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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)

**CONTINUING CONNECTED TRANSACTIONS
MASTER PROCESSING (2019 RENEWAL) AGREEMENT**

MASTER PROCESSING (2019 RENEWAL) AGREEMENT

The Board is pleased to announce that the Company has on 23 August 2019 (after trading hours) entered into the Master Processing (2019 Renewal) Agreement with TCL Corporation, which is on substantially similar terms as the Master Processing Agreement.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently indirectly holds approximately 64.21% 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 Master Processing (2019 Renewal) Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the Master Processing (2019 Renewal) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Shareholders on the terms of and the proposed annual caps of the Master Processing (2019 Renewal) Agreement. The Company has appointed an independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard. The Company will despatch to the Shareholders a circular containing further details of the Master Processing (2019 Renewal) Agreement, letters from the Independent Board Committee and the independent financial adviser, and a notice convening the SGM on or before 30 August 2019.

High Value Ventures Limited, an indirect subsidiary of TCL Corporation is directly interested in 1,357,439,806 Shares, representing approximately 64.21% of the number of issued Shares of the Company. Hence, High Value Ventures Limited, being a TCL Associate and holder of 1,357,439,806 Shares, will abstain from voting on the resolution in respect of the Master Processing (2019 Renewal) Agreement to be put forward at the SGM. Save as the aforesaid, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution in respect of the Master Processing (2019 Renewal) Agreement to be put forward at the SGM.

MASTER PROCESSING (2019 RENEWAL) AGREEMENT

The Company has entered into the Master Processing Agreement on 18 June 2019, which will expire on 31 December 2019. As the Company and TCL Corporation wish to enter into a long term arrangement with respect to the continuing connected transactions contemplated thereunder, the Board is pleased to announce that the Company has on 23 August 2019 (after trading hours) entered into the Master Processing (2019 Renewal) Agreement with TCL Corporation, which is on substantially similar terms as the Master Processing Agreement.

Set out below are major terms of the Master Processing (2019 Renewal) Agreement:

- Date: 23 August 2019 (after trading hours)
- Parties: (1) the Company (for itself and on behalf of its Subsidiaries)
- (2) TCL Corporation (for itself and on behalf of each and every member of TCL Corp Group)
- Duration: From the Shareholders' Approval Date to 31 December 2021 (both days inclusive)
- Major Terms: If any member of TCL Corp Group so requests, the Group shall or procure its member(s) to process the Raw Materials as provided by TCL Corp Group into Semi-Finished Materials and/or Finished Goods for the relevant member(s) of TCL Corp Group in accordance with the Quality Specification, provided that:
- (a) the relevant member(s) of the Group considers that it has the relevant resources to meet the timeline, quality and the quantity of the relevant order placed;
 - (b) where the relevant member(s) of TCL Corp Group requests the same kind of service from an Independent Third Party, the overall commercial terms (including charges and payment terms) offered by the relevant member(s) of the Group to TCL Corp Group shall be no more favourable than those offered by such third party; and
 - (c) where the relevant member(s) of the Group simultaneously provides the same kind of service to an Independent Third Party, the overall commercial terms (including charges and payment terms) provided by the relevant member(s) of the Group to TCL Corp Group shall be no more favourable to TCL Corp Group than the relevant member(s) of the Group would offer to such third party.

The material processing services provided by the Group shall be on a non-exclusive basis but orders placed by TCL Corp Group shall be given priority, provided that such order placed by TCL Corp Group shall be on terms no less favourable to the Group than those offered by an Independent Third Party.

Processing fee and price determination: The processing fee to be charged by the Group (including the payment terms) against TCL Corp Group shall be no more favourable to TCL Corp Group than those which the Group would offer to Independent Third Parties.

(Note: To ensure the processing fee to be charged by the Group (including the payment terms) against TCL Corp Group shall be no more favourable to TCL Corp Group than those which the Group would offer to Independent Third Parties, the processing fee will be determined in accordance with the pricing policy set out in the section headed “PRICING POLICY AND INTERNAL CONTROL PROCEDURES” in this announcement)

Termination of Master Processing Agreement: Upon the Master Processing (2019 Renewal) Agreement becoming effective, the Master Processing Agreement will be automatically terminated.

Condition precedent: The Master Processing (2019 Renewal) Agreement is conditional on and subject to compliance by the Company with all requirements of the Listing Rules in respect of the Master Processing (2019 Renewal) Agreement, including but not limited to obtaining the Shareholders' approval at the SGM.

PRICING POLICY AND INTERNAL CONTROL PROCEDURES

To ensure that the transactions under the Master Processing (2019 Renewal) Agreement are on normal commercial terms and on terms no more favourable than those offered to Independent Third Parties by the Group, or offered by Independent Third Parties to the relevant member of TCL Corp Group, the Company has adopted the following measures:

- (1) Every time before the relevant member of the Group accepts a request from the relevant member of TCL Corp Group for the processing of Raw Materials, the operation unit of the relevant member of the Group will review the draft individual processing order for the engagement to confirm that the Group has the relevant resources to meet the timeline, quality and the quantity of the relevant order placed. The processing fee that the Group charges is in general determined based on factors such as the cost for processing, level of technology and skills required and quantity ordered etc. taking into account of prevailing market conditions, and will vary depending on the specification of each order. Such price determination mechanism is in line with the market or the industry. In any event, the Group will make reference to the prevailing market or industry practices and conditions to ensure the processing fee to be charged is consistent with the market or industry.

- (2) The internal control unit will then review the terms of the draft individual processing order to make sure that the terms are in compliance with the Master Processing (2019 Renewal) Agreement and the overall terms of the engagement in respect of processing similar Raw Materials to similar Semi-Finished Materials and/or Finished Goods are no more favourable to TCL Corp Group than those offered by the Group to Independent Third Parties. Where no similar service for processing the relevant Raw Material into similar Semi-Finished Materials and/or Finished Goods is offered by the Group to Independent Third Parties, the Group will request the relevant member of TCL Corp Group to obtain at least two quotations from Independent Third Parties (who are able to provide the required services of satisfactory quality and at satisfactory standard to TCL Corp Group) whereby the Group will compare the overall terms of the engagement, and in particular the processing fee to be charged, against those offered by Independent Third Parties to ensure that those offered by the Group are no more favourable. Where no such quotations could be obtained, the Group will compare the gross profit margin of the processing fee to be charged by the Group against the gross profit margin for selling similar Semi-Finished Materials and/or Finished Goods to ensure that a higher gross profit margin will be achieved by offering processing service. The reasons for requesting the relevant member of TCL Corp Group to obtain quotations from Independent Third Parties instead of obtaining quotations by the Group itself is because it is impractical for the Group, as a service provider in the context of processing service, to obtain quotations from Independent Third Party processing service providers who are competitors of the Group, as those Independent Third Parties will be reluctant to provide the Group with such sensitive information. Secondly, as processing service is still a new mode of business for the Group, the Group has yet to receive orders from Independent Third Parties in this regard, and as such the Group currently does not have a benchmark quotation for processing service offered to Independent Third Parties as at the Latest Practicable Date.
- (3) When evaluating the terms of a draft individual processing order, the internal control unit will compare it with all quotations provided to or by Independent Third Parties for the same or equivalent processing services at comparable quality and determine whether on an overall evaluation of the processing fees to be charged, the payment terms as stated in the draft individual processing order against the quotations offered to or by Independent Third Parties, are the most favourable to the Group.

- (4) The relevant member of the Group will only enter into individual processing order with the relevant member of TCL Corp Group after receiving the approval by the internal control unit which confirms that the overall terms are no more favourable than those offered by the Group to Independent Third Parties or those offered by Independent Third Parties to the relevant member of TCL Corp Group.
- (5) The internal control unit of the Group will conduct a monthly review on whether the Group still has sufficient unused amount under the relevant annual caps for carrying out the continuing connected transactions during the year, and will provide a report on the relevant continuing connected transactions and data on utilisation of the relevant annual cap to the Board every quarter. If it is anticipated that the annual caps may be exceeded and if the Group is to continue carrying out the continuing connected transactions throughout the year, the Group will take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules and seek to revise the relevant annual caps in accordance with the relevant requirements of the Listing Rules before entering into the proposed transactions. In particular, when 80% of the amount under the relevant annual cap has been utilized, the internal control unit 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 TCL Corp Group. When 90% of the amount under the relevant annual cap has been utilized, the Group will consider refusing orders from TCL Corp Group until the relevant annual cap has been revised in compliance with the Listing Rules. Priority would only be given to orders from TCL Corp Group if there is still sufficient unused amount under the relevant annual cap.
- (6) Generally, processing orders accepted by the Group would be handled on a first-come-first-serve basis if there is sufficient capacity to undertake all the orders. However, where an order from an Independent Third Party and an order from TCL Corp Group are being negotiated during the same period of time and there is insufficient capacity to process both orders at the same time, the Group will give priority to the order from TCL Corp Group to that from the Independent Third Party, provided that the order from TCL Corp Group is on terms no less favourable to the Group than those offered by the Independent Third Party and subject to the Group having sufficient unused amount under the relevant annual cap.
- (7) The members who perform the aforesaid internal procedures are all employees of the Company who are independent from TCL Corp Group.

Accordingly, notwithstanding the absence of specific pricing terms in the Master Processing (2019 Renewal) Agreement for the continuing connected transactions, the Directors are of the view that given the methods and procedures adopted allow comprehensive comparison between these pricing terms with market standards, they can ensure the fairness and reasonableness of these pricing terms and that the continuing connected transactions are conducted on normal commercial terms, hence the interests of the Company and its Shareholders as a whole are not prejudiced.

HISTORICAL FIGURES

The following table sets out the historical figures of the continuing connected transactions under the Master Processing Agreement for the period from 18 June 2019 to 31 July 2019:

	For the period from 18 June 2019 to 31 July 2019 (unaudited) (for actual amount only)/ 31 December 2019 (for original annual cap only) <i>RMB'000</i>
Processing Fee	
– original annual cap	54,000
– actual	39,565

PROPOSED ANNUAL CAPS

The following table sets out the respective proposed annual cap of the continuing connected transactions under the Master Processing (2019 Renewal) Agreement:

	For the period from 18 June 2019 to 31 December 2019		For the year ending 31 December 2020		31 December 2021	
	<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
Processing Fee	518,000	1,092,000	1,029,756			

DETERMINATION OF THE PROPOSED ANNUAL CAPS

In determining the annual caps for the processing service under the Master Processing (2019 Renewal) Agreement, the Directors have taken into account, among others:

- (i) historical figures under the Master Processing Agreement. As the Group has just commenced its processing business under the Master Processing Agreement, the annual cap of RMB54 million thereunder was intended to cater for a small amount of processing orders to be undertaken by the Group during the trial period. The trial-run has proven successful and as the Group could smoothly transit into this new business model, the Group began to undertake more processing orders from TCL Corp Group. Based on (i) historical figures from 18 June to 31 July 2019, the amount of servicing fee received from TCL Corp Group was RMB39.6 million; and (ii) the scheduled orders to be undertaken by the Group, the amount of servicing fee received from TCL Corp Group is expected to reach approximately RMB127 million by end of September 2019. Further, the Group has intended to lease 6 production lines with aggregate production capacity of 4 million units per month from Independent Third Parties from September to December 2019 to support the expected processing orders from TCL Corp Group, and pursuant to latest negotiation with TCL Corp Group, the amount of servicing fee to be received by the Group for the three months of October to December 2019 is expected to amount to approximately RMB351 million. In this regard, the Group is able to project the approximate annual amount of processing fees to be received from TCL Corp Group based on the expected figure of approximately RMB518 million for the period from 18 June 2019 to 31 December 2019;

- (ii) the processing fee quoted by the Group to members of TCL Corp Group for processing LCD Modules with reference to the pricing policy disclosed in this announcement;
- (iii) the proposed annual cap of RMB1.09 billion for the year ending 31 December 2020 represents a 13.8% increase as compared to the annualized figure of the proposed annual cap of RMB960 million for the year ending 31 December 2019, this is because it is estimated that the projected amount of Raw Materials expected to be processed by the Group and TCL Corp Group's projected requirement of, Semi-Finished Materials and Finished Goods would increase to approximately 104 million units for the year ending 31 December 2020 as compared to the year ending 31 December 2019 due to the expected increase in demand from existing major customers of members of TCL Corp Group based on the preliminary discussion between such major customers and TCL Corp Group in relation to the supply for 2020;
- (iv) the Group is setting up new production lines, which are expected to complete trial-run in around the fourth quarter of 2019 and commence mass production in the first quarter of 2020, are expected to contribute an additional capacity of 5 million units per month and hence bring about a two-fold increase in the Wuhan CDOT's production capacity from approximately 60 million units in 2019 to approximately 120 million units from 2020 onwards, coupled with the Group's existing production capacity excluding Wuhan CDOT of approximately 88 million units, the Group's overall production capacity is expected to reach approximately 208 million units in 2020;
- (v) having considered that the manufacturing mode of processing Raw Materials provided by customers can help the Group to stabilize its costs and expenses as compared to selling LCD Modules manufactured by the Group, the Group will gradually shift its mode of production to the processing model for the three years ending 31 December 2021 as further explained in the section under "REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS"; and

(vi) given the Group has just commenced this new mode of production in the second half of 2019, the Group plans to market the processing service to Independent Third Party customers in the beginning of 2020. Before the Group could successfully engage a customer, the Group has to undergo a thorough selection process carried out by the customer which includes financial and operational due diligence on the Group, assessment of whether the Group satisfies the qualification requirements of the relevant customer, quality assessment of the Group's products and factories, small-batch production trials and medium-batch production trials. The Group expects that cooperation relationship with new Independent Third Party customers could be established by the end of 2020 the earliest, thus it is expected that the Group would receive more processing orders from Independent Third Party(ies) in 2021 the earliest, which would consume part of the production capacity of the Group and lead to a slight drop in the amount of Raw Materials expected to be processed for TCL Corp Group and hence the processing fee to be received by the Group for the year ending 31 December 2021. As a result, the proposed annual cap for the year ending 31 December 2021 is expected to decrease by 5.7% as compared to that of the year ending 31 December 2020.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

As the Group is a midstream player in the smart display device market, the Group will from time to time receive commission projects from customers (including relevant member(s) of TCL Corp Group) for processing Raw Materials into Semi-Finished Materials and/or Finished Goods to be used in downstream end products. Having undertaken commission work from members of TCL Corp Group under the Master Processing Agreement, the Company considers that entering into the Master Processing (2019 Renewal) Agreement to extend the arrangement into a long term one will facilitate the smooth operation of the Group's business by providing a source of business opportunities to enhance the efficient use of resources and utilisation of the expanded production capacity of the Group.

Under this manufacturing mode of processing Raw Materials provided by customers, the customers will procure the requisite Raw Materials to be processed by the Group; comparing to the mode of selling LCD Modules manufactured by the Group, where the Group needs to handle procurement, storage and management of Raw Materials. In this regard, the processing mode also reduces the impact of Raw Materials supplies and cost fluctuations on the gross profit margin of the Group, thereby stabilising the cost structure of the Group. Further, labour costs, procurement costs, inventory storage and management costs as well as management overhead can be reduced in the long run in the manufacturing mode of processing Raw Materials provided by customers, which results in a higher gross profit margin as compared to that of selling LCD Modules manufactured by the Group. Accordingly, the Directors consider that the arrangement under the Master Processing (2019 Renewal) Agreement provides the Group with a more stable cost structure which will create greater value to Shareholders and is therefore in the interest of the Company and the Shareholders as a whole, and as the processing mode stabilizes the cost structure of the Group, the Directors are of the view that this mode of business can generate stable profits in the long term.

In view of the aforesaid, the Group will gradually focus more on the processing mode of production. While there is no difference in the equipment, machinery and level of technology required for the processing mode of production as compared to the Group's current mode of production, it would ultimately depend on whether the customer is willing to procure and provide the Raw Materials on its own. Accordingly, from a technical standpoint, the Group does not expect that any material difficulty would arise when shifting to the processing mode of production.

The Directors consider that the Group is able to maintain its revenue from Independent Third Parties and the continuing connected transactions contemplated under the Master Processing (2019 Renewal) Agreement will not result in significant reliance on TCL Corp Group for the following reasons:

- (1) On one hand, the Group expects to maintain its existing Independent Third Party customer base, which are mainly in the mobile phone industry, as none of the existing Independent Third Party customers has indicated any intention to discontinue the cooperation with the Group. On the other hand, the Group has been exploring new markets such as the smart home market. The Group has successfully partnered with an Independent Third Party in March 2018 to introduce a smart speaker with interactive touch display module, and orders for the relevant display module is expected to increase by approximately 700% in 2019 as compared to 2018, bringing in a new source of revenue from Independent Third Party. Furthermore, the Group is planning to explore the point-of-sale (POS) system market and educational learning machine market by partnering up with Independent Third Parties. The customer base of the Group's Independent Third Party customers has also been expanding, as evidenced by the 24% increase from 25 Independent Third Party customers in 2018 to 31 Independent Third Party customers in 2019. In view of the aforesaid, the Group is confident that it could maintain its revenue from Independent Third Parties in the future.
- (2) The Group does not intend to offer the processing service solely to members of TCL Corp Group. As explained in the paragraph (vi) under the section headed "DETERMINATION OF THE PROPOSED ANNUAL CAPS", the Group will start to market the processing service to Independent Third Parties in the beginning of 2020 and expect to receive orders from Independent Third Parties starting from 2021.
- (3) Through the cooperation and vertical integration with CSOT, the Group has been able to ride on CSOT's connection and technology advancement in the industry to partner with many Independent Third Party brand customers which the Group would not be able reach out to on its own as the Group could not meet the requisite qualification/specification of such customers. However, the Group has since then been striving to ramp up the capabilities in order to forge a direct business relationship with such customers. Subject to the Group passing the relevant selection process, the Group aims to establish a direct business relationship with such customers by 2021, thereby increasing the Group's revenue from Independent Third Party and reducing its reliance on CSOT.

In view 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 contained in the circular to be despatched by the Company) consider that the pricing term for the Master Processing (2019 Renewal) Agreement are fair and reasonable, and consider that the continuing connected transactions contemplated thereunder and the annual cap thereof are in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL INFORMATION AND RELATIONSHIP OF THE PARTIES

Headquartered in the PRC, the Group is principally engaged in the research and development, manufacture, sales 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 plants in 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.cdoth8.com (the information that appears in this website does not form part of this announcement).

TCL Corporation is a major PRC conglomerate and is principally engaged in semi-conductor display and material business. For more information on TCL Corporation, please visit its official website at <http://www.tcl.com> (the information that appears in that website does not form part of this announcement).

LISTING RULES IMPLICATIONS

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An Independent Board Committee has been established to advise the Shareholders on the terms of and the proposed annual caps of the Master Processing (2019 Renewal) Agreement. The Company has appointed an independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard. The Company will despatch to the Shareholders a circular containing further details of the Master Processing (2019 Renewal) Agreement, letters from the Independent Board Committee and the independent financial adviser, and a notice convening the SGM on or before 30 August 2019.

High Value Ventures Limited, an indirect subsidiary of TCL Corporation is directly interested in 1,357,439,806 Shares, representing approximately 64.21% of the number of issued Shares of the Company. Hence, High Value Ventures Limited, being a TCL Associate and holder of 1,357,439,806 Shares, will abstain from voting on the resolution in respect of the Master Processing (2019 Renewal) Agreement to be put forward at the SGM. Save as the aforesaid, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution in respect of the Master Processing (2019 Renewal) Agreement to be put forward at the SGM.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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

“CSOT”	Shenzhen CSOT and its subsidiaries, for the purpose of this announcement shall not include the Group;
“Director(s)”	the director(s) of the Company
“Finished Goods”	means small and medium sized LCD Modules manufactured, produced or otherwise sold or distributed by the Group
“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 established for the purpose of reviewing the terms of and the proposed annual caps for transactions under the Master Processing (2019 Renewal) Agreement
“Independent Financial Adviser” or “Halcyon Capital Limited”	Halcyon Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Shareholders in respect of the terms of the Master Processing (2019 Renewal) Agreement
“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 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 Processing Agreement”	the master processing agreement dated 18 June 2019 entered into between TCL Corporation and the Company
“Master Processing (2019 Renewal) Agreement”	the master processing (2019 renewal) agreement dated 23 August 2019 entered into between TCL Corporation and the Company
“Materials”	the articles, things, parts or materials required for manufacturing or production of Finished Goods, including 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
“Quality Specification”	means the processing procedures and specifications of the Semi-Finished Materials and the Finished Goods (if applicable) provided by TCL Corp Group to the Group from time to time
“Raw Materials”	means the article, things, components, moulds or raw materials sourced and owned by TCL Corp Group including but not limited to plastic parts
“RMB”	Renminbi, the lawful currency of the PRC
“Semi-Finished Materials”	means the semi-finished materials produced or manufactured by the Group pursuant to the terms of the Master Processing (2019 Renewal) Agreement including but not limited to small and medium sized LCD modules which will then be used by TCL Corp Group for the manufacturing and production of its products

“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Master Processing (2019 Renewal) Agreement and the relevant proposed annual caps
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Approval Date”	means the date on which the Shareholders approve the Master Processing (2019 Renewal) Agreement, the transactions contemplated thereunder and the proposed annual caps
“Shenzhen CSOT”	Shenzhen China Star Optoelectronics Technology Co., Ltd.* (深圳市華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a TCL Associate
“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
“TCL Associate(s)”	the associate(s) of TCL Corporation
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock 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 Corp Group”	means TCL Corporation and its Subsidiary(ies) and its associate(s) and any entity(ies) that may become Subsidiary(ies) or associates of TCL Corporation from time to time during the term of the Master Processing (2019 Renewal) Agreement and for the avoidance of doubt it shall not include the Group
“Wuhan CDOT”	Wuhan China Display Optoelectronics Technology Company Limited* (武漢華顯光電技術有限公司), a company established under the laws of the PRC with limited liability
“%”	per cent

On behalf of the Board
LIAO Qian
Chairman

Hong Kong, 23 August 2019

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. Ouyang Hongping, Mr. Wen Xianzhen and Mr. Zhao Jun as executive Directors; and Ms. Hsu Wai Man Helen, Mr. Xu Yan and Mr. Li Yang as independent non-executive Directors.