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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 ANNUAL CAP
FOR CONTINUING CONNECTED TRANSACTIONS
UNDER THE MASTER SALE AND PURCHASE
(2022-2024) AGREEMENT**

Reference is made to the announcement and circular of the Company dated 24 November 2021 and 30 November 2021 respectively in relation to, inter alia, the Master Sale and Purchase (2022-2024) Agreement. The Company has entered into the Master Sale and Purchase (2022-2024) Agreement on 24 November 2021 with TCL Technology, 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 the TCL Technology Group, and each member of the TCL Technology Group may, at its absolute discretion, request to purchase Products from members of the Group.

The Company anticipates that the 2024 Purchase Annual Cap under the Master Sale and Purchase (2022-2024) Agreement will not be sufficient to meet the demand of the Group and therefore proposes to revise the 2024 Purchase Annual Cap. Save for the Revised 2024 Purchase Annual Cap, all terms and conditions of the Master Sale and Purchase (2022-2024) 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 Revised 2024 Purchase Annual Cap and the Master Sale and Purchase (2022-2024) 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 Revised 2024 Purchase Annual Cap exceed 5%, the Revised 2024 Purchase Annual Cap are subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

REVISION OF ANNUAL CAP IN RESPECT OF THE MASTER SALE AND PURCHASE (2022-2024) AGREEMENT

The Company has entered into the Master Sale and Purchase (2022-2024) Agreement with TCL Technology on 24 November 2021, 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 the TCL Technology Group, and each member of the TCL Technology Group may, at its absolute discretion, request to purchase Products from members of the Group. The Master Sale and Purchase (2022-2024) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2024 were subsequently approved, confirmed and ratified by the Shareholders during a special general meeting held on 16 December 2021.

Based on the actual amounts of Materials purchased from members of the TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement and the projected demand for Materials, the Company anticipates that the 2024 Purchase Annual Cap under the Master Sale and Purchase (2022-2024) Agreement will not be sufficient to meet the demand of the Group. Accordingly, the Company proposes to revise the 2024 Purchase Annual Cap.

Save for the Revised 2024 Purchase Annual Cap, all terms and conditions of the Master Sale and Purchase (2022-2024) Agreement shall remain unchanged. For the avoidance of doubt, no revision is proposed to be made to the respective annual caps for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement.

Principal terms and details of the Master Sale and Purchase (2022-2024) Agreement are set out in the announcement and circular of the Company dated 24 November 2021 and 30 November 2021 respectively.

HISTORICAL FIGURES AND PROPOSED REVISED 2024 PURCHASE ANNUAL CAP

The following table sets out the respective relevant historical figures of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement for the two years ended 31 December 2023 and for the two months ended 29 February 2024, the Existing Annual Caps for the three years ending 31 December 2024 and the proposed Revised 2024 Purchase Annual Cap for the year ending 31 December 2024:

	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ended 31 December 2023 <i>RMB'000</i>	For the two months ended 29 February 2024 (for actual amount only)/ For the year ending 31 December 2024 (for 2024 Purchase Annual Cap and Revised 2024 Purchase Annual Cap) <i>RMB'000</i>
Master Sale and Purchase (2022-2024) Agreement			
<i>Purchase of Materials from TCL Technology Group</i>			
Existing Annual Caps	387,000	426,000	469,000
Actual amount	156,504	298,319	179,183
Utilisation Rate	40.4%	70.0%	38.2%
Proposed Revised 2024 Purchase Annual Cap	N/A	N/A	1,300,000

For the avoidance of doubt, the Company and TCL Technology undertook with each other under the Master Sale and Purchase (2022-2024) Agreement that, among others, 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 (2022-2024) Agreement.

BASIS FOR DETERMINING THE REVISED 2024 PURCHASE ANNUAL CAP

The proposed Revised 2024 Purchase Annual Cap in relation to the Master Sale and Purchase (2022-2024) Agreement is determined with reference to the following factors:

- (i) Based on the audited financial statements of the Group for the year ended 31 December 2022 and the unaudited management accounts of the Group, the historical figure of the Group's purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement for the year ended 31 December 2022 and the year ended 31 December 2023 reached RMB156,504,000 and RMB298,319,000 respectively.
- (ii) Following the commencement of production of the display panel production line "t9" of TCL CSOT, a member of TCL Technology Group, in September 2022, the Group has formed an integrated panel and module business model with TCL CSOT, and has benefited from a stable supply of Materials that meets the specific demands of first-tier brand customers. As many of the Group's brand customers have requested for Materials with certain specifications which could only be satisfied by Materials supplied by TCL CSOT, the Group saw an increase in the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement, as evidenced by the increasing trend in the actual amount of Materials purchased from TCL Technology Group for the two years ended 31 December 2023. Such increase in sourcing demand from TCL Technology Group is expected to continue for the remaining term of the Master Sale and Purchase (2022-2024) Agreement to meet the Group's production need.
- (iii) As a result, the unaudited historical amount of purchase of Materials from TCL Technology Group during the two months ended 29 February 2024 reached RMB179,183,000, representing 38.2% of the 2024 Purchase Annual Cap for the year ending 31 December 2024 and, on the basis of the current trend and the current orders on hand, it is projected that the 2024 Purchase Annual Cap will be exceeded in May 2024. The Materials sourcing demand, which corresponds to the sales volume of the Group, is expected to maintain at similar level for the remaining period in 2024.

REASONS FOR AND BENEFITS OF REVISING THE 2024 PURCHASE ANNUAL CAP

The Group has been obtaining Materials from the TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement, as discussed in the section headed “Basis for Determining the Revised 2024 Purchase Annual Cap”, the Company anticipates that the actual amount of purchases will exceed the previous estimation and that the 2024 Purchase Annual Cap will not be sufficient to meet the Group’s demand for the year ending 31 December 2024. The revision of the 2024 Purchase Annual Cap will facilitate members of the Group to secure a stable and reliable supply of the necessary Materials for Products that meets customers’ requirements. Hence, the Revised 2024 Purchase Annual Cap will allow the Group to continue to grow its production scale and strengthen its economics of scale advantage.

The Directors consider that the continuing connected transactions contemplated under the Master Sale and Purchase (2022-2024) Agreement will not result in significant reliance on TCL Technology Group as the proposed Revised 2024 Purchase Annual Cap in respect of the purchase of Materials from TCL Technology Group for the year ending 31 December 2024 accounts for no more than 31.7% of the projected total cost of sales of the Group for the year ending 31 December 2024.

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 Revised 2024 Purchase Annual Cap 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 24 November 2021 and 30 November 2021 respectively when conducting the transactions contemplated under the Revised 2024 Purchase Annual Cap and the Master Sale and Purchase (2022-2024) Agreement. The aforementioned internal control procedures and pricing policies in respect of the purchase of Materials from 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 (“**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 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 connected persons of the Company, so as to maintain the Connected Person List for the staff members to identify transactions constituting connected transactions of the Company in particular those to be made pursuant to the Non-exempt Transactions (where the connected person is a member of TCL Technology Group). 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 an addition to the Connected Person List, evidence such as organisation chart will have to be obtained, and in the case of a removal from the Connected Person List, evidence will have to be obtained to confirm the date of the relevant party ceasing to be 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 policies and procedures 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 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 Party and make an overall assessment of the terms offered, including the quality of the Materials, past history of dealing with the such party (if any), payment terms and Materials price (as the case may be), 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 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 Materials and compare them with those offered by TCL Technology Group and determine whether on an overall evaluation of the prices to be charged, 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) It is the current pricing policy of the Group that the gross profit margin of the Products shall be no less than 3% on average. 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 minimum average of 3%, 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 purchase of Materials, which should generally not exceed 50% of the total 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 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 at the end of each month to enable the purchase unit and internal control unit to compare the actual purchase figures against the purchase targets, the purchase limit as well as the latest revenue of the Group from time to time and to make necessary adjustment for the 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 TCL Technology Group. Where the Group proposes to make a purchase which will result in the then aggregate amount of purchase of Materials from 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 as and when appropriate and the internal control unit will notify the relevant department to temporarily decline or delay to process the 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 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 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 proposed Revised 2024 Purchase Annual Cap at the SGM. An Independent Board Committee has been established to advise the Shareholders on the Revised 2024 Purchase Annual Cap. 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 Revised 2024 Purchase Annual Cap, 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 8 May 2024.

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 23 May 2024, Thursday at 4:00 p.m., or immediately after the conclusion of the annual general meeting of the Company to be held on the same day at which resolution(s) will be proposed for the purposes of considering and, if thought fit, approving the proposed Revised 2024 Purchase Annual Cap.

CLOSURE OF REGISTER OF MEMBERS

The Hong Kong branch register of members of the Company will be closed from 20 May 2024, Monday, to 23 May 2024, Thursday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the SGM. No transfer of the Shares may be registered on those dates. The record date for determining the entitlements of the Shareholders to attend and vote at the SGM is 20 May 2024, Monday. 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 17 May 2024, Friday.

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 plants 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.cdoh8.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.

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 Revised 2024 Purchase Annual Cap and the Master Sale and Purchase (2022-2024) 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 Revised 2024 Purchase Annual Cap exceed 5%, the Revised 2024 Purchase Annual Cap 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 Revised 2024 Purchase Annual Cap. 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 Revised 2024 Purchase Annual Cap, 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 8 May 2024.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Revised 2024 Purchase Annual Cap 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 Revised 2024 Purchase Annual Cap 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 also an executive director, the senior vice president and the 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 the senior vice president of TCL CSOT, a director of Wuhan CSOT (a subsidiary of TCL Technology) and a director and a general manager of Wuhan China Star Optoelectronics Semiconductor Display Technology Company Limited* (武漢華星光電半導體顯示技術有限公司, a subsidiary of TCL CSOT); 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; as each of their respective direct interest in the TCL Technology Group is by virtue of common directorship/senior management role and 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 Revised 2024 Purchase Annual Cap and the Master Sale and Purchase (2022-2024) Agreement, therefore all Directors are entitled to vote on the Board resolution(s) for considering and approving the Revised 2024 Purchase Annual Cap pursuant to the Bye-laws.

DEFINITIONS

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

“2024 Purchase Annual Cap”	the existing annual cap of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement for the year ending 31 December 2024;
“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;
“Existing Annual Cap(s)”	the existing annual cap(s) of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement for the three years ending 31 December 2022, 2023 and 2024;

“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 Revised 2024 Purchase Annual Cap;
“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 Revised 2024 Purchase Annual Cap;
“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 (2022-2024) Agreement”	the master sale and purchase (2022-2024) agreement dated 24 November 2021 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;
“Revised 2024 Purchase Annual Cap”	the proposed revised annual cap of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2022-2024) Agreement for the year ending 31 December 2024;
“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, among other things, the Revised 2024 Purchase Annual Cap;
“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;

“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 (2022-2024) Agreement but does not include the Group (unless otherwise specified) for the purpose of this announcement;
“Wuhan CSOT”	Wuhan China Star Optoelectronics Technology Company Limited* (武漢華星光電技術有限公司), a company established under the laws of the PRC with limited liability;
“%”	per cent

On behalf of the Board

LIAO QIAN

Chairman

Hong Kong, 27 March 2024

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.