed below, based on the current orders on hand, it is expected that the 2025 Sale Revenue Limit will exceed 50% by the end of September 2025 and is expected to reach approximately 57% for the year ending 31 December 2025. In any event, the Group will temporarily suspend further order for Products from TCL Technology Group until the Group has made sufficient sale to Independent Third Party customers to ensure the Revenue Limit (including the 2025 Sale Revenue Limit, whether before or after the proposed revision under the Supplemental Agreement) will not be exceeded.

On the other hand, the Group has put in effort to strive for a direct sales channel with the End Customers. The Group has engaged in discussions with three of the major End Customers regarding the establishment of direct sales relationships with the Group. Subject to clearance of the relevant End Customer’s internal procedures, the Group is expected to be able to make direct sales to those End Customers earliest by the end of 2025 to early 2026.

Sales to the aforesaid three major End Customers (i) accounted for approximately 64% of the total amount of sales of Products made under the Master Sale and Purchase (2022-2024) Agreement for the year ended 31 December 2024, and (ii) is expected to account for approximately 51% of the same for the year ending 31 December 2025. Upon the Group being able to make direct sales to such End Customers, the relevant transactions will no longer constitute continuing connected transactions under the Master Sale and Purchase (2025-2027) Agreement. It is therefore expected that sale to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the remaining term in 2026 to 2027 will be reduced accordingly.

The Company will continue to negotiate with other End Customers with a view to establish a direct sales channel to further minimise TCL Sales Channel's involvement in sales made by the Group so as to enhance its operational independence.

In view of the above, whilst efforts have been deployed to keep the actual amount of sale of Products below the Revenue Limit, the Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that revision of the 2025 Sale Revenue Limit to 60% is necessary and in the best interest of the Company and the Shareholders as a whole:

- (1) based on the current circumstances of the Group, adhering to the current 50% Revenue Limit would imply the Group will have to turn down a significant number of orders from the first-tier End Customers. Given the substantial sales volume contributed by these key accounts, rejecting the orders would adversely affect the overall profitability and business performance of the Group, this is also detrimental to the Group's carefully cultivated relationships with the End Customers;
- (2) the Revenue Limit is put in place to safeguard against the Group's significant reliance on TCL Technology Group. However, as disclosed above, substantial part of the sale to TCL Technology Group arises from the peculiar arrangement with End Customers owing to the End Customer's internal policy, and under such arrangement TCL Sales Channel only plays an administrative role without exerting material interference nor influence over the End Customers. In such circumstances, the transaction amount of sale to TCL Technology Group or the Revenue Limit, and the exceeding of which is not an accurate indicator of the Group's reliance, if any, on TCL Technology Group. Revising the 2025 Sale Revenue Limit will not directly result in the over reliance on TCL Technology Group; and
- (3) the revision of the 2025 Sale Revenue Limit to 60% is proposed having considered the exceptional circumstances in order to accommodate the surge in orders from the End Customers which is the result of the Group's years of dedicated effort in earning the trust of End Customers. In any event and subject to the revision of the 2025 Sale Revenue Limit becoming effective, the Revenue Limit will only exceed 50% in the fourth quarter of 2025 for a very limited period of time. The Group is confident that more End Customers will be willing to establish direct sales channel with the Group thereby reducing the amount of sales to TCL Technology Group, and hence no revision for the Revenue Limit applicable to sales to TCL Technology Group for the two years ending 31 December 2027 nor purchase from TCL Technology Group for the remaining term of the Master Sale and Purchase (2025-2027) Agreement is proposed.

(ii) Revision of the Annual Caps

As discussed in the section headed “Basis for Determining the Revised Annual Caps”, the Company anticipates that the actual amount of purchases and sales will exceed the previous estimation and that the Annual Caps will not be sufficient to meet the Group’s projected purchases and sales figure for the three years ending 31 December 2027. The revision of the Annual Caps will facilitate members of the Group to secure a stable and reliable supply of the necessary Materials for production of Products which meet the technical specification of first-tier brand customers and maintain a stable sale of Products to the End Customers which is placed through TCL Technology Group. Hence, the Revised Annual Caps will allow the Group to continue to grow its production scale and strengthen its economics of scale advantage, as well as to maintain more feasible options as to sale channels of its Products.

The Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps and the transactions contemplated under the Master Sale and Purchase (2025-2027) Agreement will not result in significant reliance on TCL Technology Group for the following reasons:

- (i) the Group expects to maintain its existing portfolio of Independent Third Party customers/suppliers, as none of the existing Independent Third Party customers/suppliers has indicated any intention to discontinue the cooperation with the Group;
- (ii) the Group has been exploring new markets and new Independent Third Party customers and optimising its product mix. The Group has capitalised on the advancement in its medium-sized display modules and gradually attracted new brand customers, thereby diversifying its sources of revenue. Further as mentioned above, more End Customers are expected to establish direct sales channels with the Group so the involvement of TCL Technology Group will no longer be required. In view of the aforesaid, the Group is confident that it could maintain and grow its revenue from Independent Third Parties in the future;

- (iii) as mentioned above under the “Basis for Determining the Revised Annual Caps” section, the “t9” display panel production line of TCL CSOT supplies only one to two kinds of Materials to the Group, and the Group only sources the requisite Materials from TCL Technology Group given it is the most cost efficient and practical source. In the event that the Group cannot source the requisite Materials from TCL Technology Group, the Group will obtain such Materials from Independent Third Party suppliers which offer the next most cost efficient supply, in which case the Group will discuss with the relevant customers to ascertain if modifications to their product orders are necessary based on the specifications of the Materials that are available from Independent Third Party suppliers.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps and the transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better and in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES AND PRICING POLICY

The Group will continue to follow the internal control procedure and pricing policies as stated in the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively when conducting the transactions contemplated under the Revised Annual Caps and the Master Sale and Purchase (2025-2027) Agreement (as amended and supplemented by the Supplemental Agreement). The aforementioned internal control procedures and pricing policies in respect of the sale of Products to TCL Technology Group are set out below for easy reference:

General internal control procedures and pricing policies

- (i) The finance department of the Company has maintained a list of transaction parties (the “**Transaction Parties List**”) of all material transactions and highlighted those who are connected persons of the Company so that staff members could identify transactions that constitute connected transactions of the Company. Whenever the relevant department of the Company intends to enter into transaction with an entity, the relevant department would check against the Transaction Parties List to see if the such entity is a connected person of the Company, and if so the connected transaction would be subject to applicable review and monitoring procedures (including those set out herein, if applicable) to ensure the connected transactions would be on normal commercial terms and on terms no less favourable from the perspective of the Group.

- (ii) The finance department of the Company has, on a quarterly basis, counterchecked with each party in the Transaction Parties List to ascertain whether they are a connected person of the Company, so as to maintain the list of connected persons (the “**Connected Person List**”) for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the Connected Person List could only be made after checking with the counterparty to ascertain the relationship with the Company, in the case of addition of a connected relationship, evidence such as organisation chart will have to be obtained, and in the case of cessation of a connected relationship, evidence will have to be obtained to confirm the date of cessation as a connected person of the Company. Whenever there is an update to the Connected Person List, it must be reported and approved by the management of the Group to ensure the management is aware of such update.
- (iii) The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts under the continuing connected transactions from time to time and prepare a monthly report on the status of the aggregate transaction amounts which will be submitted to the finance director of the Group for review.
- (iv) Before conducting any transactions with connected persons, the finance department would confirm that the Group still has sufficient unused annual caps for carrying out the relevant continuing connected transactions. The finance department would on a regular basis review the continuing connected transactions carried out during the period under review to assess, and compile a report, on (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreement and the Company’s pricing policy; and (ii) the transactions amount during the month under review, the aggregate amount of transactions conducted during the relevant financial year and whether the relevant annual caps have been exceeded. If it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions, it would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules including but not limited to revising the relevant annual caps before entering into the proposed transactions. In particular, when 80% of the amount under the relevant annual cap has been utilised, the finance department would send an alert to the operation unit and management, and they would be required to ascertain if there is still sufficient unused annual cap before accepting any further order from the relevant connected persons. When 90% of the amount under the relevant annual cap has been utilised, the Group will consider refusing orders from relevant connected persons until the relevant annual cap has been revised in compliance with the Listing Rules.

- (v) Every time before conducting any continuing connected transactions, the relevant department of the Group would first prepare the relevant individual agreement for the continuing connected transactions and submit it to the finance department and legal department of the Group for review and approval. The finance department and legal department of the Group would review the terms of the proposed transaction and the draft individual agreement to be entered into to make sure that the terms are in compliance with the pricing policy of the Group and the overall terms and conditions (including prices and payment terms) are no less favourable to the relevant member of the Group than those offered by Independent Third Parties. The transactions could only be carried out after the finance department and the legal department have given their approval therefor.
- (vi) The Company's internal control unit will on a half-year basis review the monitoring of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective, the findings of the review will be reported by the head of internal control unit to the finance director of the Company. The internal control unit regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and in compliance with the policies and procedures. In the event of any non-compliance issue or inadequacy in the policies and procedures, the internal control unit will immediately report such matters to the independent non-executive directors and will take remedial actions.
- (vii) The independent non-executive Directors will be provided with the internal control report which sets out the matters subject to review, the methodology adopted, the findings of the internal control department as well as remedial actions taken (if any). Further, the management will provide independent non-executive Directors with half-yearly reports in respect of the on-going continuing connected transactions; sufficient information relating to (i) financial performance and position of the Company; (ii) the implementation of the continuing connected transactions and (iii) the agreement(s) on the continuing connected transactions to be entered into will also be provided to enable the independent non-executive Directors to make their independent judgment in reviewing the continuing connected transactions. The internal control department of the Company will alert the independent non-executive Directors of any deficiency of internal controls or non-compliance issue.
- (viii) All such personnel involved in the internal control procedures are independent of TCL Technology and its associates.

Specific internal control procedures and pricing policies

- (i) Before selling any Products to or purchasing any Materials from TCL Technology Group, the Group would ensure that the transactions are on normal commercial terms and on terms no less favourable from the perspective of the Group than those offered by Independent Third Parties. The internal control unit of the Group will compare the terms offered by TCL Technology Group with the terms offered by at least two Independent Third Parties and make an overall assessment of the terms offered, including the quality of the Products or Materials, past history of dealing with the such party (if any), payment terms and Product or Materials price, to ensure that those offered by TCL Technology Group is no less favourable to the Group than those offered by Independent Third Parties.
- (ii) Where no identical Products or Materials are offered by Independent Third Parties, the internal control unit will then obtain at least two quotations from Independent Third Parties in respect of similar or comparable Products or Materials and compare them with those offered by TCL Technology Group and determine whether on an overall evaluation of the prices, payment terms and other terms and conditions, the terms offered by TCL Technology Group are no less favourable to the Group than those offered by Independent Third Parties.
- (iii) The Group sets a minimum gross profit margin for the Products which is determined with reference to the average price of similar products offered by Independent Third Parties on open market, production cost and market competition. The said minimum gross profit margin will be reviewed and adjusted from time to time based on prevailing market demand and with a view to maintaining the Group's competitiveness amidst changing market condition. In the case where no quotations for identical, similar or comparable Materials can be obtained and the Group decides to purchase Materials from TCL Technology Group, if the cost of such Materials is so high that it will result in the gross profit margin of the relevant Product dropping below the prevailing minimum gross profit margin, the Group will consider whether to purchase such Materials from TCL Technology Group based on a basket of factors, including not limited to (i) whether the Group is able to obtain better offer from Independent Third Parties; (ii) whether the Group has available production capacity and manpower to handle the relevant order; (iii) the customers' demand and the long-term relationship with the customers; and (iv) the overall impact to the profitability of the Group, and the Group shall only proceed on such purchase from TCL Technology Group if it is in the interest of the Shareholders and the Group as a whole to do so.

- (iv) The Group will set up half-year targets for sale of Products and purchase of Materials, which should generally not exceed 50% of the total sale or purchase target (as the case may be) of the Group for the period, together with the annual revenue target of the Group, it could project the approximate amount of sale to and purchase from TCL Technology Group, which will be subject to review from time to time by its internal control unit depending on the surrounding circumstances such as Group's performance and overall market conditions. The finance department will provide the actual revenue in the end of each month to enable the sale unit and internal control unit to compare the actual sale and purchase figures against the sale and purchase targets, the sale limit as well as the latest revenue of the Group from time to time and to make necessary adjustment for the sale to and purchase from TCL Technology Group for the remaining half year period, if needed, to ensure that the Revenue Limit will not be exceeded.
- (v) The internal control unit of the Group will maintain a database to record (a) the total revenue of the Group; and (b) the aggregate amount of purchase of Materials from and sale of Products to TCL Technology Group. Where the Group proposes to make a sale which will result in the then aggregate amount of purchase of Materials from or sale of Products to TCL Technology Group exceeding 45% of the then total revenue of the Group in the relevant financial year, the Group will favourably consider offers from other Independent Third Parties for purchase of Materials or sale of Products as and when appropriate and the internal control unit will notify the relevant department to temporarily decline or delay to process the sale or purchase instructions from the Group and any further instructions from the relevant departments can only be processed on a discretionary basis until there are sufficient purchases from or sales to other Independent Third Parties to ensure that the Revenue Limit for the corresponding financial year will not be exceeded. Where necessary, the Group will also consider refusing purchase of Materials from or sale of Products to TCL Technology Group until there is sufficient Revenue Limit and/or the relevant Revenue Limit has been revised in compliance with the Listing Rules (including but not limited to obtaining Shareholders' approval, where appropriate).

SGM

The Company will seek approval from the Shareholders in respect of the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the proposed Revised Annual Caps at the SGM. An Independent Board Committee has been established to advise the Shareholders on the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps. The Company has appointed the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard. A circular containing, among other things, further details of the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps, letters from the Independent Board committee and the Independent Financial Advisor, a notice convening the SGM and other information as required under the Listing Rules, will be despatched to the Shareholders on or before 15 September 2025.

The Company will convene the SGM at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 30 September 2025, Tuesday at 3:00 p.m., at which resolution(s) will be proposed for the purposes of considering and, if thought fit, approving the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the proposed Revised Annual Caps.

RECORD DATE

The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for determining the entitlements of the Shareholders to attend and vote at the SGM is 24 September 2025, Wednesday. In order to qualify to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on 24 September 2025, Wednesday.

GENERAL INFORMATION OF THE PARTIES

Headquartered in the PRC, the Group is principally engaged in the research and development, manufacture, Sale and distribution of LCD Modules. The Group is also one of the major suppliers of small and medium sized display modules in the PRC. The Group has its manufacturing plant in the PRC and distributes its products in Asia, with focus on Hong Kong and the PRC markets. For more information on the Group, please visit its official website at www.tclcdot.com (the information that appears in this website does not form part of this announcement).

TCL Technology is a major PRC conglomerate and is principally engaged in two core industries of new display and new energy photovoltaic products. For more information on TCL Technology, please visit its official website at <http://www.tcltech.com> (the information that appears in that website does not form part of this announcement). As at the date of this announcement, based on the information available to the Directors, no shareholder of TCL Technology holds 10% or more equity interest in TCL Technology.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TCL Technology, the ultimate controlling shareholder of the Company, indirectly held approximately 64.20% of the number of issued Shares and therefore is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Supplemental Agreement and the Revised Annual Caps and the Master Sale and Purchase (2025-2027) Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the revision contemplated under the Supplemental Agreement constitutes a material change to the continuing connected transactions under the Master Sales and Purchase (2025-2027) Agreement, the Company must re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised Annual Caps exceed 5%, the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps are subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established by the Company to advise the Shareholders on the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps. The Company has appointed the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard. A circular containing, among other things, further details of the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps, letters from the Independent Board Committee and the Independent Financial Advisor, a notice convening the SGM and other information as required under the Listing Rules, will be despatched to the Shareholders on or before 15 September 2025.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the date of this announcement, 1,357,439,806 Shares are held by High Value Ventures Limited, an indirect subsidiary of TCL Technology. Hence, as at the date of this announcement, holders of a total number of 1,357,439,806 Shares, representing approximately 64.20% of the number of issued Shares, will abstain from voting on the resolution in respect of the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps to be put forward at the SGM.

Notwithstanding the respective interest and/or roles of certain Directors in TCL Technology Group, in particular, as at the date of this announcement:

- (i) Mr. LIAO Qian who is deemed to be interested in 3,482,288 shares in TCL Technology (representing approximately 0.0176% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also an executive director, the senior vice president and the secretary of the board of directors of TCL Technology;
- (ii) Mr. ZHANG Feng who is deemed to be interested in 1,591,775 shares in TCL Technology (representing approximately 0.0081% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the senior vice president of TCL CSOT;
- (iii) Mr. ZHANG Caili who is deemed to be interested in 575,006 shares in TCL Technology (representing approximately 0.0029% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO;

- (iv) Mr. XI Wenbo who is deemed to be interested in 602,763 shares in TCL Technology (representing approximately 0.0030% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the vice president and head of financial centre of TCL CSOT; and
- (v) Mr. WANG Xinfu who is deemed to be interested in 9,350 shares in TCL Technology (representing approximately 0.000047% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO.

As each of their respective direct interest in TCL Technology Group is by virtue of common directorship/senior management role and/or the immaterial interest in shares of TCL Technology, their respective direct or indirect interests in TCL Technology Group are insignificant, none of them is considered as having a material interest in the transactions contemplated under the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps and the Master Sale and Purchase (2025-2027) Agreement, therefore all Directors are entitled to vote on the Board resolution(s) for considering and approving the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps pursuant to the Bye-laws.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“2025 Purchase Annual Cap”	the existing annual cap of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;
“2025 Sale Annual Cap”	the existing annual cap of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;
“2025 Sale Revenue Limit”	the Revenue Limit for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;

“Annual Caps”	the Sale Annual Caps and the Purchase Annual Caps;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company as supplemented or amended or substituted from time to time;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Display Optoelectronics Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 334);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Connected Person List”	a list of connected persons maintained by the finance department of the Company by, on a quarterly basis, counterchecking with each party in the Transaction Parties List to ascertain whether they are connected persons of the Company;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of reviewing the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps;

“Independent Financial Advisor”	Pelican Financial Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial advisor appointed by the Board to advise the Independent Board Committee and the Shareholders in respect of the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps;
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its Subsidiaries and their respective associates;
“LCD “	liquid crystal display;
“LCD Module”	the integrated module of liquid crystal display, integrated circuit, connector and other structural components;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Sale and Purchase (2025-2027) Agreement”	the master sale and purchase (2025-2027) agreement dated 10 September 2024 entered into between TCL Technology and the Company;
“Materials”	the articles, things, parts or materials required for manufacturing or production of Products, including but not limited to light-emitting diode, iron frames and other components and parts;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;

“Products”	products including but not limited to LCD Modules manufactured, produced or otherwise sold or distributed by the Group;
“Purchase Annual Cap(s)”	the existing annual cap(s) of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the three years ending 31 December 2027;
“Revenue Limit”	<p>the undertakings by the Company and TCL Technology with each other under the Master Sale and Purchase (2025-2027) Agreement that:</p> <ul style="list-style-type: none"> (i) the aggregate amount of purchase of Materials from TCL Technology Group by the Group shall not exceed 50% of the Group’s then total revenue in each of the financial years during the term of the Master Sale and Purchase (2025-2027) Agreement; and (ii) the aggregate amount of sale of Products to TCL Technology Group by the Group shall not exceed 50% of the Group’s then total revenue in each of the financial years during the term of the Master Sale and Purchase (2025-2027) Agreement;
“Revised Annual Cap(s)”	the Revised Purchase Annual Cap(s) and the Revised Sale Annual Cap(s);
“Revised Purchase Annual Cap(s)”	the proposed revised annual cap(s) of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the three years ending 31 December 2027;
“Revised Sale Annual Cap(s)”	the proposed revised annual cap(s) of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the two years ending 31 December 2026;

“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Annual Cap(s)”	the existing annual cap(s) of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the three years ending 31 December 2027;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the revision of the 2025 Sale Revenue Limit contemplated under the Supplemental Agreement and the Revised Annual Caps;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“Supplemental Agreement”	the supplemental agreement dated 12 August 2025 entered into between TCL Technology and the Company to amend and supplement the Master Sale and Purchase (2025-2027) Agreement;
“TCL CSOT”	TCL China Star Optoelectronics Technology Co., Ltd.* (TCL華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;

“TCL Technology”	TCL Technology Group Corporation (TCL科技集團股份有限公司), a joint stock limited company established under the laws of the PRC, the ultimate controlling shareholder of the Company, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000100);
“TCL Technology Group”	TCL Technology, its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of TCL Technology from time to time during the term of the Master Sale and Purchase (2025-2027) Agreement, and for the purpose of this announcement excludes the Group (unless otherwise specified);
“%”	per cent

On behalf of the Board
LIAO QIAN
Chairman

Hong Kong, 12 August 2025

The English translation of Chinese names or words in this announcement, where indicated by “”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the Board comprises Mr. LIAO Qian as Chairman and non-executive Director; Mr. ZHANG Feng, Mr. ZHANG Caili, Mr. XI Wenbo and Mr. WANG Xinfu as executive Directors; and Ms. HSU Wai Man Helen, Mr. XU Yan, Mr. LI Yang and Ms. YANG Qiulin as independent non-executive Directors.