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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)

**(1) CONTINUING CONNECTED TRANSACTIONS –
SUPPLEMENTAL AGREEMENT TO
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(2) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY
IN RESPECT OF THE DEPOSIT AND
CASH POOLING SERVICES UNDER
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT**

**SUPPLEMENTAL AGREEMENT TO MASTER FINANCIAL SERVICES
(2023-2025) AGREEMENT**

Reference is made to the circular of the Company dated 21 November 2022 in relation to the entering into of the Master Financial Services (2023-2025) Agreement. The Board is pleased to announce that the Company has on 27 October 2023 (Hong Kong time after trading hours) entered into the Supplemental Agreement with TCL Technology and Finance Company to, among other things, amend the scope of the Deposit Services under the Master Financial Services (2023-2025) Agreement to include Cash Pooling Services.

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. Finance Company, being a subsidiary of TCL Technology, is also a connected person of the Company. Therefore, the transactions (including the Deposit and Cash Pooling Services) contemplated under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual caps of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice), Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the proposed annual caps of Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) exceed 25% and the assets ratio thereof exceeds 8%, in addition to being continuing connected transactions, the Deposit and Cash Pooling Services also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules; and the Deposit and Cash Pooling Services further constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

SUPPLEMENTAL AGREEMENT TO MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT

The Company has entered into the Master Financial Services (2023-2025) Agreement with TCL Technology and Finance Company on 31 October 2022, pursuant to which, among other things, any China Display Qualified Member may from time to time in its absolute discretion request Finance Company to provide Deposit Services, and Finance Company may in its absolute discretion decide whether to provide Deposit Services. The Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2025 were subsequently approved, confirmed and ratified by the Shareholders during a special general meeting of the Company held on 23 December 2022. For details, please refer to the circular of the Company dated 21 November 2022.

In view of the growing need for flexible cash management, the Company has on 27 October 2023 (Hong Kong time after trading hours) entered into the Supplemental Agreement with TCL Technology and Finance Company to, among other things, amend the scope of the Deposit Services under the Master Financial Services (2023-2025) Agreement to include the Cash Pooling Services. Save for the aforementioned amendment, there is no other material change to the terms and conditions of the Master Financial Services (2023-2025) Agreement. The transactions under the Cash Pooling Services would be covered by the existing annual caps of the Deposit Services.

The material terms of the Supplemental Agreement are summarised below:

- Date: 27 October 2023
- Parties:
- (1) the Company (for itself and on behalf of its subsidiaries);
 - (2) TCL Technology (for itself and on behalf of TCL Technology Group); and
 - (3) Finance Company.
- Duration: The Supplemental Agreement shall be effective from the Shareholders' Approval Date, and shall be valid during the term of the Master Financial Services (2023-2025) Agreement.
- Condition precedent: The Supplemental Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Supplemental Agreement, including but not limited to obtaining the approval from Shareholders at the SGM.
- Amendments to the Master Financial Services (2023-2025) Agreement: The scope of the Deposit Services under the Master Financial Services (2023-2025) Agreement has been expanded to include the Cash Pooling Services.
- Under the Cash Pooling Services, any China Display Qualified Member may from time to time request for participation in the TCL Cash Pooling Arrangement, and the relevant member of TCL Technology Group may in its absolute discretion decide whether to allow the relevant China Display Qualified Member to participate in the TCL Cash Pooling Arrangement, provided that the terms of the TCL Cash Pooling Arrangement shall be subject to the following requirements:
- (1) for deposits made within the PRC, the interest rate shall not be less than the highest of:
 - (i) the minimum interest rate promulgated by the PBOC for the same type of deposit from time to time; and

- (ii) the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks in the PRC; and

other terms and conditions as a whole under the TCL Cash Pooling Arrangement shall also be not less favourable than those offered by major commercial banks in the PRC (*see Note 1*) to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms; and

- (2) for deposits made outside the PRC, the interest rate shall not be lower than the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks located in the place where the relevant China Display Qualified Member is located; and other terms and conditions as a whole under the TCL Cash Pooling Arrangement shall also be not less favourable than those offered by major commercial banks located in the place where the relevant China Display Qualified Member is located (*see Note 1*) to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms.

TCL Technology undertakes and will procure Finance Company and all its TCL Financial Services Associates to jointly and severally with TCL Technology undertake with the Group that at any time during the term of the Master Financial Services (2023-2025) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2023-2025) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the aggregate amount of (i) deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company; and (ii) deposits placed by the China Display Qualified Members under the TCL Cash Pooling Arrangement pursuant to the Master Financial Services (2023-2025) Agreement. (*see Note 2*)

If (i) any China Display Qualified Member demands repayment of any money deposited by it with Finance Company under the Deposit Services in accordance with the relevant terms and procedures and Finance Company fails to follow the repayment demand; or (ii) any China Display Qualified Member demands repayment of any money deposited by it under the TCL Cash Pooling Arrangement in accordance with the relevant terms and procedures and the relevant member of TCL Technology Group fails to follow the repayment demand, such China Display Qualified Member shall then have the right to:

- (a) offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by it and/or any financing provided to it by members of TCL Technology Group; and/or
- (b) transfer the right mentioned in (a) above to other China Display Qualified Members, so that other China Display Qualified Members have the right to offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by them and/or any financing provided to them by members of TCL Technology Group; and/or
- (c) request TCL Technology to repay the outstanding deposit amount on behalf of Finance Company or the relevant member of TCL Technology Group in full.

Upon enquiry from any China Display Qualified Member, the relevant member of TCL Technology Group shall within one business day (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of TCL Cash Pooling Arrangement (including but not limited to terms in relation to the liability of each participant of the relevant cash pool, as well as the notice period of withdrawal of deposits). The terms and conditions of any Cash Pooling Services/ TCL Cash Pooling Arrangement conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and the relevant member of TCL Technology Group and/or relevant licensed bank or financial institution in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Technology undertakes with the Company, among others, that:

- (1) it will procure members of TCL Technology Group to perform its obligations under the Master Financial Services (2023-2025) Agreement; and
- (2) in case members of TCL Technology Group experience any financial difficulties, TCL Technology will, subject to internal approvals and the applicable rules and regulations, inject capital to members of TCL Technology Group based on the needs of members of TCL Technology Group so as to enable the relevant member of TCL Technology Group to duly perform its obligations under the Master Financial Services (2023-2025) Agreement and the relevant individual agreements thereunder.

Notes:

1. The major commercial banks in PRC include (but not limited to) Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China and China Construction Bank. The major commercial banks located in the place where the relevant China Display Qualified Member is located include (but not limited to), in the case of Hong Kong, Bank of China (Hong Kong), The Hongkong and Shanghai Banking Corporation and China Construction Bank (Asia).
2. With this undertaking, China Display Qualified Members could be assured that facilities available to them under the Master Financial Services (2023-2025) Agreement could be of at least the aggregate amount of deposits they (i) maintain with Finance Company; and (ii) place under the TCL Cash Pooling Arrangement.

Internal control procedures and pricing policy for conducting transactions under the Deposit and Cash Pooling Services

The Group will continue to follow the internal control procedures and pricing policies as stated in the circular of the Company dated 21 November 2022 when conducting the transactions contemplated under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement). Further, the Group will extend the application of the following specific and general internal control procedures and pricing policies to the Cash Pooling Services as follows:

- (1) If Finance Company decides to accept any amount of cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits) or if any China Display Qualified Member places deposit under the TCL Cash Pooling Arrangement, the interest rates offered by Finance Company or under the TCL Cash Pooling Arrangement (as the case may be) will be determined in accordance with the pricing policy as set out in the Master Financial Services (2023-2025) Agreement (as amended by the Supplemental Agreement). The Group will also compare from time to time and at least every quarter the interest rates offered against, (i) the benchmark interest rates promulgated by the PBOC (in the case of deposit made in PRC); (ii) interest rates quoted by at least three major commercial banks in the relevant jurisdiction; and (iii) in respect of the Deposit Services, interest rates for similar deposit service quoted by Finance Company to other members of TCL Technology Group, to ensure the interest rates offered are no less favourable or better than the said benchmark interest rates. In the circumstances where a China Display Qualified Member is to choose between placing a deposit under the Deposit Services or under the Cash Pooling Services, the relevant China Display Qualified Member will further compare the overall terms and conditions (including but not limited to interest rates) offered under each of the Deposit Services and the Cash Pooling Services and choose the more favourable offer.
- (2) The Group's finance department will monitor the maximum daily balance of the deposits on a daily basis to ensure that the aggregate deposits do not exceed the applicable annual caps.
- (3) The Group will also maintain accounts with independent banks. Should the balance at the end of any day exceed the maximum daily balance of deposits, the excess funds will be transferred to the Group's bank accounts with an independent commercial bank.

- (4) The Group will request the relevant member of TCL Technology Group to provide the Group with sufficient information including various financial indicators, such as its asset size, liquidity ratios, operation ratios, level of bad assets and its risk rating assessed by CBIRC (if and when available) at the end of every year as well as annual and interim financial statements to enable the Group to monitor and review the financial condition of the relevant member of TCL Technology Group. The relevant member of TCL Technology Group shall notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of the relevant member of TCL Technology Group, the Group will take appropriate measures (for example, early uplift of deposits and a moratorium on further deposits) to protect the Group's financial position.
- (5) The relevant member of TCL Technology Group will also provide the Group with a monthly report on the status of the Group's deposits so as to enable the Group to monitor and ensure that the relevant annual cap under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) has not been exceeded. Particularly, the Group has in place an internal control system to monitor the usage of annual cap, and the relevant member of TCL Technology Group would monitor the daily ending balance of cash deposited by the Group and would issue a warning to the Group when the balance reaches 90% of the relevant annual cap. Upon receiving the warning, the Group will instruct the relevant member of TCL Technology Group to transfer and deposit such amount in excess with other independent financial institutions as soon as possible within the same day and in any event no later than the next business day. The Group will also conduct a weekly forecast on its level of operating cash to determine the amount to be deposited with the relevant member of TCL Technology Group in the following week, so as to ensure the maximum outstanding daily ending balance of deposits deposited with the relevant member of TCL Technology Group will not exceed the relevant annual cap at any given time. If it is expected that the amount of cash to be generated from the relevant member of TCL Technology Group (e.g. cash received from bills discounting service provided by Finance Company or interest income from TCL Cash Pooling Arrangement), if deposited with the relevant member of TCL Technology Group, will cause the total balance of cash deposited by the Group with the relevant member of TCL Technology Group exceeding the relevant annual cap, the Group will instruct the relevant member of TCL Technology Group to transfer and deposit such amount in excess with other independent financial institutions in advance so as to ensure the maximum outstanding daily ending balance of deposits deposited under the Deposit and Cash Pooling Services will not exceed the relevant annual cap at any given time.

- (6) The Group will, from time to time at its sole discretion, request for the deposits with the relevant member of TCL Technology Group to be withdrawn (either in full or in part) to assess and ensure the liquidity and safety of the Group's deposits.
- (7) Pursuant to the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement), TCL Technology has undertaken that if the relevant member of TCL Technology Group fails to make any repayment in accordance with the relevant terms and procedure, TCL Technology shall repay any outstanding deposit amount on behalf of the relevant member of TCL Technology Group in full and/or offset the relevant outstanding deposit amount against and up to the same amount of any outstanding loans owed by it to and/or any trade financing provided to it by members of TCL Technology Group. Such undertaking provides indemnification for the deposits under the Deposit and Cash Pooling Services of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement).
- (8) The Company will prepare risk assessment reports and data in respect of the funds deposited with the relevant member of TCL Technology Group every quarter which will be submitted to the Board for consideration. The contents of such risk assessment reports include the total balance and maximum daily balance of the deposits for the reporting period, a summary of the interest rates of the deposits with the relevant member of TCL Technology Group during the reporting period, and the terms thereof. It will also report to the Board every six months with respect to the deposits under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) including compliance with annual caps and any potential change in the risk profile of the relevant member of TCL Technology Group.
- (9) The Company's audit committee will also scrutinise the implementation and enforcement of the transactions under the Master Financial Services (2023-2025) Agreement. If the Company's audit committee is of the view that it would be in the Company's interests to reduce the level of deposits and/or other continuing connected transactions with any member of TCL Technology Group, the Group will take appropriate steps to implement its decision. Any material findings in the risk assessment reports, the views of the Company's audit committee on the deposits and/or other continuing connected transactions under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) (including its views on how the terms of the Master Financial Services (2023-2025) Agreement have been complied with) and its decisions on matters in relation thereto, if any and where appropriate, will be disclosed in the Company's annual reports.
- (10) The responsible personnel conducting the above internal control procedures are all employees of the Company who are independent to TCL Technology Group.

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The transactions under the Cash Pooling Services would be covered by the existing annual caps of the Deposit Services. Accordingly, the proposed annual caps of the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) for the three years ending 31 December 2025 would be the same as the existing annual caps of the Deposit Services.

The following table sets out (i) the relevant historical figures of the Deposit Services under the Master Financial Services (2020 Renewal) Agreement for the three years ended 31 December 2022 and the Master Financial Services (2023-2025) Agreement for the nine months ended 30 September 2023; (ii) the existing annual caps of the Deposit Services under the Master Financial Services (2023-2025) Agreement for the three years ending 31 December 2025; and (iii) the proposed annual caps of the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) for the three years ending 31 December 2025:

**Master Financial Services
(2020 Renewal) Agreement**

**Master Financial Services
(2023-2025) Agreement**

	For the nine months ended 30 September 2023 (for actual amount only)/ For the year ending 31 December 2023			For the year ending 31 December 2023		For the year ending 31 December 2024		For the year ending 31 December 2025	
	For the year ended 31 December 2020 (audited) RMB'000	For the year ended 31 December 2021 (audited) RMB'000	For the year ended 31 December 2022 (audited) RMB'000	(for existing annual caps and proposed annual caps only) RMB'000	For the year ending 31 December 2024 RMB'000	For the year ending 31 December 2025 RMB'000			

Deposit and Cash Pooling

***Services - Maximum outstanding
daily ending balances of deposits
(including interest receivables
in respect of these deposits and
deposits as security)***

– Historical/Existing annual cap <i>(Note 1)</i>	895,000	1,450,000	1,690,000	1,700,000	1,870,000	2,057,000			
– Actual amount <i>(Note 1)</i>	560,528	1,123,408	1,040,077	677,631	N/A	N/A			
– Proposed annual cap <i>(Note 2)</i>	N/A	N/A	N/A	1,700,000	1,870,000	2,057,000			

Notes:

1. The respective historical/existing annual caps and historical transaction amounts refer to the annual caps and historical transaction amounts under the Deposit Services of the Master Financial Services (2020 Renewal) Agreement or the Master Financial Services (2023-2025) Agreement (as the case may be), and for the avoidance of doubt, exclusive of Cash Pooling Services.
2. The respective proposed annual caps include (i) deposits (including interest receivables in respect of these deposits and deposits as security) placed by the China Display Qualified Members with Finance Company; and (ii) deposits placed by the China Display Qualified Members under the TCL Cash Pooling Arrangement (including interest receivables in respect of these deposits and deposits as security).

BASIS FOR DETERMINING THE PROPOSED ANNUAL CAPS

The proposed annual caps in relation to the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement are determined with reference to the following factors:

- (i) The historical amounts of the balance of deposit that the Group placed with Finance Company under the Deposit Services of the Master Financial Services (2023-2025) Agreement and the Master Financial Services (2020 Renewal) Agreement.
- (ii) The Cash Pooling Services only serve as an additional option for China Display Qualified Members to manage their cash balances and the Company does not expect there to be an additional demand for placing cash deposits by any China Display Qualified Members. Therefore, it is expected that after expanding the scope of Deposit Services to include Cash Pooling Services, there will be no change in the estimated maximum amount of balance of deposit to be placed thereunder by China Display Qualified Members for the three years ending 31 December 2025 as set out in the circular of the Company dated 21 November 2022.

FINANCIAL EFFECT OF THE DEPOSIT AND CASH POOLING SERVICES

Whilst the Company will be able to continue to earn interest income from the deposits under the Deposit and Cash Pooling Services, given such interest income earned from Deposit Services for the nine months ended 30 September 2023 was only approximately RMB1,582,334 and represented a small proportion of the Company's earnings and net assets, the Company anticipates that the Deposit and Cash Pooling Services contemplated under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) will not have any material impact on the Company's earnings, assets and liabilities.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Directors (excluding the independent non-executive Directors whose views will be set out in the letter from Independent Board Committee to be contained in the circular to be despatched by the Company) consider that the terms of the Supplemental Agreement 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 it is in the interest of the Company and the Shareholders as a whole to enter into the Supplemental Agreement and the transactions contemplated thereunder for the following reasons:

1. The Supplemental Agreement seeks to amend and supplement the Master Financial Services (2023-2025) Agreement such that China Display Qualified Members are allowed to participate in the TCL Cash Pooling Arrangement, which offers China Display Qualified Members an additional option to manage their cash balances. In view of the size of the cash pool under the TCL Cash Pooling Arrangement, China Display Qualified Members are likely to receive more favourable terms for deposits by participating in the TCL Cash Pooling Arrangement than it would by setting up a separate cash pool or by separately placing similar cash deposits with other banks or financial institutions.

2. Members of TCL Technology Group are familiar with the capital structure, business operations and capital requirements of China Display Qualified Members, enabling it to be in a better position to provide Cash Pooling Services which can cater for the financial needs of China Display Qualified Members. In particular, China Display Qualified Members may manage their deposits under the Cash Pooling Services through an integrated online system of TCL Technology Group which enhances efficiency of cash balance management and provides convenience for daily operations.
3. The Company believes that the risks of the TCL Cash Pooling Arrangement is low as it is provided by licensed banks or financial institutions duly established in or outside the PRC and the pricing policies and the operation of which are subject to guidelines issued by the CBIRC or relevant authorities where the banks or financial institutions duly established outside the PRC, and its participants only include members of TCL Technology Group.

The Directors consider that the Deposit and Cash Pooling Services contemplated under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) will not result in the Group having excessive reliance on TCL Technology Group for the following reasons:

1. China Display Qualified Members are not obliged to utilise the Deposit and Cash Pooling Services and any China Display Qualified Member shall only make such deposits if the interest rate offered thereunder is no less favourable than those rates offered by other independent financial institutions.
2. Given that cash deposit services are widely available, China Display Qualified Members can easily find alternative independent third-party service providers if the interest rates under the Deposit and Cash Pooling Services are not favourable.

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. Finance Company, being a subsidiary of TCL Technology, is also a connected person of the Company. Therefore, the transactions (including the Deposit and Cash Pooling Services) contemplated under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual caps of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice), Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the proposed annual caps of Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) exceed 25% and the assets ratio thereof exceeds 8%, in addition to being continuing connected transactions, the Deposit and Cash Pooling Services also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules; and the Deposit and Cash Pooling Services further constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

An Independent Board Committee has been established by the Company to advise the Shareholders on the terms of the Supplemental Agreement and the proposed annual caps in respect of the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement). The Company has appointed the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. Accordingly, TCL Technology and TCL Associates will abstain from voting on the resolution(s) in respect of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental 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(s) in respect of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) to be put forward 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 and a TCL Associate. 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 total number of issued Shares, will abstain from voting on the resolution(s) in respect of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement) 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 1,564,782 shares in TCL Technology (representing approximately 0.0083% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is an executive director, senior vice president and secretary of the board of directors of TCL Technology; (ii) Mr. OUYANG Hongping who is deemed to be interested in 481,344 shares in TCL Technology (representing approximately 0.0026% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also a director and a general manager of Wuhan CDOT (a subsidiary of TCL Technology) and a general manager of Wuhan CSOT Semiconductor (a subsidiary of TCL Technology); and (iii) Mr. XI Wenbo who is deemed to be interested in 693,500 shares in TCL Technology (representing approximately 0.0037% 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 (a subsidiary of TCL Technology); as each of their respective interest in TCL Technology Group is either by virtue of common directorship/senior management role or the immaterial shareholding in 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 Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement). Further, none of the TCL Associates are associates of any of the Directors. Accordingly, all Directors are entitled to vote on the Board resolutions for considering and approving the Supplemental Agreement pursuant to the By-laws.

GENERAL INFORMATION 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 plant in the PRC and distributes its products in Asia, with its focus on Hong Kong and the PRC markets. For more information on the Group, please visit its official website at www.cdoteh8.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 semi-conductor display and material business. 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.

Finance Company, a subsidiary of TCL Technology, is owned as to 82% by TCL Technology and 18% by TCL CSOT as at the date of this announcement. It is principally engaged in provision of financial services including corporate finance advisory services, credit worthiness verification and related consultancy and agency services, collection and payment services, approved insurance agency services, guarantee services, agency lending and investment services, discounting bills and design of various schemes for settlement and clearing in respect of group fund transfer, and any other services approved by the CBIRC.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Supplemental Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Advisor; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 17 November 2023.

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;
“Bye-Laws”	the bye-laws of the Company as supplemented or amended or substituted from time to time;
“Cash Pooling Services”	the cash pooling services under the TCL Cash Pooling Arrangement provided by members of TCL Technology Group pursuant to the Master Financial Services (2023-2025) Agreement as amended by the Supplemental Agreement;
“CBIRC”	China Banking and Insurance Regulatory Commission;
“China Display Qualified Member”	such member(s) of the Group which satisfies the qualification of Qualified Member(s) during the term of the Master Financial Services (2023-2025) Agreement;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Display Optoelectronics Technology Holdings Limited, an exempted 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 meanings ascribed to it under the Listing Rules;
“Deposit Services”	deposit of money by China Display Qualified Members with Finance Company pursuant to the Master Financial Services (2023-2025) Agreement;

“Deposit and Cash Pooling Services”	the Deposit Services and the Cash Pooling Services;
“Director(s)”	the director(s) of the Company;
“Finance Company”	TCL Technology Finance Co., Ltd.* (TCL科技集團財務有限公司) (formerly known as TCL Finance Co., Ltd.* (TCL集團財務有限公司)), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;
“Financing Services”	the provision of loan and credit services, including but not limited to provision of secured or unsecured loans, bill discounting, non-financing guarantee services and loan and credit services as permitted by the CBIRC or its representative offices (such as bill acceptance, etc.) by TCL Financial Services Associates to China Display Qualified Members pursuant to the Master Financial Services (2023-2025) Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board established for the purpose of advising the Shareholders in respect of the terms of the Supplemental Agreement and the proposed annual caps in respect of the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement), comprising all independent non-executive Directors who do not have a material interest in the transactions;

“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 terms of the Supplemental Agreement and the proposed annual caps in respect of the Deposit and Cash Pooling Services under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental 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”	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 Financial Services (2020 Renewal) Agreement”	the master financial services (2020 renewal) agreement dated 2 December 2019 entered into among the Company, TCL Technology and Finance Company (for details, please refer to the circulars of the Company dated 9 December 2019 and 12 July 2021 respectively);
“Master Financial Services (2023-2025) Agreement”	the master financial services (2023-2025) agreement dated 31 October 2022 entered into among the Company, TCL Technology and Finance Company and (as the case may be) as amended by the Supplemental Agreement;
“PBOC”	the People’s Bank of China, the central bank of the PRC;

“PRC”	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Qualified Member(s)”	all entities for which TCL Financial Services Associates and/or members of TCL Technology Group will be allowed to provide services pursuant to applicable laws and regulations, including but not limited to the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) promulgated by the CBIRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“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 the Supplemental Agreement, the transactions contemplated thereunder and the proposed 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);
“Shareholders’ Approval Date”	the date on which the Shareholders approve the Supplemental Agreement, the transactions contemplated thereunder and the proposed annual caps;
“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 to the Master Financial Services (2023-2025) Agreement dated 27 October 2023 entered into among the Company, TCL Technology and Finance Company;
“TCL Associate(s)”	the associate(s) of TCL Technology;
“TCL Cash Pooling Arrangement”	the utilisation or participation from time to time by members of TCL Technology Group in cash pooling services and/or arrangements provided by Independent Third Party licensed banks or financial institutions in or outside the PRC excluding Deposit Services;
“TCL CSOT”	TCL China Star Optoelectronics Technology Co., Ltd.* (TCL 華星光電技術有限公司), formerly known as 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 subsidiary of TCL Technology;
“TCL Financial Services Associate(s)”	member(s) of TCL Technology Group including but not limited to Finance Company which carry on businesses in financial services including but not limited to deposit, provision of credit facilities, clearing, bill discounting, entrusted loans, notes underwriting, non-financing guarantee, financial advisory, credit verification and consulting agency business and such other services as permitted by the CBIRC (e.g. bills acceptance, derivative transactions for hedging purposes and trading of fixed-income instruments);
“TCL Technology”	TCL Technology Group Corporation (TCL 科技集團股份有限公司) (formerly known as TCL Corporation (TCL 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, and for the purpose of the Supplemental Agreement, the Master Financial Services (2023-2025) Agreement and the transactions contemplated thereunder, includes TCL Associates but, unless otherwise specified, excludes 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 and a subsidiary of TCL Technology;
“Wuhan CSOT Semiconductor”	Wuhan China Star Optoelectronics Semiconductor Display Technology Co., Ltd.* (武漢華星光電半導體顯示技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology; and
“%”	per cent.

On behalf of the Board
LIAO QIAN
Chairman

Hong Kong, 27 October 2023

The English translations 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. XI Wenbo as executive Directors; and Ms. HSU Wai Man Helen, Mr. XU Yan and Mr. LI Yang as independent non-executive Directors.