
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China Display Optoelectronics Technology Holdings Limited (the “Company”), you should at once hand this circular and proxy form enclosed herein to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities.

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) REVISION OF ANNUAL CAPS UNDER MASTER HR
SUBCONTRACTING (2025-2027) AGREEMENT
AND
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(3) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY IN
RESPECT OF THE DEPOSIT AND CASH POOLING SERVICES UNDER
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(4) CONTINUING CONNECTED TRANSACTIONS –
MASTER SOURCING (2025-2027) AGREEMENT**

**Independent Financial Adviser to the Independent Board Committee
and the Shareholders**



A letter from the Board is set out on pages 8 to 44 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on pages 45 to 46 of this circular. A letter from Pelican Financial Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 47 to 99 of this circular.

A notice convening the SGM of the Company to be held at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 28 November 2025, Friday at 3:00 p.m. is set out on pages 107 to 109 of this circular.

If a tropical cyclone signal no. 8 or above or a black rainstorm warning signal or “extreme conditions” as defined under Chapter 1 of the Rules of the Exchange of the Stock Exchange is/are in force at or at any time after 12:00 noon on the date of the SGM and/or the Hong Kong Observatory and/or the government of Hong Kong (as the case may be) has announced at or before 12:00 noon on the date of the SGM that either of the above mentioned warnings is to be issued within the next two hours, the SGM will be postponed. The Company will publish an announcement to notify Shareholders of the date, time and place of the postponed SGM.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the SGM under bad weather conditions bearing in mind their own situation.

Whether or not you are able to attend the SGM or any adjournment or postponement thereof (as the case may be) in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to 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 or via the designated website (<https://evoting.vistra.com>) by using the username and password provided on the notification letter sent by the Company, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment or postponement thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

10 November 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Agreements”	the Master Financial Services (2026-2028) Agreement and/or Master Sourcing (2025-2027) Agreement;
“Annual Caps”	the existing annual caps of the service fees to Huizhou TCL under the Master HR Subcontracting (2025-2027) Agreement for the three years ending 31 December 2027;
“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;
“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 (2026-2028) Agreement;
“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 (2026-2028) 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;
“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;
“Deposit and Cash Pooling Services”	the Deposit Services and the Cash Pooling Services;

DEFINITIONS

“Deposit Services”	deposit of money by China Display Qualified Members with Finance Company pursuant to the Master Financial Services (2026-2028) Agreement;
“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), 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 NFRA 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 (2026-2028) 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;
“Huizhou TCL”	Huizhou TCL Human Resources Services Company Limited* (惠州TCL人力資源服務有限公司), a company established under the laws of PRC with limited liability, which was owned as to 50% by each of TCL Holdings and TCL Technology as of the Latest Practicable Date;
“Huizhou TCL Group”	Huizhou TCL and its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of Huizhou TCL from time to time, and for the purpose of the Master HR Subcontracting (2025-2027) Agreement and the transactions contemplated thereunder include the associate(s) of Huizhou TCL and any entity(ies) that may become associate(s) of Huizhou TCL from time to time;
“Human Resources Services”	the provision of human resources to members of the Group in accordance with the business needs of members of the Group to complete the projects designated by members of the Group under the Master HR Subcontracting (2025-2027) Agreement;

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of reviewing the Revised Annual Caps and the Agreements;
“Independent Financial Adviser”	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 proposed Revised Annual Caps and the Agreements and the transactions contemplated thereunder;
“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;
“Latest Practicable Date”	means 4 November 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“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 (2023-2025) Agreement”	the master financial services (2023-2025) agreement dated 31 October 2022 entered into among the Company, TCL Technology and Finance Company;
“Master Financial Services (2026-2028) Agreement”	the master financial services (2026-2028) agreement dated 13 October 2025 entered into among the Company, TCL Technology and Finance Company;
“Master HR Subcontracting (2025-2027) Agreement”	the master human resources subcontracting (2025-2027) agreement dated 10 September 2024 entered into between the Company and Huizhou TCL;

DEFINITIONS

“Master Sale and Purchase (2025-2027) Agreement”	the master sale and purchase (2025-2027) agreement dated 10 September 2024 entered into between the Company and TCL Technology;
“Master Sourcing (2025-2027) Agreement”	the master sourcing (2025-2027) agreement dated 13 October 2025 entered into between the Company and TCL Technology;
“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;
“NFRA”	National Financial Regulatory Administration, previously known as China Banking and Insurance Regulatory Commission;
“Other Financial Services”	all financial services which may be provided by TCL Financial Services Associates to the China Display Qualified Members under the Master Financial Services (2026-2028) Agreement other than the Deposit and Cash Pooling Services and the Financing Services, namely (i) financing advisory services, credit verification and consultation and agency services; (ii) entrusted loans; (iii) fund settlement, collection and payment; (iv) internal transfer and settlement, and corresponding settlement and clearance solutions advisory services; (v) derivative transactions for hedging purposes as permitted by the NFRA or its representative offices; and (vi) any other services approved by the relevant authority;
“Overseas Subsidiaries”	the Company’s subsidiaries in areas other than the PRC;
“Pooling Agent(s)”	Independent Third Party licensed banks or financial institutions in or outside the PRC offering the cash pooling arrangements to members of TCL Technology Group under TCL Cash Pooling Arrangement;
“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 circular;

DEFINITIONS

“PRC Materials and Products”	the Materials and Products produced or manufactured in the PRC;
“PRC Subsidiaries”	the Company’s subsidiaries in the PRC;
“Products”	means products including but not limited to LCD Modules manufactured, produced or otherwise sold or distributed by the Group;
“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 China Banking and Insurance Regulatory Commission (now renamed the NFRA);
“Revised Annual Caps”	the proposed revised annual caps of the service fees under the Master HR Subcontracting (2025-2027) Agreement for the three years ending 31 December 2027;
“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 proposed Revised Annual Caps and the Agreements, 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 Revised Annual Caps, each of the Agreements, the transactions contemplated thereunder and the proposed annual caps;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“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 Associates”	the associate(s) of TCL Technology and any entity(ies) that may become associate(s) of TCL Technology from time to time;
“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 Pooling Agents excluding Deposit Services;
“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 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 NFRA (e.g. bills acceptance, derivative transactions for hedging purposes and trading of fixed-income instruments);
“TCL Holdings”	TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司), a company established under the laws of the PRC;
“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);

DEFINITIONS

“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 Agreements, and for the purpose of this circular excludes the Group (unless otherwise specified);
“%”	per cent.

The English translation of Chinese names or words in this circular, 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.*

LETTER FROM THE BOARD

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)

Non-executive Director:

Mr. LIAO Qian (*Chairman*)

Executive Directors:

Mr. ZHANG Feng (*Chief Executive Officer*)

Mr. XI Wenbo

Mr. ZHANG Caili

Independent Non-executive Directors:

Ms. HSU Wai Man, Helen

Mr. LI Yang

Mr. XU Yan

Ms. YANG Qiulin

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business in Hong Kong:

8th Floor

Building 22E

Phase Three, Hong Kong Science Park

Pak Shek Kok

New Territories

Hong Kong

10 November 2025

To the Shareholders

Dear Sir or Madam,

**(1) REVISION OF ANNUAL CAPS UNDER MASTER HR
SUBCONTRACTING (2025-2027) AGREEMENT**

AND

**(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT**

AND

**(3) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY IN
RESPECT OF THE DEPOSIT AND CASH POOLING SERVICES UNDER
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT**

AND

**(4) CONTINUING CONNECTED TRANSACTIONS –
MASTER SOURCING (2025-2027) AGREEMENT**

INTRODUCTION

Reference is made to (i) the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively in relation to, *inter alia*, the Master HR Subcontracting (2025-2027) Agreement, and (ii) the announcement of the Company dated 13 October 2025.

LETTER FROM THE BOARD

The purposes of this circular are:

- (i) to provide the Shareholders with further details regarding the Revised Annual Caps and the Agreements;
- (ii) to set out the recommendations from the Independent Board Committee regarding the Revised Annual Caps and the Agreements;
- (iii) to set out the advice from Pelican Financial Limited, the Independent Financial Adviser, regarding the Revised Annual Caps and the Agreements; and
- (iv) to give the Shareholders other information in accordance with the requirements of the Listing Rules.

The notice of SGM is enclosed herein as part of this circular.

REVISION OF ANNUAL CAPS UNDER MASTER HR SUBCONTRACTING (2025-2027) AGREEMENT

Reference is made to the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively in relation to, *inter alia*, the Master HR Subcontracting (2025-2027) Agreement. The Company has entered into the Master HR Subcontracting (2025-2027) Agreement on 10 September 2024 with Huizhou TCL, pursuant to which, among other things, each member of the Group may, at its absolute discretion, engage the relevant member of Huizhou TCL Group for provision of the Human Resources Services. The Master HR Subcontracting (2025-2027) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2027 were subsequently approved, confirmed and ratified by the Shareholders during a special general meeting held on 7 November 2024.

Based on the actual amounts of service fees paid to Huizhou TCL Group under the Master HR Subcontracting (2025-2027) Agreement and the projected demand for Human Resources Services, the Company anticipates that the Annual Caps under the Master HR Subcontracting (2025-2027) Agreement will not be sufficient to meet the demand of the Group. Accordingly, the Company proposes to revise the Annual Caps.

Save for the Revised Annual Caps, all terms and conditions of the Master HR Subcontracting (2025-2027) Agreement shall remain unchanged.

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

LETTER FROM THE BOARD

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT

Reference is made to the circulars of the Company dated 21 November 2022 and 27 October 2023. As stated therein, the Company, TCL Technology and Finance Company had entered into the Master Financial Services (2023-2025) Agreement on 31 October 2022 (as amended and supplemented by the Supplemental Agreement), which will expire on 31 December 2025. As the Company, TCL Technology and Finance Company wish to continue the continuing connected transactions thereunder, on 13 October 2025 (after trading hours), the Company entered into the Master Financial Services (2026-2028) Agreement with TCL Technology and Finance Company which is on substantially similar terms as the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement).

The material terms of the Master Financial Services (2026-2028) Agreement are summarised below:

- Date: 13 October 2025 (after trading hours)
- Parties: (i) the Company (for itself and on behalf of the Group);
(ii) TCL Technology (for itself and on behalf of TCL Technology Group); and
(iii) Finance Company.
- Term: From 1 January 2026 or the Shareholders' Approval Date (whichever is later) to 31 December 2028 (both days inclusive).
- Condition Precedent: The Master Financial Services (2026-2028) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Financial Services (2026-2028) Agreement, including but not limited to obtaining the approval from Shareholders at the SGM.
- Major Terms: **Deposit Services**
- Any China Display Qualified Member may from time to time and in its absolute discretion request to deposit money with Finance Company, and Finance Company may in its absolute discretion decide whether to accept cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), provided that the terms of the Deposit Services to be offered by Finance Company shall be subject to the following requirements:

LETTER FROM THE BOARD

(1) for deposits made within the PRC, the interest rate shall not be less than the highest of:

- (i) 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
- (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks in the PRC (*see Note 1*) and Finance Company 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 highest of:

- (i) 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
- (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of the TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole 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*) and Finance Company 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.

LETTER FROM THE BOARD

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, subject to compliance with the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and all regulatory indicators imposed by the NFRA and/or other applicable laws and regulations, at any time during the term of the Master Financial Services (2026-2028) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2026-2028) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company. (see Note 2)

If any China Display Qualified Member demands repayment of any money deposited by it with Finance Company in accordance with the relevant terms and procedures and Finance Company 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 TCL Financial Services Associates and/or TCL Technology; 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 TCL Financial Services Associates and/or TCL Technology; and/or
- (c) request TCL Technology to repay the outstanding deposit amount on behalf of Finance Company in full.

LETTER FROM THE BOARD

Upon enquiry from any China Display Qualified Member, Finance Company shall within one business day (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Deposit Services (including but not limited to whether the deposit can be withdrawn before its maturity, as well as the notice period of such withdrawal). The terms and conditions of any Deposit Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and Finance Company in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

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 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

LETTER FROM THE BOARD

- (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 (2026-2028) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2026-2028) 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 (2026-2028) 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

LETTER FROM THE BOARD

- (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 (2026-2028) 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 (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Financing Services

Any China Display Qualified Member may from time to time and in its absolute discretion request any Financing Services (including bills discounting services) from TCL Financial Services Associates, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Financing Services, provided that the terms of the Financing Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

LETTER FROM THE BOARD

(1) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member within the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed than the lowest of:

- (i) the interest rates offered by major commercial banks in the PRC for same type of financing services; and
- (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions as a whole offered by such TCL Financial Services Associate in respect of the Financing Services shall not be less favourable than those offered by other major commercial banks in the PRC and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating in respect of same type of financing services and shall be on normal commercial terms.

(2) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member outside the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed the lower of:

- (i) the interest rates offered by major commercial banks located in the place where the relevant China Display Qualified Member is located for same type of financing services; and
- (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

LETTER FROM THE BOARD

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating and major commercial banks located in the place where the relevant China Display Qualified Member is located in respect of same type of financing services and shall be on normal commercial terms.

TCL Financial Services Associates may request China Display Qualified Member(s) to provide security to TCL Financial Services Associates in respect of the Financing Services.

Upon enquiry from any China Display Qualified Member, the respective TCL Financial Services Associate shall within three business days (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Financing Services. The terms and conditions of any Financing Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Other Financial Services

Any China Display Qualified Member may from time to time and in its absolute discretion request TCL Financial Services Associates to provide Other Financial Services, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Other Financial Services, provided that the terms of the Other Financial Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services within the PRC shall not exceed the lowest of:
 - (i) the fees charged by major commercial banks in the PRC in respect of same type of services; and

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- (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions as a whole of the Other Financial Services offered by TCL Financial Services Associates within the PRC shall not be less favourable than those offered by major commercial banks in the PRC and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

- (2) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services outside the PRC shall not exceed the lower of:

- (i) the fees promulgated by the major commercial banks located in the place where the relevant China Display Qualified Member is located for the same type of services; and

- (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions as a whole of the Other Financial Services offered by TCL Financial Services Associates outside the PRC shall not be less favourable than those offered by the major commercial banks located in the place where the relevant China Display Qualified Member is located and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

The relevant China Display Qualified Member may from time to time determine in its absolute discretion choose to use Other Financial Services provided by TCL Financial Services Associates or any other independent financial institutions.

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The terms and conditions of any Other Financial Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Technology's undertakings:

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

- (1) it will procure TCL Financial Services Associates to perform its obligations under the Master Financial Services (2026-2028) Agreement; and
- (2) in case TCL Financial Services Associates experience any financial difficulties, TCL Technology will, subject to internal approvals and the applicable rules and regulations, inject capital to TCL Financial Services Associates based on the needs of TCL Financial Services Associates so as to enable the relevant TCL Financial Services Associate to duly perform its obligations under the Master Financial Services (2026-2028) Agreement and the relevant individual agreements thereunder.

Notes:

1. The Company reviews and updates the list of major commercial banks in the PRC and in the place where the relevant China Display Qualified Member is located every quarter. As at the Latest Practicable Date, 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. As at the Latest Practicable Date, 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 (2026-2028) Agreement could be of at least the amount of deposits they (i) maintain with Finance Company; and (ii) place under the TCL Cash Pooling Arrangement.

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CONTINUING CONNECTED TRANSACTIONS – MASTER SOURCING (2025-2027) AGREEMENT

The Board is pleased to announce that the Company had on 13 October 2025 (Hong Kong time after trading hours) entered into the Master Sourcing (2025-2027) Agreement with TCL Technology, pursuant to which relevant member of TCL Technology (i) acts as the intermediary for the Group to purchase the required PRC Materials and Products from the Company's PRC Subsidiaries and (ii) exports and sells such PRC Materials and Products to the Company's Overseas Subsidiaries.

The material terms of the Master Sourcing (2025-2027) Agreement are summarised below:

- Date: 13 October 2025 (after trading hours)
- Parties: (i) the Company (for itself and on behalf of the Group); and
(ii) TCL Technology (for itself and on behalf of TCL Technology Group).
- Term: From the Shareholders' Approval Date to 31 December 2027 (both days inclusive)
- Condition Precedent: The Master Sourcing (2025-2027) Agreement is conditional on and subject to compliance by the Company with relevant requirements of the Listing Rules in respect of the Master Sourcing (2025-2027) Agreement, including but not limited to obtaining the Shareholders' approval at the SGM.
- Major Terms: Any Overseas Subsidiary of the Group may, at its absolute discretion, request the relevant member of TCL Technology Group to (i) act as the intermediary for the Group to purchase the required PRC Materials and Products from the Company's PRC Subsidiaries and (ii) export and sell such PRC Materials and Products to the Company's Overseas Subsidiaries.
- Pricing policy and price determination: (i) In respect of the sourcing of the PRC Materials and Products by the relevant member of TCL Technology Group from the Company's PRC Subsidiaries, the relevant PRC Subsidiary charges the relevant member of TCL Technology Group the purchase price paid or to be paid by the relevant PRC Subsidiary to Independent Third Parties for the purchase of the relevant PRC Materials and Products.

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- (ii) In respect of the sale of the PRC Materials and Products by TCL Technology Group to the Company's Overseas Subsidiaries, the relevant member of TCL Technology Group charges the relevant Overseas Subsidiary the acquisition cost of the PRC Materials and Products (i.e. the cost charged by the relevant PRC Subsidiary as mentioned above) plus all export duties payable by the relevant member of TCL Technology Group and an administrative charge covering export administrative expenses and insurance fee and all out-of-pocket expenses incurred by the relevant member of TCL Technology Group relating to the export and delivery of the relevant PRC Materials and Products out of the PRC ("**Export Administrative Charges**")^(Note).
- (iii) The Export Administrative Charges charged by the relevant member of TCL Technology Group shall be no less favourable than those charged by Independent Third Parties for the purpose of exporting PRC Materials and Products for the Group. The Group shall at regular intervals obtain quotations for comparable services from Independent Third Parties, where available, in order to compare such quotations with the Export Administrative Charge proposed to be charged by TCL Technology Group. The relevant member of TCL Technology Group will pay the cost of the PRC Materials and Products to the relevant PRC Subsidiary after the receipt of payment (acquisition cost of the PRC Materials and Products plus Export Administrative Charge) from the relevant Overseas Subsidiary.

Note:

1. As at the Latest Practicable Date, the prevailing Export Administrative Charges range from 0.6% to 2.5% of the value of the exported PRC Materials and Products.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

In order to safeguard the interests of the Company and the Shareholders, and to ensure that all continuing connected transactions are conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties, in addition to the terms disclosed above, the Company has also adopted the following general internal control procedures and pricing policies:

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General internal control procedures and pricing policies

- (1) The finance department of the Company has maintained a list of transaction parties (the “**Transaction Parties List**”) of all material transactions and highlighted those who are connected persons of the Company so that staff members could identify transactions that constitute connected transactions of the Company. Whenever the relevant department of the Company intends to enter into transaction with an entity, the relevant department would check against the Transaction Parties List to see if the such entity is a connected person of the Company, and if so the connected transaction would be subject to applicable review and monitoring procedures (including those set out herein, if applicable) to ensure the connected transactions would be on normal commercial terms and on terms no less favourable from the perspective of the Group.
- (2) The finance department of the Company has, on a quarterly basis, counterchecked with each party in the Transaction Parties List to ascertain whether they are a connected person of the Company, so as to maintain the list of connected persons (the “**Connected Person List**”) for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the Connected Person List could only be made after checking with the counterparty to ascertain the relationship with the Company, in the case of addition of a connected relationship, evidence such as organisation chart will have to be obtained, and in the case of cessation of a connected relationship, evidence will have to be obtained to confirm the date of cessation as a connected person of the Company. Whenever there is an update to the Connected Person List, it must be reported and approved by the management of the Group to ensure the management is aware of such update.
- (3) 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.
- (4) 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 monthly 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

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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.

- (5) 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.
- (6) The Company's internal control unit will on a half-year basis review the monitoring of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective, the findings of the review will be reported by the head of internal control unit to the finance director of the Company. The internal control unit regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and in compliance with the policies and procedures. In the event of any non-compliance issue or inadequacy in the policies and procedures, the internal control unit will immediately report such matters to the independent non-executive directors and will take remedial actions.
- (7) 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.

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In addition to those disclosed above, the Company has also adopted the following internal control procedures and pricing policies specific to the continuing connected transactions contemplated under the relevant agreements:

(I) Master HR Subcontracting (2025-2027) Agreement

The Group will continue to follow the below internal control procedure and pricing policies as stated in the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively when conducting the transactions contemplated under the Revised Annual Caps and the Master HR Subcontracting (2025-2027) Agreement. The said internal control procedures are also set out below for easy reference.

- (1) To ensure that the continuing connected transactions contemplated under the Master HR Subcontracting (2025-2027) Agreement are on normal commercial terms and terms no less favourable than those available from Independent Third Parties, where comparable services are available on the market from Independent Third Parties, before requesting the Human Resources Services from Huizhou TCL Group, the Group would obtain a quotation from at least two Independent Third Parties for similar or comparable services and conduct an assessment on the terms of the provision of such services.
- (2) The Group would only engage Huizhou TCL Group for the provision of the Human Resources Services when the terms offered by Huizhou TCL Group are better than those offered by Independent Third Parties. The quotations obtained from the Independent Third Parties would be recorded in an internal system maintained by the Group which would be updated from time to time so that the members of the Group would have an easy access of information regarding the market price and other terms of contract.

(II) Master Financial Services (2026-2028) Agreement

Deposit and Cash Pooling Services

- (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 (2026-2028) Agreement. The Group will also compare every quarter, and in any event every time the relevant China Display Qualified Member intends to place deposit with Finance Company or under the TCL Cash Pooling Arrangement, the interest rates offered against, (i) the latest interest rates announced online and quoted by at least three major commercial banks in the

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relevant jurisdiction; and (ii) 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 NFRA (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 (2026-2028) 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

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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. Whereas for demand deposit, the Group can make withdrawals anytime without attracting additional fee or penalty, in the case of fixed or time deposits, pursuant to the prevailing terms as at the Latest Practicable Date, early withdrawal prior to the maturity date may result in a lower interest rate (for example the rate applicable to demand deposits) being applied for the deposited amount. Hence the Group will only make withdrawals of funds not subject to fixed or time deposit.
- (7) Pursuant to the Master Financial Services (2026-2028) 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 (2026-2028) Agreement.

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- (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 (2026-2028) 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 (2026-2028) 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, cash pooling and/or other continuing connected transactions under the Master Financial Services (2026-2028) Agreement (including its views on how the terms of the Master Financial Services (2026-2028) 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.

Financing Services

- (1) In general, the interest rates or bill discount rate (as the case may be) offered by TCL Financial Services Associates in respect of the financing services shall not be higher than those charged by other independent financial institutions in the PRC or those offered to other members of the TCL Technology Group. Other terms and conditions offered by TCL Financial Services Associates as a whole shall also not be less favourable than those offered by other independent financial institutions or those offered to other members of the TCL Technology Group, and shall be on normal commercial terms negotiated on arm's length basis. However, in cases where the relevant financing service is not provided by other independent financial institutions (other than TCL Financial Services Associates), for example where the value of the bill is small, the Group will, after taking into account such factor, assess whether the overall terms and conditions offered by TCL Financial Services Associates as a whole are no less favourable to the Group than those terms of general financing services offered by other independent financial institutions or those offered to other members of the TCL Technology Group.

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- (2) The Group will, for every transaction, (i) obtain bill discount rates or interest rates (as the case may be) from at least three major PRC commercial banks such as Bank of China Limited in respect of financing service, and (ii) obtain bill discount rates or interest rates (as the case may be) offered by TCL Financial Services Associates to other members of the TCL Technology Group, and make comparisons with those offered by TCL Financial Services Associates.
- (3) The Group's finance department will monitor the aggregate daily balance of the financing amount (including interest payable and service fees) under the Financing Services to ensure that it does not exceed the applicable annual caps.

Other Financial Services

- (1) The fees to be charged by Finance Company and/or TCL Financial Services Associates in respect of Other Financial Services shall not be higher than the fees charged by other independent financial institutions service providers in respect of such services.
- (2) The Group will, for every transaction, obtain quotes of fees from at least three independent financial institutions in respect of services similar to the Other Financial Services, and make comparisons to review the fairness and reasonableness of fees charged by Finance Company and/or TCL Financial Services Associates which shall be no less favourable than those offered by Independent Third Parties. Other terms and conditions of Other Financial Services offered by Finance Company and/or TCL Financial Services Associates as a whole shall also be no less favourable than those offered by other independent financial institutions service providers and shall be on normal commercial terms. In case of such market comparable is not available, the fees to be charged by Finance Company and/or TCL Financial Services Associates shall be no less favourable to the Group than the rate charged by Finance Company and/or TCL Financial Services Associates to other members of TCL Technology Group for providing similar services in respect of Other Financial Services.

The Company's audit committee will also scrutinize the implementation and enforcement of the transactions under the Master Financial Services (2026-2028) 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 TCL Financial Services Associates, 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 (2026-2028) Agreement (including its views on how the terms of the Master Financial Services (2026-2028) 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.

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(III) Master Sourcing (2025-2027) Agreement

- (1) In general, given TCL Technology Group will only purchase the PRC Materials and Products from the Company's PRC Subsidiaries, the Group can ensure that the PRC Materials and Products are sold on normal commercial terms no less favourable than those available to the Group from Independent Third Parties. The parties have agreed that TCL Technology is responsible for complying with or procuring the relevant member of TCL Technology Group for compliance with all procedures and apply for and provide all documentation required for the export of PRC Materials and Products out of the PRC.
- (2) Concerning the sale of the PRC Materials and Products by TCL Technology Group to the Company's Overseas Subsidiaries, the Export Administrative Charges charged by TCL Technology Group shall be no less favourable than those charged by Independent Third Parties for the purpose of exporting PRC Materials and Products for the Group. Before requesting the sourcing service from TCL Technology Group, the Group will obtain quotation from Independent Third Parties providing similar or comparable service and compare the terms of service and the fee charged with those provided by TCL Technology Group.

The Group would from time to time verbally inquire about the prices and terms for comparable services from independent third parties in the market and obtain quotations for comparable services from 2-3 Independent Third Parties every quarter, where available, to compare such quotations with the administrative fee proposed to be charged by the relevant member of TCL Technology Group. The quarterly request for quotations primarily considers the risks involved in the transaction (as set out below in the paragraph "REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS AND THE CONTINUING CONNECTED TRANSACTIONS") and the Group would therefore only consider a limited number of reputable export agents in the industry. Excessively frequent requests for quotations without actual transactions may alienate these suppliers, which could lead to difficulties if the Group needs to utilize their services in the future. The relevant member of the TCL Technology Group will pay the cost of the PRC Materials and Products to the relevant PRC Subsidiary after the receipt of payment (cost of the PRC Materials and Products plus Export Administrative Charges) from the relevant Overseas Subsidiary and hence in effect the net sum to be paid by the Group pursuant to the Master Sourcing (2025-2027) Agreement is only the Export Administrative Charges.

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HISTORICAL FIGURES, PROPOSED REVISED ANNUAL CAP AND PROPOSED ANNUAL CAPS OF THE AGREEMENTS

The following table sets out (i) the historical figures of the service fees paid to Huizhou TCL for the 8 months ended 31 August 2025, the existing annual caps for the three years ending 31 December 2027 and the proposed Revised Annual Caps of the Master HR Subcontracting (2025-2027) Agreement, (ii) the historical figures of the continuing connected transactions under the Master Financial Services (2023-2025) Agreement for the two years ended 31 December 2024 and for the 8 months ended 31 August 2025 and the proposed annual caps of the Master Financial Services (2026-2028) Agreement for the three years ending 31 December 2028; and (iii) the proposed annual caps of the Master Sourcing (2025-2027) Agreement for the period from the Shareholders' Approval Date to 31 December 2027:

	For the year ended 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the period from 1 January 2025 to 31 August 2025 (for actual amount)/For the year ending 31 December 2025 (for existing annual cap and proposed Revised Annual Cap) (Note 1) RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000	For the year ending 31 December 2028 RMB'000
Master HR Subcontracting (2025-2027) Agreement						
Service fees						
Existing annual caps	-	-	100,000	115,000	132,250	-
Actual amount	-	-	85,007	N/A	N/A	-
Utilisation rate	-	-	85.0%	N/A	N/A	-
Proposed Revised Annual Caps	-	-	157,000	250,000	300,000	-
Master Financial Services (2026-2028) Agreement						
Deposit and Cash Pooling						
<i>Services – Maximum outstanding daily ending balances of deposits (including interest receivables in respect of these deposits and deposits as security)</i>						
Historical annual caps (Note 2)	1,700,000	1,870,000	2,057,000	-	-	-
Actual amount (Note 2)	887,628	1,350,663	1,505,412	-	-	-
Utilisation rate	52.2%	72.2%	73.2%	-	-	-
Proposed annual caps	-	-	-	2,469,000	2,963,000	3,556,000
Financing Services – Facility limit						
<i>(including interest payable and service fees) (Notes 2, 3)</i>						
Historical annual caps (Note 2)	400,000	400,000	400,000	-	-	-

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	For the year ended 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000	For the period from 1 January 2025 to 31 August 2025 (for actual amount)/For the year ending 31 December 2025 (for existing annual cap and proposed Revised Annual Cap) (Note 1) RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000	For the year ending 31 December 2028 RMB'000
Actual amount (Note 2)	0.0	0.0	0.0	-	-	-
Utilisation rate	0.0%	0.0%	0.0%	-	-	-
Proposed annual caps	-	-	-	400,000	400,000	400,000
Other Financial Services – Financial service charges						
Historical annual caps	1,000	1,100	1,200	-	-	-
Actual amount	0.0	0.0	0.0	-	-	-
Utilisation rate	0.0%	0.0%	0.0%	-	-	-
Proposed annual caps	-	-	-	1,200	1,200	1,200
Master Sourcing (2025-2027) Agreement						
Sale of PRC Materials and Products by the Group						
Proposed annual caps	-	-	50,000	320,000	384,000	-
Purchase of PRC Materials and Products by the Group						
Proposed annual caps	-	-	52,000	328,000	394,000	-

Notes:

- (1) In the case of the Master Sourcing (2025-2027) Agreement, for the period from the Shareholders' Approval Date to 31 December 2025.
- (2) For easy comparison of the historical figures and the proposed annual caps, transactions are categorised with reference to the Agreements. Hence the historical annual caps and actual amount refer to those under the Mater Financial Services (2023-2025) Agreement.
- (3) The amount excludes the facility amount without cash or bank instruments as security and other unsecured loans, financing and guarantees available under the facility line provided by TCL Financial Services Associates to the China Display Qualified Members which, if conducted on normal commercial terms or better, are fully exempt connected transactions under Rule 14A.90 of the Listing Rules.
- (4) The annual cap for facility limit for the Master Financial Services (2026-2028) Agreement represents the maximum outstanding facility amount secured by assets of the Group.

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BASIS FOR DETERMINATION OF THE PROPOSED REVISED ANNUAL CAPS AND PROPOSED ANNUAL CAPS

The Directors determined (i) the proposed Revised Annual Caps; and (ii) the proposed annual caps in relation to the Agreements with reference to, among others, the following factors:

Revised Annual Caps

- (i) As disclosed in the Company's interim report for the six months ended 30 June 2025, revenue of the Group recorded a year-on-year increase of 72.2% to RMB3,170.6 million. As a result of the expansion in the Group's business scale, the Group's demand for Human Resources Services has proportionally increased. The actual amount of service fees for Human Resources Services for the year ended 31 December 2024 and for the eight months ended 31 August 2025 increased by 104% and 80% year-on-year respectively. The unaudited historical amount of service fees for Human Resources Services has reached RMB85 million, representing 85.0% of the annual cap for service fee under the Master HR Subcontracting (2025-2027) Agreement for the year ending 31 December 2025. As the Group is expected to receive more orders during the fourth quarter of 2025 given it is the traditional peak season of the industry, it is expected that the Group's demand for Human Resources Services will further increase to cope with the surge of orders as additional overtime pay and other benefits are offered to attract workers for high-intensity tasks. It is therefore projected that the annual cap for the year ending 31 December 2025 will be exceeded in November 2025.
- (ii) The Group's business is on a growing trend, as evidenced by a 404.2% year-on-year increase in profit and 76.6% year-on-year increase in revenue for the year ended 31 December 2024; and a 631.9% year-on-year increase in profit and 72.2% year-on-year increase in revenue for the six months ended 30 June 2025. Such growth could not be achieved without a corresponding increase in demand for more personnel or man-hours, as evidenced by a 33% and 30% year-on-year increase in the Group's employee benefit expense for the year ended 31 December 2024 and for the six months ended 30 June 2025 respectively. It is therefore expected that the Group's production capacity and the corresponding need for human resources support will have to further step up to cope with the scaling up of the Group's business operation in the two years ending 31 December 2027. As such, the service fee for Human Resources Services is expected to increase to cater for wages as well as overtime pay and other additional payments accrued to staff members under Human Resources Services.
- (iii) A small buffer of 10% is added to the Revised Annual Caps to cater for potential increase in transaction amounts.

LETTER FROM THE BOARD

Master Financial Services (2026-2028) Agreement

Deposit and Cash Pooling Services

- (i) As part of the Group's cash flow management policy, the Group will generally utilise the Deposit and Cash Pooling Services to deposit cash received from its customers to generate interest income until the cash is applied to settle the Group's trade payable. Hence, the maximum amount of deposit generally ties closely with the revenue level of the Group, as can be seen from the 52% and 14% year-on-year increase in the historical maximum amounts of balance of deposit placed by the Group respectively for the year ended 31 December 2024 and the eight months ended 31 August 2025, which is consistent with the growing trend of the Group's revenue for the same period.
- (ii) In view of paragraph (i) above, the Company considers a 20% increase in the maximum amounts of balance of deposits placed with Finance Company to be reasonable. Based on the maximum amount of RMB1,505 million recorded for the eight months ended 31 August 2025, it is estimated that the maximum amount of balance of deposit to be placed by the Group pursuant to the Master Financial Services (2026-2028) Agreement for the year ending 31 December 2026 will reach approximately RMB1,806 million.
- (iii) In view of uncertainty in timing of peak cash inflows from customers of China Display Qualified Members, the Group cannot predict or control the timing of its customers settling payments and such payments may coincide, causing a sudden influx of cash to the Group and larger amount of deposits being placed with TCL Technology Group. Moreover, as the Group has engaged a number of brand customers with sizeable business operation, the amount of each incoming payment is considerably larger than before due to the brand customers placing larger orders with China Display Qualified Members, a buffer of 20% has been included in the estimation of proposed annual caps.
- (iv) Taking into account paragraphs (ii) and (iii) above and the Group's internal control measures to keep the maximum deposit amount below 90% of the relevant annual cap (as discussed in paragraph 5 of the sub-section headed "Deposit and Cash Pooling Services" under the section headed "Internal control procedures and pricing policies"), the proposed annual cap of RMB2,469 million for year ending 31 December 2026 would be just enough to cater for the deposit needs of China Display Qualified Members.
- (v) Further and based on paragraphs (i) to (iii), the proposed annual caps of Deposit Services for years ending 31 December 2027 and 2028 are set with reference to the aforesaid expected increase of approximately 20% per annum in balance of deposits with Finance Company and the relevant member of TCL Technology Group during the term of the Master Financial Services (2026-2028) Agreement.

LETTER FROM THE BOARD

Financing Services

- (i) China Display Qualified Members have not utilised the Financing Services under the Master Financial Services (2023-2025) Agreement as external financial institutions have provided more favourable terms. Given the prevailing high-interest-rate environment, the Group has been intentionally reducing its financing level in the past few years to reduce interest expenses and maintain profitability. Should the market lending rates decline in the future, the Group may consider obtaining appropriate financing to maintain liquidity. Further, to retain flexibility for China Display Qualified Members to obtain financing services from different service providers, China Display Qualified Members will still consider requesting Financing Services during the term of the Master Financial Services (2026-2028) Agreement, the terms of which will be compared with those provided by independent PRC commercial banks to see whether the terms offered by TCL Financial Services Associates become more favourable and satisfy the pricing policies of the Group. If indeed the terms offered by TCL Financial Services Associates are more favourable, China Display Qualified Members will consider utilising the Financing Services under the Master Financial Services (2026-2028) Agreement. Hence, an annual cap of RMB400 million for each of the three years ending 31 December 2028 is still proposed in case of China Display Qualified Members having financing needs during the three years ending 31 December 2028.
- (ii) China Display Qualified Members have not requested financing from independent PRC commercial banks during the two years ended 31 December 2024 and the eight months ended 31 August 2025.
- (iii) The historical amount for bills discounting services provided by independent PRC commercial banks to the Group amounted to approximately RMB18.8 million and RMB19.4 million for the two years ended 31 December 2023 and 2024 respectively. The Group did not utilise any bills discounting services provided by independent PRC commercial banks during the eight months ended 31 August 2025.

Other Financial Services

- (i) China Display Qualified Members have not utilised Other Financial Services under the Master Financial Services (2023-2025) Agreement since external financial institutions have provided more favourable terms. Nevertheless, for the purpose of providing flexibility to China Display Qualified Members for obtaining other financial services from different service providers, China Display Qualified Members will still consider requesting Other Financial Services during the term of the Master Financial Services (2026-2028) Agreement, the terms of which will be compared with those provided by external financial institutions to see whether the terms offered by TCL Financial Services Associates become more favourable and satisfy the pricing policies of the

LETTER FROM THE BOARD

Group. If indeed the terms offered by TCL Financial Services Associates are more favourable, China Display Qualified Members will consider utilising the Other Financial Services under the Master Financial Services (2026-2028) Agreement. Hence, an annual cap of RMB1.2 million for each of the three years ending 31 December 2028 is still proposed.

- (ii) The Group paid approximately RMB100,000, RMB80,000 and RMB30,000 to independent financial institutions for other financing services (such as issuance of letters of credit) for the two years ended 31 December 2023 and 2024, and for the eight months ended 31 August 2025 respectively.

Master Sourcing (2025-2027) Agreement

- (i) Currently, the sourcing of PRC Materials and Products is conducted under the Master Sale and Purchase (2025-2027) Agreement where the PRC Subsidiaries sold the PRC Materials and Products to a member of the TCL Technology Group. The amount of such sale reached RMB57.2 million for the eight months ended 31 August 2025.
- (ii) The proposed annual caps for purchase of PRC Materials and Products by the Group comprises (a) the cost of the PRC Materials and Products and (b) the Export Administrative Charges charged by TCL Technology Group which generally ranges from 0.6% to 2.5% of the value of the exported PRC Materials and Products.
- (iii) Transactions under the Master Sourcing (2025-2027) Agreement will commence as soon as all conditions are satisfied on the Shareholders' Approval Date, the proposed annual cap for the period up to 31 December 2025 will therefore capture the sourcing of PRC Materials and Products in the fourth quarter of 2025.
- (iv) Based on the current order received for November and December 2025, the Group expects the amount of PRC Materials and Products to be exported from the PRC will remain at similar level, with the monthly export of PRC Materials and Products projected at around RMB21.5 million, which adds up to approximately RMB260 million per annum.
- (v) Additionally, in view of the 76.6% and 72.2% respective year-on-year increase in the revenue of the Group for the year ended 31 December 2024 and the six months ended 30 June 2025, it is predicted that the Group's demand for PRC Materials and Products will increase in proportion to the growth in revenue. The Group estimates an annual organic growth of approximately 20% in the amount of PRC Materials and Products to be exported to its Overseas Subsidiaries in the year ending 31 December 2026 and 2027.

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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 the Deposit and Cash Pooling Services for the year ended 31 December 2024 was only approximately RMB20.0 million 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 (2026-2028) Agreement will not have any material impact on the Company's earnings, assets and liabilities.

REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS AND THE CONTINUING CONNECTED TRANSACTIONS

The Directors (excluding the independent non-executive Directors whose views will be set out in the letter from Independent Board Committee) consider that the proposed Revised Annual Caps, terms of the Agreements 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 Agreements and the transactions contemplated thereunder for the following reasons:

Proposed Revised Annual Caps

As discussed in the section headed "Basis for Determination of the Proposed Revised Annual Caps and Proposed Annual Caps", the Group's demand for Human Resources Services is on an upward trend and the Company estimates that the Annual Cap for the year ending 31 December 2025 will not be sufficient to meet the amount of service fees for Human Resources Services. The revision of the Annual Caps will facilitate members of the Group to secure a stable and flexible supply of human resources to meet its needs upon its request, which saves the Group the time and resources required in recruiting sufficient and additional skilled workers on a short-term basis in particular at peak seasons and reduces the risk of production disruption in case the Group could not recruit the necessary skilled workers in time.

Master Financial Services (2026-2028) Agreement

1. The Master Financial Services (2026-2028) Agreement allows TCL Financial Services Associates to provide cost efficient finance and treasury services to all China Display Qualified Members. The Company believes that TCL Financial Services Associates, which are 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 NFRA or relevant authorities where the financial institutions duly established outside the PRC, may facilitate the China Display Qualified Members to obtain cheaper financing from other financial institutions in or outside the PRC by taking advantage of the interbank lending rates which TCL Financial Services Associates may enjoy in respect of their own borrowings from other financial institutions. Since the credit ranking of TCL

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Technology is better than that of China Display Qualified Members, TCL Financial Services Associates may obtain better financing options from the financial institutions outside through TCL Technology by making use of its advantage in credit ranking, and in turn the TCL Financial Services Associates may offer favourable financing options to China Display Qualified Members. It is expected that the inter-bank interest rates are usually lower than the interest rates of other corporate commercial loans.

2. The Master Financial Services (2026-2028) Agreement allows China Display Qualified Members to participate in the TCL Cash Pooling Arrangement, which offers China Display Qualified Members an additional option to manage their cash balances on top of the Deposit Service. Whereas the deposits under the Deposit Services are placed with Finance Company, the deposits under the Cash Pooling Services are placed with the Pooling Agents which are Independent Third Party licensed banks or financial institutions via the relevant member of TCL Technology Group. 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. During the term of the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement), Pooling Agents have generally offered more favourable interest rate for fixed deposits under the Cash Pooling Services than those offered by Independent Third Party licensed banks or financial institutions and Finance Company whilst Finance Company has generally offered more favourable interest rate for current or demand deposits under the Deposit Services than those offered by Independent Third Party licensed banks or financial institutions and the Pooling Agents. In this connection, the Deposit Services and Cash Pooling Services each has its own competitive edge, and historically the Group has not encountered material conflict on the terms under the two arrangements and was able to take advantage of the greater flexibility in choosing various saving plans to enhance its cash management.
3. 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.

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4. 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 NFRA or relevant authorities where the banks or financial institutions duly established outside the PRC, and its participants only include members of TCL Technology Group.
5. Finance Company has been providing financial services to the Group under the Master Financial Services (2023-2025) Agreement and has a thorough understanding of the operations and development needs of the Group. Accordingly, it is expected that TCL Financial Services Associates (including Finance Company) will be more efficient in terms of processing transactions for the Group than other financial institutions given their close relationships.
6. Further, the Master Financial Services (2026-2028) Agreement provides more flexibility to China Display Qualified Members in respect of managing cash flow and financing needs as China Display Qualified Members may choose to receive services from both TCL Financial Services Associates and independent financial service providers. For illustration, China Display Qualified Members may receive commercial bills which are not backed by PRC commercial banks, and hence are generally not accepted by independent PRC commercial banks for discounting, whereas TCL Financial Services Associates are more flexible in accepting those commercial bills for discounting purpose.

The Directors consider that the Deposit and Cash Pooling Services under the Master Financial Services (2026-2028) Agreement will not result in significant 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. In any event, China Display Qualified Members are at liberty to withdraw any amount deposited with Finance Company pursuant to the terms of the Master Financial Services (2026-2028) Agreement;
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;

LETTER FROM THE BOARD

3. The Company considers that the risk associated with depositing cash with Finance Company is low:
- (i) to the best knowledge and belief of the Company after making all reasonable enquiries, in order to manage the credit risks, Finance Company would carefully evaluate the operation situation and financial position of the member companies within the Group and TCL Technology Group when receiving loan application from them and only provides loans to such member companies who have sound financial position;
 - (ii) Finance Company has been conducting its business in compliance with the relevant applicable rules and regulations and every financial indicator of each of Finance Company is normal; and
 - (iii) as set out in the articles of association of Finance Company, in the event that Finance Company falls into financial difficulty in payments, TCL Technology has the obligation to take all necessary steps including injecting capital into Finance Company based on its funding needs, to restore its financial position. Given TCL Technology, a company listed on the Shenzhen Stock Exchange, is a substantial company, the Company considers that it would be extremely unlikely for Finance Company to fail to restore its financial position.

Master Sourcing (2025-2027) Agreement

TCL Technology Group has specific departments and teams for handling sourcing and export logistics which can achieve economies of scale and provide a competitive price for the sourcing and export of PRC Materials and Products. Historically, the Group has utilised the import and logistics services offered by TCL Technology Group under the master import agency and logistics services (2022-2024) agreement with Shenzhen Qianhai Sailing Supply Chain Management Co., Ltd.* (深圳前海啟航供應鏈管理有限公司), an associate of TCL Technology (please refer to the announcement of the Company dated 13 December 2021 for details). Yet the Group did not have exporting needs prior to 2025 and hence had not utilised the export services of TCL Technology Group.

Having expanded the scope and scale of its business operation since 2025, the Group has received new orders from brand customers which requires the export and sourcing of PRC Materials and Products and began to engage TCL Technology Group's export service to take advantage of their experience and expertise in handling export and sourcing logistics to avoid incurring extra costs instead of handling the export of PRC Materials and Products on its own. Whilst the sourcing of PRC Materials and Products is currently conducted under the Master Sale and Purchase (2025-2027) Agreement as discussed above in the section "BASIS FOR DETERMINATION OF THE PROPOSED REVISED ANNUAL CAPS AND PROPOSED ANNUAL CAPS", the Group observes that there is a growing trend of orders received from brand customers which necessitates the export and sourcing service of PRC Materials and

LETTER FROM THE BOARD

Products and predicts a growing and continuous need for such service to fulfil the orders from brand customers. Therefore, although the Group has not entered into similar master sourcing agreement with TCL Technology Group in the past, the Group considers that it is appropriate to enter into the Master Sourcing (2025-2027) Agreement in view of the current business operation and hence beneficial to its long-term business prospect.

It is the general arrangement under normal sourcing and export transaction, and indeed as mentioned above under the section “CONTINUING CONNECTED TRANSACTIONS – MASTER SOURCING (2025-2027) AGREEMENT” that the export agents normally will only settle the payment for sourcing the goods to the supplier (which is the relevant PRC Subsidiary in the present case) after the receipt of payment (i.e. acquisition cost plus Export Administrative Charge) from the purchaser (which is the relevant Overseas Subsidiary in the present case). Hence, it is a common risk factor for transactions of this kind that the export agent may abscond with the goods and payment. Given the long-term cooperation and business relationship between the Group and the TCL Technology Group, the Company considers TCL Technology Group to be a reliable export agent and therefore engaging TCL Technology Group for the sourcing and export of PRC Materials and Products will help minimise such business risk and therefore will be beneficial to the Group and its business operation.

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 (i) the Revised Annual Caps and (ii) the terms of the Agreements and the respective transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better, entered into in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

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

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

LETTER FROM THE BOARD

Finance Company, a subsidiary of TCL Technology, is owned as to 82% by TCL Technology and 18% by TCL CSOT as at the Latest Practicable Date. 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 NFRA.

Huizhou TCL is principally engaged in the business of provision of human resources referral and subcontracting services in the area of electronic components. Huizhou TCL is held as to 50% by each of TCL Holdings and TCL Technology.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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. Huizhou TCL is held as to 50% by TCL Technology and is therefore an associate of TCL Technology and hence also a connected person of the Company. Therefore, the transactions contemplated under the Agreements and the Revised Annual Caps 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 Annual Caps 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 (other than the profits ratio) with reference to the proposed annual caps under the Master Financial Services (2026-2028) Agreement and the Master Sourcing (2025-2027) 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 (2026-2028) 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.

LETTER FROM THE BOARD

An Independent Board Committee has been established by the Company to advise the Shareholders on the terms and proposed annual caps of the Agreements and the Revised Annual Caps. The Company has appointed the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Revised Annual Cap and/or the Agreements and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the Latest Practicable Date, High Value Ventures Limited, an indirect subsidiary of TCL Technology, is directly interested in 1,357,439,806 Shares, representing approximately 64.20% of the number of issued Shares. Accordingly, High Value Ventures Limited, being a TCL Associate and holder of 1,357,439,806 Shares, will abstain from voting on the relevant resolutions 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 Revised Annual Caps and the Agreements 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 Latest Practicable Date:

- (i) Mr. LIAO Qian who is deemed to be interested in 3,482,288 shares in TCL Technology (representing approximately 0.0167% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also an executive director, the senior vice president and the secretary of the board of directors of TCL Technology;
- (ii) Mr. ZHANG Feng who is deemed to be interested in 1,591,775 shares in TCL Technology (representing approximately 0.0077% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the senior vice president of TCL CSOT;
- (iii) Mr. ZHANG Caili who is deemed to be interested in 575,006 shares in TCL Technology (representing approximately 0.0028% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the vice president and general manager of the manufacturing centre of TCL CSOT; and
- (iv) Mr. XI Wenbo who is deemed to be interested in 602,763 shares in TCL Technology (representing approximately 0.0029% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the vice president and head of financial centre of TCL CSOT.

LETTER FROM THE BOARD

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

SGM

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 28 November 2025, Friday at 3:00 p.m., at which resolutions will be proposed for the purposes of considering and, if thought fit, approving the Revised Annual Caps and the Agreements, the transactions contemplated thereunder and the proposed annual caps in relation thereto. The notice of the SGM is set out on pages 107 and 109 of this circular.

A form of proxy for use at the SGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.tclcdot.com). Whether or not you are able to attend the SGM or any adjournment or postponement thereof (as the case may be) in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://evoting.vistra.com>) by using the username and password provided on the notification letter sent by the Company, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment or postponement thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjourned or postponed meeting should you so wish.

RECORD DATE

The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for determining the entitlements of the Shareholders to attend and vote at the SGM is 24 November 2025, 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 24 November 2025, Monday.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on pages 45 to 46 of this circular which contains the recommendation of the Independent Board Committee to the Shareholders regarding the resolution in respect of the Revised Annual Caps and the Agreements to be proposed at the SGM; (b) the letter from Pelican Financial Limited, the Independent Financial Adviser, set out on pages 47 to 99 of this circular which contains its advice to the Independent Board Committee and the Shareholders in respect of the Revised Annual Caps and the Agreements; and (c) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice (together with principal factors and reasons considered in arriving at such advice) of the Independent Financial Adviser, considers that the Revised Annual Caps and the Agreements, the transactions contemplated thereunder and the proposed annual caps are fair and reasonable, on normal commercial terms or better and are entered in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM in respect of the Revised Annual Caps and the Agreements.

The Board are of the opinion that the Revised Annual Caps and the Agreements 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.

The Board also considers that the resolution(s) proposed in the notice of SGM are in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of all the relevant resolutions to be proposed at the SGM.

Yours faithfully,
By order of the Board
LIAO Qian
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

Date: 10 November 2025

To: the Shareholders

Dear Sirs or Madam,

**(1) REVISION OF ANNUAL CAPS UNDER MASTER HR
SUBCONTRACTING (2025-2027) AGREEMENT
AND
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(3) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY IN
RESPECT OF THE DEPOSIT AND CASH POOLING SERVICES UNDER
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(4) CONTINUING CONNECTED TRANSACTIONS –
MASTER SOURCING (2025-2027) AGREEMENT**

We refer to the circular of the Company dated 10 November 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Shareholders in respect of the Revised Annual Caps and the Agreements, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser set out on pages 8 to 44 and pages 47 to 99 of the Circular respectively.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account of the advice (together with principal factors and reasons considered in arriving at such advice) of Pelican Financial Limited, the Independent Financial Adviser, we are of the opinion that the Revised Annual Caps and the Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and are entered in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM in respect of the Revised Annual Caps and the Agreements.

Yours faithfully,
HSU Wai Man, Helen,
XU Yan,
LI Yang,
YANG Qiulin
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



PELICAN FINANCIAL LIMITED

28/F Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

10 November 2025

*To the Independent Board Committee and the independent Shareholders of
China Display Optoelectronics Technology Holdings Limited*

Dear Sirs,

**(1) REVISION OF ANNUAL CAPS UNDER MASTER HR
SUBCONTRACTING (2025-2027) AGREEMENT
AND
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(3) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY IN
RESPECT OF THE DEPOSIT AND CASH POOLING SERVICES UNDER
MASTER FINANCIAL SERVICES (2026-2028) AGREEMENT
AND
(4) CONTINUING CONNECTED TRANSACTIONS –
MASTER SOURCING (2025-2027) AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders in respect of the Revised Annual Caps and the Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company dated 10 November 2025 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to (i) the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively in relation to, *inter alia*, the Master HR Subcontracting (2025-2027) Agreement, and (ii) the announcement of the Company dated 13 October 2025 (the “**Announcement**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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. Huizhou TCL is held as to 50% by TCL Technology and is therefore an associate of TCL Technology and hence also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Revised Annual Caps and the Agreements 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 Annual Caps 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 (other than the profits ratio) with reference to the proposed annual caps under the Master Financial Services (2026-2028) Agreement and the Master Sourcing (2025-2027) 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 Deposit and Cash Pooling Services under the Master Financial Services (2026-2028) 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.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Revised Annual Cap and/or the Agreements and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the Latest Practicable Date, High Value Ventures Limited, an indirect subsidiary of TCL Technology, is directly interested in 1,357,439,806 Shares, representing approximately 64.20% of the number of issued Shares. Accordingly, High Value Ventures Limited, being a TCL Associate and holder of 1,357,439,806 Shares, will abstain from voting on the relevant resolutions 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 Revised Annual Caps and the Agreements to be put forward at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding the respective interest and/or roles of certain Directors in TCL Technology Group, in particular, as at the Latest Practicable Date:

- (i) Mr. LIAO Qian who is deemed to be interested in 3,482,288 shares in TCL Technology (representing approximately 0.0167% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also an executive director, the senior vice president and the secretary of the board of directors of TCL Technology;
- (ii) Mr. ZHANG Feng who is deemed to be interested in 1,591,775 shares in TCL Technology (representing approximately 0.0077% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the senior vice president of TCL CSOT;
- (iii) Mr. ZHANG Caili who is deemed to be interested in 575,006 shares in TCL Technology (representing approximately 0.0028% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO; and
- (iv) Mr. XI Wenbo who is deemed to be interested in 602,763 shares in TCL Technology (representing approximately 0.0029% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the vice president and head of financial centre of TCL CSOT;

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

OUR INDEPENDENCE

Pelican Financial Limited is not connected with the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the last two years, other than our engagement by the Company to act as its independent financial advisor in respect of (i) the supplemental agreement and the transactions contemplated under the Master Financial Services (2023-2025) Agreement as disclosed in its circular dated 22 November 2023; (ii) the revision of annual cap for continuing connected transactions under the Master Sale and Purchase (2022-2024) Agreement as disclosed in its circular dated 26 April 2024; (iii) the further revision of annual cap for continuing connected transactions under the Master Sale And Purchase (2022-2024) Agreement and the renewal of existing continuing connected transactions under Master Processing (2025-2027) Agreement, Master Sale and Purchase (2025-2027) Agreement and Master HR Subcontracting (2025-2027) Agreement as disclosed in its circular dated 14 October 2024; and (iv) the revision of revenue limit and annual caps for continuing connected transactions under the Master Sale and Purchase (2025-2027) Agreement as disclosed in its circular dated 9 September 2025, there was no other engagement between the Company and us.

Apart from normal professional fees payable to us in connection with this appointment of us as Independent Financial Adviser, no arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates. As at the Latest Practicable Date, there were no relationships or interests between us and the Group, TCL Technology Group or any of their respective substantial shareholders, directors or chief executives, or their respective associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the Revised Annual Caps and the Agreements and the transactions contemplated thereunder.

Our role is to provide you with our independent opinion and recommendation as to whether the Revised Annual Caps and the Agreements, the transactions contemplated thereunder and the proposed annual caps are (i) entered in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better, are fair and reasonable so far as the independent Shareholders are concerned and (iii) whether they are in the interests of the Company and the Shareholders as a whole; and (iv) how the independent Shareholders should vote in respect of the relevant resolutions regarding the Revised Annual Caps and the Agreements at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, the Master HR Subcontracting (2025-2027) Agreement, the Master Financial Services (2023-2025) Agreement, the Master Financial Services (2026-2028) Agreement, the Master Sourcing (2025-2027) Agreement, the audited annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), the unaudited interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”), the announcement of the Company dated 10 September 2024, the circulars of the Company dated 21 November 2022, 27 October 2023 and 14 October 2024, the Announcement and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group. The Company will notify the independent Shareholders of any material changes after the Latest Practicable Date and after the dispatch of the Circular. The independent Shareholders will also be notified of any material changes to such information provided and our opinion as soon as possible.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Revised Annual Caps and the Agreements, the transactions contemplated thereunder and the proposed annual caps, we have considered the following principal factors and reasons.

1. Background information of the Parties

The Group

The Group, headquartered in the PRC, 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.

TCL Technology

TCL Technology is a major PRC conglomerate and is principally engaged in two core industries of new display and new energy photovoltaic products. As at the Latest Practicable Date, based on the information available to the Directors, no shareholder of TCL Technology holds 10% or more equity interest in TCL Technology.

Huizhou TCL

Huizhou TCL is principally engaged in the business of provision of human resources referral and subcontracting services in the area of electronic components. Huizhou TCL is held as to 50% by each of TCL Holdings and TCL Technology.

Finance Company

Finance Company is a subsidiary of TCL Technology, is owned as to 82% by TCL Technology and 18% by TCL CSOT as at the Latest Practicable Date. 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 NFRA.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Financial information of the Group

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2024 as extracted from the 2024 Annual Report and the six months ended 30 June 2024 and 2025 as extracted from the 2025 Interim Report.

Table 1: Financial information of the Group

	For the six months ended		For the year ended	
	30 June		31 December	
	2025	2024	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
<i>Revenue by types of goods or services</i>				
– Sale of industrial products	3,147,354	1,818,142	4,505,131	2,511,931
– Processing and manufacturing services	23,246	22,858	44,275	64,875
Total revenue	3,170,600	1,841,000	4,549,406	2,576,806
Gross profit	118,349	69,605	196,319	174,051
Profit for the period/year	51,040	6,974	65,979	13,086

For the six months ended 30 June 2025

According to the 2025 Interim Report, the Group recorded a total revenue of approximately RMB3,170.6 million for the six months ended 30 June 2025, representing an increase of approximately 72.2% from approximately RMB1,841.0 million in the corresponding period in 2024. The increase was mainly due to the increase in the Group's total sales volume, which reached 33.7 million units for the six months ended 30 June 2025, representing an increase of 70.0%, compared to the 19.8 million units for the corresponding period in 2024. Since the Group's establishment of an integrated panel and module business model in conjunction with "t9" display panel production line of TCL CSOT, the Group has secured a reliable supply of high-quality display panel and gained strong recognition from multiple first-tier brand customers. During the six months ended 30 June 2025, the Group commenced mass production of customized mobile phone module products for brand customers, resulting in an 82.3% year-on-year increase in the Group's mobile phone module sales to 24.9 million units. Correspondingly, the related revenue grew by 71.2% year-on-year to approximately RMB1,208.3 million.

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Supported by the overall business growth, the Group achieved a gross profit of approximately RMB118.3 million for the six months ended 30 June 2025, representing an increase of 70.0% from approximately RMB69.6 million for the six months ended 30 June 2024, while the gross profit margin remained relatively stable at 3.7%. As a result, the Group recorded a significant increase of 631.9% in profit for the six months ended 30 June 2025, from approximately RMB7.0 million for the six months ended 30 June 2024 to approximately RMB51.0 million.

For the year ended 31 December 2024

According to the 2024 Annual Report, the Group recorded a total revenue of approximately RMB4,549.4 million for the year ended 31 December 2024, representing an increase of approximately 76.6% from the previous year. Such an increase was mainly due to (i) the growth in sales volume of the Group's tablet modules, which increased 12.9 times year-on-year to 5.2 million units, (ii) the growth in sales volume of commercial display products of 3.9 times year-on-year to 1.2 million units; and (iii) a 65.9% year-on-year increase in the average selling price to RMB97.3, driven by the higher unit price of the Group's medium-sized products.

Although driven by the significant increase in sales, the Group recorded a decrease in the gross profit margin, which was approximately 4.3% as compared with 6.8% for the year ended 31 December 2023. This decrease in gross profit margin was mainly due to an increase in cost of sales by approximately RMB1,950.3 million or 81.2% from approximately RMB2,402.8 million for the year ended 31 December 2023, a rate faster than the 76.6% growth in total revenue.

The Group experienced an increase in net profitability, from a net profit of approximately RMB13.1 million for the year ended 31 December 2023 to a net profit of approximately RMB66.0 million for the year ended 31 December 2024. The increase in net profit was mainly attributable to (i) the aforementioned increase in revenue by approximately 76.6% to approximately RMB4,549.4 million; (ii) a decrease in selling and distribution expenses by 60.4% from approximately RMB19.8 million; and (iii) a decrease in other expenses of 88.7%, which included the decrease of realized loss and fair value loss on derivative financial instruments totaling approximately RMB52.3 million from approximately RMB53.7 million for the year ended 31 December 2023 to approximately RMB1.4 million for the year ended 31 December 2024.

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Meanwhile, the financial position of the Group as at 31 December 2024 and 30 June 2025 as extracted from the 2025 Interim Report are summarized as follows:

Table 2: Financial position of the Group

	As at 30 June 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Total assets		
– non-current assets	1,035,366	1,021,849
– current assets	<u>2,910,819</u>	<u>2,507,979</u>
	3,946,185	3,529,828
 Total liabilities		
– non-current liabilities	6,775	13,437
– current liabilities	<u>2,810,540</u>	<u>2,445,762</u>
	2,817,315	2,459,199
 Net current assets	100,279	62,217
 Net assets	1,128,870	1,070,629
 Cash and cash equivalents	103,868	62,149

The Group recorded total assets of approximately RMB3,946.2 million as at 30 June 2025, comprising non-current assets of approximately RMB1,035.4 million and current assets of approximately RMB2,910.8 million. On the other hand, the Group recorded total liabilities of approximately RMB2,817.3 million as at 30 June 2025, comprising non-current liabilities of approximately RMB6.8 million and current liabilities of approximately RMB2,810.5 million.

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As such, the net current assets of the Group as at 30 June 2025 amounted to approximately RMB100.3 million, which increased by 61.2% from approximately RMB62.2 million as at 31 December 2024. The increase was primarily due to (i) an increase of approximately RMB477.6 million or 45.1% in trade and bills receivables; and (ii) an increase of approximately RMB452.2 million or 24.6% in trade payables. These changes did not substantially alter the overall financial stability, as the net assets of the Group remained relatively stable at approximately RMB1,128.9 million. The Group recorded cash and cash equivalents of approximately RMB103.9 million as at 30 June 2025, representing an increase of approximately 67.1% from approximately RMB62.1 million as at 31 December 2024.

3. Reasons for and benefits of the transactions

3.1 Proposed Revised Annual Caps

As discussed in the Board Letter, the Group's demand for Human Resources Services is on an upward trend and the Company estimates that the annual cap for the year ending 31 December 2025 will not be sufficient to meet the amount of service fees for Human Resources Services.

According to the 2025 Interim Report and our discussions with the Company, we noted that the Group's total sales volume reached 33.7 million units for the six months ended 30 June 2025, compared to 19.8 million units in the corresponding period of 2024. This represents a significant increase of approximately 70.2%. The substantial increase reflects the Group's expanding operational scale. Moving forward, the Group aims to enhance production capacity through technological innovation, expand its industrial chain, and boost product competitiveness to strengthen its integrated panel and module business model with TCL CSOT, while capitalizing on its strengths to advance its new product business. Due to the Company's strong business growth and anticipated future business development, demand for human resources is expected to increase correspondingly.

The revision of the Annual Caps will facilitate members of the Group to secure a stable and flexible supply of human resources to meet their needs upon request. This arrangement saves the Group the time and resources required in recruiting sufficient and additional skilled workers on a short-term basis in particular at peak seasons and reduces the risk of production disruption in case the Group could not recruit the necessary skilled workers in time. Also, given the close cooperation between Huizhou TCL Group and the Group during the past years, Huizhou TCL Group is familiar with the needs of the Group and is able to promptly provide the suitable workers to the Group.

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Hence, we considered that the revision of the Annual Caps provides flexibility but not an obligation to the Group to engage Huizhou TCL Group in providing human resources for the Group's business operation whenever the Directors consider appropriate. As such, the revision of the Annual Caps is in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

3.2 Master Financial Services (2026-2028) Agreement

The Company, TCL Technology and Finance Company had entered into the Master Financial Services (2023-2025) Agreement on 31 October 2022 (as amended and supplemented by the Supplemental Agreement), which will expire on 31 December 2025. As the Company, TCL Technology and Finance Company wish to continue the continuing connected transactions thereunder, on 13 October 2025 (after trading hours), the Company entered into the Master Financial Services (2026-2028) Agreement with TCL Technology and Finance Company which is on substantially similar terms as the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement).

As stated in the Board Letter, the Master Financial Services (2026-2028) Agreement allows TCL Financial Services Associates, which are financial institutions subject to NFRA or relevant overseas regulatory guidelines, to provide cost efficient finance and treasury services to all China Display Qualified Members. Leveraging TCL Technology's better credit ranking and access to interbank lending rates, TCL Financial Services Associates can obtain cheaper financing and pass on more favourable rates to China Display Qualified Members than they could secure independently from other financial institutions.

In addition, the Master Financial Services (2026-2028) Agreement allows China Display Qualified Members 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.

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On the other hand, members of TCL Technology Group are familiar with the capital structure, business operations and capital requirements of China Display Qualified Members, enabling it to provide tailored Cash Pooling Services to 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. It is understood that Finance Company has been providing financial services to the Group under the Master Financial Services (2023-2025) Agreement and has a thorough understanding of the operations and development needs of the Group, enables more efficient transactions processing for the Group than other financial institutions.

Further, the Master Financial Services (2026-2028) Agreement provides more flexibility to China Display Qualified Members as China Display Qualified Members may choose to receive services from TCL Financial Services Associates or independent financial service providers. For illustration, TCL Financial Services Associates are more flexible in accepting commercial bills that China Display Qualified Members may receive in its course of business, but which are not backed by PRC commercial banks, whereas independent PRC commercial banks generally do not accept such bills for discounting.

It is noted that the Directors consider that the Deposit and Cash Pooling Services contemplated under the Master Financial Services (2026-2028) Agreement, which we concur, will not lead to the Group developing an excessive dependence on TCL Technology Group. This is due to: (i) participation is voluntary—China Display Qualified Members only place deposits with Finance Company if interest rates are no less favourable than those from independent financial institutions, and may withdraw funds at any time under the Master Financial Services (2026-2028) Agreement; (ii) alternative service providers are readily available if rates are not favourable to China Display Qualified Members; and (iii) the Company considers that the risk associated with depositing cash with Finance Company is low, because: (a) to the best knowledge and belief of the Company after making all reasonable enquiries, in order to manage the credit risks, Finance Company would carefully evaluate the operation situation and financial position of the member companies within the Group and TCL Technology Group when receiving loan application from them and only provides loans to such member companies who have sound financial position; (b) Finance Company has been conducting its business in compliance with the relevant applicable rules and regulations and every financial indicator of Finance Company is normal; and (c) as set out in the articles of association of Finance Company, in the event that Finance Company falls into financial difficulty in payments, TCL Technology has the obligation to take all necessary steps including injecting capital into Finance Company based on its funding needs, to restore its financial position. Given TCL Technology, a company listed on the Shenzhen Stock Exchange, is a substantial company, the Company considers that it would be extremely unlikely for Finance Company to fail to restore its financial position.

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In considering the fairness and reasonableness of the terms of the Master Financial Services (2026-2028) Agreement, we have obtained and reviewed (i) the notices of interest rate for Deposit Services offered by Finance Company and issued in 2023, 2024 and 2025; (ii) interest rates offered by three major commercial banks in or outside the PRC, including Bank of China, Industrial and Commercial Bank of China and China Construction Bank (Asia); and (iii) such interest rates to be offered by Finance Company will be available to any members of TCL Technology Group for similar deposit service. We have noted from the notice of interest rate offered by Finance Company issued in 2023, 2024 and 2025 that, the interest rate offered by Finance Company was no less favorable than (i) interest rates offered by three major commercial banks; and (ii) such interest rates to be offered by Finance Company will be available to any members of TCL Technology Group for similar deposit service. Out of the three types continuing connected transactions to be carried out under the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement), the Group only utilized the deposit and cash pooling services during the two years ended 31 December 2024 and for the eight months ended 31 August 2025. As such our comparison of terms with independent third parties will only be carried out in respect of deposit services.

Considering the Company's practice to only place deposits when the deposit interest rate is more favourable than those rates from other financial institutes, and that under this extended arrangement with TCL Cash Pool Arrangement, the China Display Qualified Members can benefit from the combined bargaining power of both the TCL Technology Group and the Group itself, enabling larger pooled cash resources that can potentially secure a higher interest rate than separate cash pools or individual cash deposits with independent financial institutions. Based on our independent research and our discussion with the Company, financial institutions typically offer increasingly favorable interest rates for deposits of larger amount and for longer period. This is due to the perceived stability and lower risk associated with these larger deposits, which allows the financial institutions to allocate these funds in longer-term and higher yield investments. Therefore, pooling cash resources as proposed under the TCL Cash Pooling Arrangement could potentially secure a higher interest rate, as it represents a larger deposit than individual members or the Group could provide separately. However, the interest rates can vary based on multiple factors, including market conditions and the financial institution's policies. Should, in any event, the terms provided by other financial institutions prove more favourable than those of the TCL Cash Pooling Arrangement, the China Display Qualified Members retain the option to deposit with these institutions. This approach would maximise the return, which is in the interest of the Company and the Shareholders as a whole.

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Having considered that (i) the Cash Pooling Services will offer the China Display Qualified Members (a) more favourable terms for the deposits service than those offered by other independent financial institutions, due to the combined bargaining power of both the TCL Technology Group and the China Display Qualified Members, which allows for larger cash deposits and thus higher interest rates; (b) greater flexibility in daily operations in terms of cash management, as the China Display Qualified Members can use the money through an integrated online system of TCL Technology Group (matching its contribution) instead of managing and withdrawing money from different separate bank accounts; (c) a relatively low risk financial management arrangement; and (d) the option to, or not to, participate in the TCL Cash Pooling Arrangement under Master Financial Services (2026-2028) Agreement; (ii) the internal control measures are in place (which are discussed later in this letter), and (iii) the Group has carried out deposit services, financing services, and other financial services in its daily operations, we consider that the terms of the Master Financial Services (2026-2028) 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. Therefore, it is in the interest of the Company and the Shareholders as a whole to enter into of the Master Financial Services (2026-2028) Agreement and the transactions contemplated thereunder.

3.3 Master Sourcing (2025-2027) Agreement

The Company had entered into the Master Sourcing (2025-2027) Agreement with TCL Technology, pursuant to which relevant member of TCL Technology Group (i) acts as the intermediary for the Group to purchase the required PRC Materials and Products from the Company's PRC Subsidiaries and (ii) exports and sells such PRC Materials and Products to the Company's Overseas Subsidiaries.

We are given to understand that the Group exports and ships PRC Materials and Products to the Company's Overseas Subsidiaries to fulfill international business commitments and maintain customer relationships. TCL Technology Group has specific departments and teams for handling sourcing and export logistics which can achieve economies of scale and provide a competitive price for the sourcing and export of PRC Materials and Products. Hence the Group can benefit from such experience and expertise instead of handling the export of PRC Materials and Products on its own, thereby avoid incurring extra costs.

Historically, the Group has leveraged TCL Technology Group's import and logistics services under the master import agency and logistics services (2022-2024) agreement with Shenzhen Qianhai Sailing Supply Chain Management Co., Ltd.[#] (深圳前海啟航供應鏈管理有限公司), an associate of TCL Technology (please refer to the Company's announcement dated 13 December 2021 for further details). However, prior to 2025, the Group had no export requirements and thus did not utilize TCL Technology Group's export services.

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Since 2025, the Group has significantly expanded its business operations, receiving new orders from brand customers that necessitate the sourcing and export of PRC Materials and Products. The sourcing of PRC Materials and Products is currently conducted under the Master Sale and Purchase (2025-2027) Agreement. Given the increasing trend in orders from brand customers requiring export and sourcing services, the Group anticipates a sustained and growing demand for such services to fulfill customer requirements. Although the Group has not previously entered into a master sourcing agreement with TCL Technology Group, it considers the establishment of the Master Sourcing (2025-2027) Agreement to be a strategic and prudent step, aligning with its current operational needs and supporting its long-term business objectives.

Given the long-term cooperation and business relationship between the Group and the TCL Technology Group, the Company believes the arrangement in relation to the sourcing and export of PRC Materials and Products with TCL Technology Group as the intermediary to be beneficial to the Group and its business operation.

In considering the fairness and reasonableness of the terms of the Master Sourcing (2025-2027) Agreement, we have obtained and reviewed the terms of the Master Sourcing (2025-2027) Agreement and compared them with the terms of three agreements entered into with other members of the TCL Technology Group. We consider the sample of three agreements is fair and representative based on (i) the agreements involved similar sourcing and export arrangements; (ii) the agreements are either active or recently concluded, reflecting current market and operational conditions; (iii) the agreements involved different members of the TCL Technology Group, ensuring a robust representation of the group's standard terms. We have reviewed key terms, including pricing, payment schedules, and delivery obligations, and benchmarked them against the Master Sourcing (2025-2027) Agreement. Our analysis of key terms, including pricing, payment schedules, and delivery obligations, confirms that the terms and conditions offered to the Company are not less favourable than those offered to other members of the TCL Technology Group.

In light of the above, we are of the view that entering into of the Master Sourcing (2025-2027) Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

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4. Principal terms of the Agreements

4.1 Principal terms of Master HR Subcontracting (2025-2027) Agreement

The Company has entered into the Master HR Subcontracting (2025-2027) Agreement on 10 September 2024 with Huizhou TCL, pursuant to which, among other things, each member of the Group may, at its absolute discretion, engage the relevant member of Huizhou TCL Group for provision of the Human Resources Services. The Master HR Subcontracting (2025-2027) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2027 were subsequently approved, confirmed and ratified by the Shareholders during a special general meeting held on 7 November 2024.

Save for the Revised Annual Caps, all terms and conditions of the Master HR Subcontracting (2025-2027) Agreement shall remain unchanged.

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

4.2 Principal terms of the Master Financial Services (2026-2028) Agreement

Reference is made to the circulars of the Company dated 21 November 2022 and 27 October 2023. As stated therein, the Company, TCL Technology and Finance Company had entered into the Master Financial Services (2023-2025) Agreement on 31 October 2022 (as amended and supplemented by the Supplemental Agreement), which will expire on 31 December 2025. As the Company, TCL Technology and Finance Company wish to continue the continuing connected transactions thereunder, on 13 October 2025 (after trading hours), the Company entered into the Master Financial Services (2026-2028) Agreement with TCL Technology and Finance Company which is on substantially similar terms as the Master Financial Services (2023-2025) Agreement (as amended and supplemented by the Supplemental Agreement).

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The material terms of the Master Financial Services (2026-2028) Agreement are summarised below:

- Date: 13 October 2025 (after trading hours)
- Parties:
- (i) the Company (for itself and on behalf of the Group);
 - (ii) TCL Technology (for itself and on behalf of TCL Technology Group); and
 - (iii) Finance Company.
- Duration: From 1 January 2026 or the Shareholders' Approval Date (whichever is later) to 31 December 2028 (both days inclusive).
- Condition Precedent: The Master Financial Services (2026-2028) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Financial Services (2026-2028) Agreement, including but not limited to obtaining the approval from Shareholders at the SGM.
- Major Terms: **Deposit Services**
- Any China Display Qualified Member may from time to time and in its absolute discretion request to deposit money with Finance Company, and Finance Company may in its absolute discretion decide whether to accept cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), provided that the terms of the Deposit Services to be offered by Finance Company 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 interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks in the PRC; and

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- (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks in the PRC (see *Note 1*) and Finance Company 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 highest of:

- (i) 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

- (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of the TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole 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*) and Finance Company 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.

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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, subject to compliance with the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and all regulatory indicators imposed by the NFRA and/or other applicable laws and regulations, at any time during the term of the Master Financial Services (2026-2028) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2026-2028) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company. (see Note 2)

If any China Display Qualified Member demands repayment of any money deposited by it with Finance Company in accordance with the relevant terms and procedures and Finance Company 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 TCL Financial Services Associates and/or TCL Technology; and/or

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- (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 TCL Financial Services Associates and/or TCL Technology; and/or
- (c) request TCL Technology to repay the outstanding deposit amount on behalf of Finance Company in full.

Upon enquiry from any China Display Qualified Member, Finance Company shall within one business day (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Deposit Services (including but not limited to whether the deposit can be withdrawn before its maturity, as well as the notice period of such withdrawal). The terms and conditions of any Deposit Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and Finance Company in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

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 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.

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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 (2026-2028) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2026-2028) 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 (2026-2028) 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

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- (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 (2026-2028) 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 (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Financing Services

Any China Display Qualified Member may from time to time and in its absolute discretion request any Financing Services (including bills discounting services) from TCL Financial Services Associates, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Financing Services, provided that the terms of the Financing Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member within the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed than the lowest of:
 - (i) the interest rates offered by major commercial banks in the PRC for same type of financing services; and
 - (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions as a whole offered by such TCL Financial Services Associate in respect of the Financing Services shall not be less favourable than those offered by other major commercial banks in the PRC and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating in respect of same type of financing services and shall be on normal commercial terms.

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- (2) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member outside the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed the lower of
- (i) the interest rates offered by major commercial banks located in the place where the relevant China Display Qualified Member is located for same type of financing services; and
 - (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating and major commercial banks located in the place where the relevant China Display Qualified Member is located in respect of same type of financing services and shall be on normal commercial terms.

TCL Financial Services Associates may request China Display Qualified Member(s) to provide security to TCL Financial Services Associates in respect of the Financing Services.

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Upon enquiry from any China Display Qualified Member, the respective TCL Financial Services Associate shall within three business days (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Financing Services. The terms and conditions of any Financing Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Other Financial Services

Any China Display Qualified Member may from time to time and in its absolute discretion request TCL Financial Services Associates to provide Other Financial Services, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Other Financial Services, provided that the terms of the Other Financial Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services within the PRC shall not exceed the lowest of:
 - (i) the fees charged by major commercial banks in the PRC in respect of same type of services; and
 - (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

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other terms and conditions as a whole of the Other Financial Services offered by TCL Financial Services Associates within the PRC shall not be less favourable than those offered by major commercial banks in the PRC and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

- (2) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services outside the PRC shall not exceed the lower of:
- (i) the fees promulgated by the major commercial banks located in the place where the relevant China Display Qualified Member is located for the same type of services; and
 - (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions as a whole of the Other Financial Services offered by TCL Financial Services Associates outside the PRC shall not be less favourable than those offered by the major commercial banks located in the place where the relevant China Display Qualified Member is located and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

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The relevant China Display Qualified Member may from time to time determine in its absolute discretion choose to use Other Financial Services provided by TCL Financial Services Associates or any other independent financial institutions.

The terms and conditions of any Other Financial Services conducted pursuant to the Master Financial Services (2026-2028) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2026-2028) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Technology's
undertakings:

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

- (1) it will procure TCL Financial Services Associates to perform its obligations under the Master Financial Services (2026-2028) Agreement; and
- (2) in case TCL Financial Services Associates experience any financial difficulties, TCL Technology will, subject to internal approvals and the applicable rules and regulations, inject capital to TCL Financial Services Associates based on the needs of TCL Financial Services Associates so as to enable the relevant TCL Financial Services Associate to duly perform its obligations under the Master Financial Services (2026-2028) Agreement and the relevant individual agreements thereunder.

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Notes:

1. The Company reviews and updates the list of major commercial banks in the PRC and in the place where the relevant China Display Qualified Member is located every quarter. As at the Latest Practicable Date, 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. As at the Latest Practicable Date, 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 (2026-2028) Agreement could be of at least the amount of deposits they (i) maintain with Finance Company; and (ii) place under the TCL Cash Pooling Arrangement.

4.3 Principal terms of the Master Sourcing (2025-2027) Agreement

The Company had on 13 October 2025 (after trading hours) entered into the Master Sourcing (2025-2027) Agreement with TCL Technology, pursuant to which relevant member of TCL Technology Group (i) acts as the intermediary for the Group to purchase the required PRC Materials and Products from the Company's PRC Subsidiaries and (ii) exports and sells such PRC Materials and Products to the Company's Overseas Subsidiaries.

The material terms of the Master Sourcing (2025-2027) Agreement are summarised below:

Date:	13 October 2025 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) TCL Technology (for itself and on behalf of TCL Technology Group).
Duration:	From the Shareholders' Approval Date to 31 December 2027 (both days inclusive)
Condition Precedent:	The Master Sourcing (2025-2027) Agreement is conditional on and subject to compliance by the Company with relevant requirements of the Listing Rules in respect of the Master Sourcing (2025-2027) Agreement, including but not limited to obtaining the Shareholders' approval at the SGM.

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- Major Terms: Any Overseas Subsidiary of the Group may, at its absolute discretion, request the relevant member of TCL Technology Group to (i) act as the intermediary for the Group to purchase the required PRC Materials and Products from the Company's PRC Subsidiaries and (ii) export and sell such PRC Materials and Products to the Company's Overseas Subsidiaries.
- Pricing policy and price determination:
- (i) In respect of the sourcing of the PRC Materials and Products by the relevant member of TCL Technology Group from the Company's PRC Subsidiaries, the relevant PRC Subsidiary charges the relevant member of TCL Technology Group the purchase price paid or to be paid by the relevant PRC Subsidiary to Independent Third Parties for the purchase of the relevant PRC Materials and Products.
 - (ii) In respect of the sale of the PRC Materials and Products by TCL Technology Group to the Company's Overseas Subsidiaries, the relevant member of TCL Technology Group charges the relevant Overseas Subsidiary the acquisition cost of the PRC Materials and Products (i.e. the cost charged by the relevant PRC Subsidiary as mentioned above) plus all export duties payable by the relevant member of TCL Technology Group and an administrative charge covering export administrative expenses and insurance fee and all out-of-pocket expenses incurred by the relevant member of TCL Technology Group relating to the export and delivery of the relevant PRC Materials and Products out of the PRC ("**Export Administrative Charges**")^(Note).

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- (iii) The Export Administrative Charges charged by the relevant member of TCL Technology Group shall be no less favourable than those charged by Independent Third Parties for the purpose of exporting PRC Materials and Products for the Group. The Group shall at regular intervals obtain quotations for comparable services from Independent Third Parties, where available, in order to compare such quotations with the Export Administrative Charge proposed to be charged by TCL Technology Group. The relevant member of TCL Technology Group will pay the cost of the PRC Materials and Products to the relevant PRC Subsidiary after the receipt of payment (acquisition cost of the PRC Materials and Products plus Export Administrative Charge) from the relevant Overseas Subsidiary.

Note: As at the Latest Practicable Date, the prevailing Export Administrative Charges range from 0.6% to 2.5% of the value of the exported PRC Materials and Products.

5. Historical figures, Proposed Revised Annual Cap and Proposed Annual Caps of the Agreements

Master HR Subcontracting (2025-2027) Agreement

The following table sets out the historical figures of the service fees paid to Huizhou TCL Group for the 8 months ended 31 August 2025, the existing annual caps for the three years ending 31 December 2027 and the proposed Revised Annual Caps of the Master HR Subcontracting (2025-2027) Agreement.

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Table 3: Historical figures and the proposed Revised Annual Caps of the Master HR Subcontracting (2025-2027) Agreement

	For the period from 1 January 2025 to 31 August 2025 (for actual amount)/For the year ending 31 December 2025 (for existing annual cap and proposed Revised Annual Cap) <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>	For the year ending 31 December 2027 <i>RMB'000</i>
<i>Service fees</i>			
Existing annual caps	100,000	115,000	132,250
Actual amount	85,007	N/A	N/A
Utilisation rate	85.0%	N/A	N/A
Proposed Revised Annual Caps	157,000	250,000	300,000

Master Financial Services (2026-2028) Agreement

The following table sets out the historical figures of the continuing connected transactions under the Master Financial Services (2023-2025) Agreement for the two years ended 31 December 2024 and for the 8 months ended 31 August 2025 and the proposed annual caps of the Master Financial Services (2026-2028) Agreement for the three years ending 31 December 2028.

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Table 4: Historical figures and the proposed annual caps of the Master Financial Services (2026-2028) Agreement

	For the year ended 31 December 2023	For the year ended 31 December 2024	31 December 2025 (for existing annual cap)	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deposit and Cash Pooling Services –						
<i>Maximum outstanding daily ending balances of deposits (including interest receivables in respect of these deposits and deposits as security)</i>						
Historical annual caps	1,700,000	1,870,000	2,057,000	–	–	–
Actual amount	887,628	1,350,663	1,505,412	–	–	–
Utilisation rate	52.2%	72.2%	73.2%	–	–	–
Proposed annual caps	–	–	–	2,469,000	2,963,000	3,556,000
Financing Services – Facility limit (including interest payable and service fees) (Note 1)						
Historical annual caps	400,000	400,000	400,000	–	–	–
Actual amount	0.0	0.0	0.0	–	–	–
Utilisation rate	0.0%	0.0%	0.0%	–	–	–
Proposed annual caps	–	–	–	400,000	400,000	400,000
Other Financial Services – Financial service charges						
Historical annual caps	1,000	1,100	1,200	–	–	–
Actual amount	0.0	0.0	0.0	–	–	–
Utilisation rate	0.0%	0.0%	0.0%	–	–	–
Proposed annual caps	–	–	–	1,200	1,200	1,200

Notes:

- (1) The amount excludes the facility amount without cash or bank instruments as security and other unsecured loans, financing and guarantees available under the facility line provided by TCL Financial Services Associates to the China Display Qualified Members which, if conducted on normal commercial terms or better, are fully exempt connected transactions under Rule 14A.90 of the Listing Rules.
- (2) The annual cap for facility limit for the Master Financial Services (2026-2028) Agreement represents the maximum outstanding facility amount secured by assets of the Group.

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Master Sourcing (2025-2027) Agreement

The following table sets out the proposed annual caps of the Master Sourcing (2025-2027) Agreement for the period from the Shareholders' Approval Date to 31 December 2027.

Table 5: Proposed annual caps of the Master Sourcing (2025-2027) Agreement

	For the period from the Shareholders' Approval Date to 31 December 2025 <i>(Note)</i> RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000
<i>Sale of PRC Materials and Products by the Group</i>			
Proposed annual caps	50,000	320,000	384,000
<i>Purchase of PRC Materials and Products by the Group</i>			
Proposed annual caps	52,000	328,000	394,000

6. Basis for determining the Proposed Revised Annual Caps and Proposed Annual Caps and our analysis

6.1 Revised Annual Caps

As stated in the Board Letter, the Revised Annual Caps were determined with reference to, among other things, (i) the expected increase in demand for Human Resources Services due to the expansion in the Group's business scale; and (ii) a buffer of 10% is added to the Revised Annual Caps to cater for potential increase in transaction amounts

We have obtained and reviewed a schedule detailing the Revised Annual Caps for the three years ending 31 December 2027. The Revised Annual Cap for the service fees under the Master HR Subcontracting (2025-2027) Agreement for the year ending 31 December 2025 is RMB157 million, representing an increase of 57.0% compared with the existing annual cap of RMB100 million. The Revised Annual Caps for the years ending 31 December 2026 and 2027 are RMB250 million and RMB300 million respectively, representing year-on-year increases of approximately 59% and 20%.

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We understand that, fueled by the Group's rapid business growth, the Group's demand for Human Resources Services is expected to increase. As discussed in the above section headed "2. Financial information of the Group", the Group's total revenue increased by approximately 76.6% for the year ended 31 December 2024, and for the six months ended 30 June 2025, it showed a year-on-year increase of approximately 72.2%. As a result of the expansion in the Group's business scale, the Group's demand for Human Resources Services has proportionally increased.

For the eight months ended 31 August 2025, the actual amount of service fees under the Master HR Subcontracting (2025-2027) Agreement was approximately RMB85.0 million, with an utilisation rate of 85.0%. This implies an average monthly service fee of approximately RMB10.6 million and a projected full-year amount of approximately RMB127 million based on the current trend. However, the Company has indicated that the Group typically receives more orders during the fourth quarter due to seasonal industry trends, which drives a corresponding surge in demand for Human Resources Services to cope with increased production activities. To understand the drivers of this fourth-quarter surge, we have conducted discussions with the Company. We noted that the increase in orders is primarily driven by industry-specific factors, such as heightened consumer demands during the year-end holidays and peak production cycles to meet annual sales targets. We also reviewed industry data from the National Bureau of Statistics of China¹ to assess whether this seasonal trend aligns with broader market practices. Our findings confirm that the electrical industry typically experienced increased sales volumes in the fourth quarter. Meanwhile, to assess the positive correlation between the Group's production activities and the demand for Human Resources Services, we analyzed the Group's wages and salaries for the year ended 31 December 2024 and the six months ended 30 June 2025, and if their increase or decrease was in line with that of the revenue. Our analysis revealed that, driven by revenue growth of 76.6% and 72.2% year-on-year for the respective periods, wages and salaries of the Group increased by RMB60.9 million or 33.4% for the year ended 31 December 2024 and by RMB53.5 million or 30.4% for the six months ended 30 June 2025. The data indicates that periods of higher production output align with increased staffing needs, including temporary and subcontracted labor, reflecting the demand for an expanded workforce to support production activities. Based on historical patterns and management's estimation, monthly service fees during the peak season are anticipated to increase substantially. Taking into account the seasonal factors and incorporating a buffer of approximately 10% for unforeseen circumstances, the Revised Annual Cap has been set at RMB157 million for 2025.

¹ Please refer to the data from the National Bureau of Statistics of China, at <https://data.stats.gov.cn/easyquery.htm?cn=A01>

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The Revised Annual Caps for 2026 and 2027 represent year-on-year increases of approximately 59% and 20% respectively from the preceding year. The increase in 2026 and 2027 is primarily attributable to: (i) the full-year effect of the Group's expanded business scale, as the Revised Annual Caps for 2025 reflects only partial-year impact given the transition from the previous lower cap of RMB100 million; (ii) anticipated business growth, with an expected increase in service fees incorporated to account for the Group's business development plan, expected organic growth in sales volume, wage inflation, and other staff-related costs; and (iii) a buffer of approximately 10% incorporated to provide flexibility for fluctuations in transaction amounts and unforeseen business needs.

Having considered that (i) there were substantial revenue growths for the year ended 31 December 2024 and the six months ended 30 June 2025; (ii) the Group's anticipated business expansion and annual growth, which align with the projected increase in labour demand; and (iii) the need for flexibility in human resource allocation to meet the Group's business needs, we are of the view that the Revised Annual Caps for the Master HR Subcontracting (2025-2027) Agreement during the three years ending 31 December 2027 are fair and reasonable.

6.2 Master Financial Services (2026-2028) Agreement

Deposit and Cash Pooling Services

When determining the proposed annual caps of Deposit Services, the Company took into consideration factors including (i) it is estimated that the maximum amount of balance of deposit to be placed by the Group pursuant to the Master Financial Services (2026-2028) Agreement in the year ending 31 December 2026 will reach approximately RMB1,845 million. Taking into account the Group's internal control measures to keep the maximum deposit amount below 90% of the relevant annual cap (as discussed in paragraph 5 of the sub-section headed "Deposit and Cash Pooling Services" under the section headed "Internal control procedures and pricing policy" in the Board Letter), the proposed annual cap of RMB2,469 million for the year ending 31 December 2026 would be just enough to cater for the deposit needs of China Display Qualified Members; and (ii) the proposed annual caps of Deposit Services for years ending 31 December 2027 and 2028 are set with reference to the expected increase of approximately 20% per annum in balance of deposits with Finance Company during the term of the Master Financial Services (2026-2028) Agreement in view of business growth.

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The highest daily ending balance of deposit of RMB1,505 million during the first eight months ended 31 August 2025 represented 74.7% of the annual cap for deposit services for the year ending 31 December 2025 of RMB2,057 million. It is noted from the 2024 Annual Report of the Group and the 2025 Interim Report that cash and cash equivalent balances have increased substantially from RMB23.2 million as at 31 December 2023 to RMB103.9 million as at 30 June 2025, representing an increase of 348.1% in the past two and a half years. Having considered that the interest rates offered by Finance Company have been more favorable than other financial institutions as elaborated in the section headed “3. Reasons for and benefits of the transactions” above, it would be acceptable to estimate such growth in the proposed annual cap for deposit services for the three years ending 31 December 2028, as the Company considered that should Finance Company continue to provide more favorable terms than those offered by independent financial institutions in the next three years, the Group would consider continue to utilize Finance Company’s services in a similar magnitude.

We understand that the proposed annual caps for three years ending 31 December 2028 are RMB2,469 million, RMB2,963 million and RMB3,556 million respectively, represent year-on-year increases of approximately 20% from the preceding year. Noting from the net cash flows from operating activities for the six months ended 30 June 2024 amounted to RMB272.7 million, compared to a negative net cash flow of RMB154.3 million for the six months ended 30 June 2025, which indicates a significant fluctuation in cashflows. As such the Company considers that, and we concur, given cash inflow and outflow varies from time-to-time, it would be acceptable to factor in a 20% buffer to cater for any unexpected fluctuation in cashflows, while maintaining actual maximum deposit balances below 90% of the relevant annual cap, and hence resulting in more demand for deposit services from Finance Company.

Financing Services

When determining the proposed annual caps for Financing Services, the Company took into consideration factors including the expected financing need of China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement and the fact that the China Display Qualified Members have not utilised the Financing Services under the Master Financial Services (2023-2025) Agreement as external financial institutions have provided more favourable terms. Nevertheless, China Display Qualified Members may still consider requesting Financing Services during the term of the Master Financial Services (2026-2028) Agreement if the terms offered by TCL Financial Services Associates become more favourable and satisfy the pricing policies of the Group. Hence, an annual cap of RMB400 million for each of the three years ending 31 December 2028 is proposed to cater for potential financing needs of China Display Qualified Members during the three years ending 31 December 2028.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Company, China Display Qualified Members have not requested financing from independent PRC commercial banks during the two years ended 31 December 2024 and the eight months ended 31 August 2025. The historical amounts for bills discounting services provided by independent PRC commercial banks to the Group amounted to approximately RMB18.8 million and RMB19.4 million for the two years ended 31 December 2023 and 2024 respectively. The Group did not utilise any bills discounting services provided by independent PRC commercial banks during the eight months ended 31 August 2025. In response to the prevailing high-interest-rate environment, the Group has deliberately reduced its financing levels in recent years to minimize interest expenses and sustain profitability. However, should market lending rates decline, the Group may consider obtaining appropriate financing to maintain liquidity. According to the 2025 Interim Report, the Group's trade payables were at approximately RMB1,836.1 million as at 31 December 2024 and approximately RMB2,288.3 million as at 30 June 2025, a 24.6% rise reflecting the Group's expanding operational scale. The proposed annual caps for Financing Services equates to about 17.5% of the total cash resources needed by the Group to settle trade payables as at 30 June 2025, a level that the Company deems, and we concur, sufficient to offer flexibility and an additional avenue for securing cost-effective financing to support daily operational needs. Given the Group's growing operational scale and trade payables, the potential for TCL Financial Services Associates to offer competitive terms, and the alignment of the proposed annual caps with working capital needs, we consider that the proposed annual caps of RMB400 million for each of the three years ending 31 December 2028 are fair and reasonable.

Other Financial Services

When determining the proposed annual caps for Other Financial Services, the Company took into consideration the expected demand for Other Financial Services from China Display Qualified Members during the term of the Master Financial Services (2026-2028) Agreement and the fact that China Display Qualified Members have not utilised Other Financial Services under the Master Financial Services (2023-2025) Agreement since external financial institutions have provided more favourable terms. Nevertheless, for the purpose of providing flexibility to China Display Qualified Members, an annual cap of RMB1.2 million for each of the three years ending 31 December 2028 is still proposed. The Group paid approximately RMB100,000, RMB80,000 and RMB30,000 to independent financial institutions for Other Financial Services (such as issuance of letters of credit) for the two years ended 31 December 2023 and 2024, and for the eight months ended 31 August 2025 respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into consideration the above-mentioned needs for Other Financial Services of the Group, should more favourable terms be offered by the TCL Financial Services Associates, the Group may utilize such Other Financial Services from TCL Financial Services Associates. Meanwhile, as discussed in the above section headed “2. Financial information of the Group”, the Group’s total revenue increased by approximately 76.6% for the year ended 31 December 2024, and for the six months ended 30 June 2025, it showed a year-on-year increase of approximately 72.2%. The Group’s total sales volume reached 33.7 million units for the six months ended 30 June 2025, representing an increase of 70.0%, compared with the 19.8 million units for the corresponding period in 2024. We therefore concur with the Company that to support with the increase in sales volume, sourcing from other independent suppliers would increase and hence the issuance of letters of credit and other financial services for overseas purchases from independent suppliers would therefore also increase accordingly, resulting in an increase in other financial services from TCL Financial Services Associates. In view of this, we consider the proposed annual caps for Other Financial Services to be appropriate and acceptable.

6.3 Master Sourcing (2025-2027) Agreement

As stated in the Board Letter, the proposed annual caps for the Master Sourcing (2025-2027) Agreement were determined with reference to, among other things: (i) the current sales of PRC Materials and Products by the PRC Subsidiaries to a member of the TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement dated 10 September 2024, entered into between TCL Technology and the Company, which amounted to approximately RMB160.1 million for the eight months ended 31 August 2025; (ii) the Export Administrative Charges charged by the TCL Technology Group, which generally range from 0.6% to 2.5%; and (iii) the Group’s estimated annual organic growth of approximately 20% in the volume of PRC Materials and Products to be exported to its Overseas Subsidiaries for the years ending 31 December 2026 and 2027.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the pricing basis for the sourcing and export of PRC Materials and Products by the TCL Technology Group, we have reviewed the terms of the Master Sourcing (2025-2027) Agreement and compared them with the pricing terms in agreements entered into between the agent under the Master Sourcing (2025-2027) Agreement and other members of the TCL Technology Group. Specifically, we examined the pricing structure outlined in the Master Sourcing (2025-2027) Agreement, including the Export Administrative Charges, payment terms, and any applicable fees for the sourcing and export of PRC Materials and Products. The agreement stipulates that the Company's PRC Subsidiaries charge the TCL Technology Group member the purchase price paid or payable to Independent Third Parties for PRC Materials and Products, while the TCL Technology Group member charges the Company's Overseas Subsidiaries this acquisition cost plus export duties, an administrative charge covering export-related expenses and insurance, and out-of-pocket expenses for export and delivery, and we analyzed three comparable agreements involving other members of TCL Technology Group for similar services, confirming that the purchase price, administrative charges, service fees, and payment terms offered to the Company are no less favorable than those provided to other TCL Technology Group members, further validated by industry data from publicly available trade publications indicating alignment with market practices, leading us to conclude that the pricing basis is fair and reasonable. Accordingly, we confirm that the administrative charges, price terms, and other fees for the services offered to the Company are no less favourable than those offered to other members of the TCL Technology Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Company, the relevant member of TCL Technology Group acts as the intermediary for the Group, purchasing the required PRC Materials and Products from the Company's PRC Subsidiaries and then exporting and selling them to the Company's Overseas Subsidiaries. In respect of sourcing the PRC Materials and Products from the Company's PRC Subsidiaries, the relevant PRC Subsidiary charges the relevant member of the TCL Technology Group the purchase price paid (or to be paid) by the relevant PRC Subsidiary to Independent Third Parties for the relevant PRC Materials and Products. In respect of the subsequent sale of the PRC Materials and Products by the relevant member of the TCL Technology Group to the Company's Overseas Subsidiaries, the relevant member charges the relevant Overseas Subsidiary the acquisition cost of the PRC Materials and Products (i.e., the cost charged by the relevant PRC Subsidiary, as described above), plus all export duties payable by the relevant member and Export Administrative Charges, which cover export administrative expenses, insurance fees, and all out-of-pocket expenses incurred by the relevant member of the TCL Technology Group in relation to the export and delivery of the relevant PRC Materials and Products out of the PRC. The Export Administrative Charges imposed by the TCL Technology Group generally range from 0.6% to 2.5% of the value of the exported goods, and the rates charged by the relevant member of the TCL Technology Group are no less favourable than rates charged by Independent Third Parties for similar export services for the Group. Our independent research on Export Administrative Charges in the PRC indicates that prevailing market rates typically range from 1.2% to 2.5% of the value of the exported products or goods. As such, we consider the Export Administrative Charges charged by the TCL Technology Group to be fair and reasonable.

As discussed in the previous sections, the Group achieved significant overall business growth, recording total revenue of RMB4,549.4 million for the year ended 31 December 2024, representing a year-on-year increase of approximately 76.6%, as well as total revenue of approximately RMB3,170.6 million for the six months ended 30 June 2025, representing an increase of approximately 72.2% compared to the corresponding period in 2024. Given the linkage between export volumes and the Group's underlying increase in sales, we concur with the Company that an annual organic growth of approximately 20% in the volume of PRC Materials and Products to be exported to its Overseas Subsidiaries for the years ending 31 December 2026 and 2027 is appropriate and acceptable.

In light of the above and having considered our assessment of internal control procedures and the pricing policy as discussed in the below section headed "7. Internal control procedures and pricing policy" of this letter, we are of the view that the proposed annual caps in relation to the Master Sourcing (2025-2027) Agreement are fair and reasonable so far as the independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

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7. Internal control procedures and pricing policy

As set out in the Board Letter, in order to safeguard the interests of the Company and the Shareholders, and to ensure that all continuing connected transactions are conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties, in addition to the terms disclosed above, the Company has also adopted the following general internal control procedures and pricing policies:

General internal control procedures and pricing policies

- (i) The finance department of the Company has maintained a list of transaction parties (the “**Transaction Parties List**”) of all material transactions and highlighted those who are connected persons of the Company so that staff members could identify transactions that constitute connected transactions of the Company. Whenever the relevant department of the Company intends to enter into transaction with an entity, the relevant department would check against the Transaction Parties List to see if such entity is a connected person of the Company, and if so the connected transaction would be subject to applicable review and monitoring procedures (including those set out herein, if applicable) to ensure the connected transactions would be on normal commercial terms and on terms no less favourable from the perspective of the Group.
- (ii) The finance department of the Company has, on a quarterly basis, counterchecked with each party in the Transaction Parties List to ascertain whether they are a connected person of the Company, so as to maintain the list of connected persons (the “**Connected Person List**”) for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the Connected Person List could only be made after checking with the counterparty to ascertain the relationship with the Company. In the case of addition of a connected relationship, evidence such as an organisation chart will have to be obtained, and in the case of cessation of a connected relationship, evidence will have to be obtained to confirm the date of cessation as a connected person of the Company. Whenever there is an update to the Connected Person List, it must be reported to 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.

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- (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 monthly 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 transaction 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.

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- (vi) The Company's internal control unit will on a half-year basis review the monitoring of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective, the findings of the review will be reported by the head of the 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.

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In addition to those disclosed above, the Company has also adopted the following internal control procedures and pricing policies specific to the continuing connected transactions contemplated under the relevant agreements:

Master HR Subcontracting (2025-2027) Agreement

The Group will continue to follow the below internal control procedures and pricing policies as stated in the announcement and circular of the Company dated 10 September 2024 and 14 October 2024 respectively when conducting the transactions contemplated under the Revised Annual Caps and the Master HR Subcontracting (2025-2027) Agreement. The said internal control procedures are also set out below for easy reference.

- (i) To ensure that the continuing connected transactions contemplated under the Master HR Subcontracting (2025-2027) Agreement are on normal commercial terms and terms no less favourable than those available from Independent Third Parties, where comparable services are available on the market from Independent Third Parties, before requesting the Human Resources Services from Huizhou TCL Group, the Group would obtain a quotation from at least two Independent Third Parties for similar or comparable services and conduct an assessment on the terms of the provision of such services.
- (ii) The Group would only engage Huizhou TCL Group for the provision of the Human Resources Services when the terms offered by Huizhou TCL Group are better than those offered by Independent Third Parties. The quotations obtained from the Independent Third Parties would be recorded in an internal system maintained by the Group which would be updated from time to time so that the members of the Group would have an easy access of information regarding the market price and other terms of contract.

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Master Financial Services (2026-2028) Agreement

Deposit and Cash Pooling Services

- (i) 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 a 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 (2026-2028) Agreement. The Group will also compare every quarter, and in any event every time the relevant China Display Qualified Member intends to place deposit with Finance Company or under the TCL Cash Pooling Arrangement, the interest rates offered against, (i) the latest interest rates quoted by at least three major commercial banks in the relevant jurisdiction; and (ii) in respect of the Deposit Services, interest rates for similar deposit services 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.
- (ii) 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.
- (iii) 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.

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- (iv) 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 NFRA (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.

- (v) 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 (2026-2028) 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 services 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.

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- (vi) 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. Whereas for demand deposit, the Group can make withdrawals anytime without attracting additional fees or penalties. In the case of fixed or time deposits, pursuant to the prevailing terms as at the Latest Practicable Date, early withdrawal prior to the maturity date may result in a lower interest rate (for example the rate applicable to demand deposits) being applied for the deposited amount. Hence the Group will only make withdrawals of funds not subject to fixed or time deposit.
- (vii) Pursuant to the Master Financial Services (2026-2028) 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 procedures, 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 (2026-2028) Agreement.
- (viii) 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 (2026-2028) Agreement including compliance with annual caps and any potential change in the risk profile of the relevant member of TCL Technology Group.

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- (ix) The Company's audit committee will also scrutinise the implementation and enforcement of the transactions under the Master Financial Services (2026-2028) 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, cash pooling and/or other continuing connected transactions under the Master Financial Services (2026-2028) Agreement (including its views on how the terms of the Master Financial Services (2026-2028) 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.

Financing Services

- (i) In general, the interest rates or bill discount rates (as the case may be) offered by TCL Financial Services Associates in respect of the financing services shall not be higher than those charged by other independent financial institutions in the PRC or those offered to other members of the TCL Technology Group. Other terms and conditions offered by TCL Financial Services Associates as a whole shall also not be less favourable than those offered by other independent financial institutions or those offered to other members of the TCL Technology Group, and shall be on normal commercial terms negotiated on arm's length basis. However, in cases where the relevant financing service is not provided by other independent financial institutions (other than TCL Financial Services Associates), for example where the value of the bill is small, the Group will, after taking into account such factors, assess whether the overall terms and conditions offered by TCL Financial Services Associates as a whole are no less favourable to the Group than those terms of general financing services offered by other independent financial institutions or those offered to other members of the TCL Technology Group.
- (ii) The Group will, for every transaction, (i) obtain bill discount rates or interest rates (as the case may be) from at least three major PRC commercial banks such as Bank of China Limited in respect of financing service, and (ii) obtain bill discount rates or interest rates (as the case may be) offered by TCL Financial Services Associates to other members of the TCL Technology Group, and make comparisons with those offered by TCL Financial Services Associates.
- (iii) The Group's finance department will monitor the aggregate daily balance of the financing amount (including interest payable and service fees) under the Financing Services to ensure that it does not exceed the applicable annual caps.

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Other Financial Services

- (i) The fees to be charged by Finance Company and/or TCL Financial Services Associates in respect of Other Financial Services shall not be higher than the fees charged by other independent financial institutions service providers in respect of such services.
- (ii) The Group will, for every transaction, obtain quotes of fees from at least three independent financial institutions in respect of services similar to the Other Financial Services, and make comparisons to review the fairness and reasonableness of fees charged by Finance Company and/or TCL Financial Services Associates which shall be no less favourable than those offered by Independent Third Parties. Other terms and conditions of Other Financial Services offered by Finance Company and/or TCL Financial Services Associates as a whole shall also be no less favourable than those offered by other independent financial institutions service providers and shall be on normal commercial terms. In case such market comparables are not available, the fees to be charged by Finance Company and/or TCL Financial Services Associates shall be no less favourable to the Group than the rate charged by Finance Company and/or TCL Financial Services Associates to other members of TCL Technology Group for providing similar services in respect of Other Financial Services.

The Company's audit committee will also scrutinize the implementation and enforcement of the transactions under the Master Financial Services (2026-2028) 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 TCL Financial Services Associates, 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 (2026-2028) Agreement (including its views on how the terms of the Master Financial Services (2026-2028) 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.

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Master Sourcing (2025-2027) Agreement

- (i) In general, given TCL Technology Group will only purchase the PRC Materials and Products from the Company's PRC Subsidiaries, the Group can ensure that the PRC Materials and Products are sold on normal commercial terms no less favourable than those available to the Group from Independent Third Parties. The parties have agreed that TCL Technology is responsible for complying with or procuring the relevant member of TCL Technology Group for compliance with all procedures and applying for and providing all documentation required for the export of PRC Materials and Products out of the PRC.
- (ii) Concerning the sale of the PRC Materials and Products by TCL Technology Group to the Company's Overseas Subsidiaries, the Export Administrative Charges charged by TCL Technology Group shall be no less favourable than those charged by Independent Third Parties for the purpose of exporting PRC Materials and Products for the Group. Before requesting the sourcing services from TCL Technology Group, the Group will obtain quotations from Independent Third Parties providing similar or comparable services and compare the terms of service and the fee charged with those provided by TCL Technology Group.

The Group would from time to time verbally inquire about the prices and terms for comparable services from independent third parties in the market and obtain quotations for comparable services from 2-3 Independent Third Parties every quarter, where available, to compare such quotations with the administrative fee proposed to be charged by the relevant member of TCL Technology Group. The quarterly request for quotations primarily considers the risks involved in the transaction (as set out in the paragraph "REASONS FOR AND BENEFITS OF THE REVISION OF THE ANNUAL CAPS AND THE CONTINUING CONNECTED TRANSACTIONS" in the Board Letter) and the Group would therefore only consider a limited number of reputable export agents in the industry. Excessively frequent requests for quotations without actual transactions may alienate these suppliers, which could lead to difficulties if the Group needs to utilize their services in the future. The relevant member of the TCL Technology Group will pay the cost of the PRC Materials and Products to the relevant PRC Subsidiary after the receipt of payment (cost of the PRC Materials and Products plus Export Administrative Charges) from the relevant Overseas Subsidiary and hence in effect the net sum to be paid by the Group pursuant to the Master Sourcing (2025-2027) Agreement is only the Export Administrative Charges.

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Our assessment of internal control procedures and the pricing policy

In assessing whether the above internal control measures and pricing policy are put in place and effectively implemented, we have obtained and reviewed (i) three randomly-selected records from the database, which recorded the aggregate transaction amounts under the continuing connected transactions for the month, as well as the monthly reports that would be submitted to finance director of the Group for review; (ii) annual continuing connected transactions reports, which recorded the aggregate transaction amounts under the continuing connected transactions for the two years ended 31 December 2024; (iii) the records for evaluation of sample quotations offered by/to TCL Technology Group/Huizhou TCL Group; (iv) the records for evaluation of three sample quotations offered by/to Independent Third Parties.

After reviewing the aforementioned documents, we observed that the records for evaluation of quotations offered by TCL Technology Group/Huizhou TCL Group and Independent Third Parties to the Group are comprehensive, which include the reviewing department, specific approval personnel, approval time, and processing opinions. It is noted that each quotation has been reviewed by no fewer than six individuals, including the head of resource development, financial department staff, financial accounting and reporting specialists, deputy general manager, and general manager. Furthermore, our review of the three random-selected records from the database and monthly reports has shown that a tracking system is implemented properly to ensure the transaction amounts do not exceed the annual caps. As such, we are satisfied that a robust approval process and monitoring system are in place within the Group to ensure compliance with the annual caps.

We are satisfied that the internal control measures and pricing policy are adequate and effective, based on the following:

- (i) the existing transactions under the Agreements have been conducted in accordance with their terms;
- (ii) the pricing policies for each of the transactions would be compared to the best available quotations or profit margins in respect of the comparable transactions entered into with Independent Third Parties;
- (iii) a monitoring system is in place, managed by the Group's finance department, to ensure that the annual caps are not exceeded;
- (iv) the pricing and proposed annual caps are reviewed annually by the Group's auditors, internal audit department, and the Company's independent non-executive Directors; and
- (v) there is appropriate segregation of duties in the internal control procedures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on this assessment, we are satisfied that the internal control measures and procedures are adequate and effective in ensuring that the Revised Annual Caps and the Agreements, the transactions contemplated thereunder will be entered on normal commercial terms and are comparable to, or no less favourable than, market prices and terms.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the Revised Annual Caps and the Agreements, the transactions contemplated thereunder and the proposed annual caps are (i) entered in the ordinary and usual course of business of the Group; (ii) on normal commercial terms, fair and reasonable so far as the independent Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the independent Shareholders to vote in favor of the relevant resolutions regarding the Revised Annual Caps and the Agreements at the SGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Managing Director

For identification purpose only

* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year of the Group.

The audited consolidated financial statements of the Company for the years ended 31 December 2024, 2023 and 2022 together with the relevant notes to the financial statements of the Company can be found on pages 55 to 126 of the annual report of the Company for the year ended 31 December 2024, pages 56 to 128 of the annual report of the Company for the year ended 31 December 2023, and pages 54 to 126 of the annual report of the Company for the year ended 31 December 2022. Please see below the hyperlinks to the said annual reports:

Annual report for the year ended 31 December 2024:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041602027.pdf>

Annual report for the year ended 31 December 2023:

www1.hkexnews.hk/listedco/listconews/sehk/2024/0416/2024041601349.pdf

Annual report for the year ended 31 December 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602465.pdf>

2. STATEMENT OF INDEBTEDNESS**Debt securities and term loans**

As at 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had no debt securities issued or outstanding, or authorised or otherwise created but unissued, and no term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the Company or by independent third parties) or unsecured.

Borrowings and indebtedness

As at 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had no borrowings or indebtedness in the nature of borrowing of the group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt.

Mortgages and charges

As at 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had no mortgages or charges.

Contingent liabilities and capital commitments

As at 30 September 2025, the Group had no significant contingent liabilities and contracted but not provided capital commitments for plants and machineries of RMB160,639,000.

Save as aforesaid, the Group did not have any outstanding indebtedness in respect of any borrowings, mortgages, charges or debentures, loan capital, bank loans and overdrafts, term loans or other loans, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities or indebtedness as at the close of business on 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since 30 September 2025.

3. WORKING CAPITAL

As at the Latest Practicable Date, the Directors, after due and careful enquiry, are of the opinion that, after taking into consideration of the effect of the transactions contemplated under the Revised Annual Caps and the Agreements and the financial resources available to the Group, including internally generated financial resources, the Group will have sufficient working capital for its present requirement, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS

According to data from International Data Corporation (“**IDC**”), global smartphone shipments in the third quarter of 2025 increased by 2.6% year-on-year, reaching 322.7 million units. Smartphone brands launched new models in quick succession, with deeply integrated artificial intelligence (“**AI**”) features to meet consumers’ pragmatic needs. However, economic uncertainties led to significant divergence across the industry as a whole, with sustained pressure on low-end market demand as consumers were inclined to curb spending in response to economic fluctuations. Looking forward, as the Group’s product portfolio continues to expand and its market share continues to increase, we anticipate that order intake will remain stable with a positive outlook. We remain confident in achieving consistent growth despite a volatile market, while further enhancing profitability and creating long-term sustainable value for the Group and its shareholders.

5. ACQUISITIONS AFTER THE DATE OF THE LATEST PUBLISHED AUDITED ACCOUNTS

As at the Latest Practicable Date, the Group has not made or agreed to make or is proposing to make any acquisition of a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditor's report or next published accounts of the Group after the date of the latest published audited accounts required to be disclosed in this circular pursuant to the Listing Rules.

1. RESPONSIBILITY OF THE DIRECTORS

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (“**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in associated corporations of the Company – Long Positions

TCL Technology (Note 1)

Name of Directors	Nature of Interest	Number of ordinary shares held			Total	Approximate percentage of issued share capital of TCL Technology (Note 3)
		Personal Interest	Other Interest (Note 2)	Number of underlying shares held under equity derivatives		
LIAO Qian	Beneficial owner	2,440,829	1,041,459	–	3,482,288	0.0167%
ZHANG Feng	Beneficial owner	1,129,894	461,881	–	1,591,775	0.0077%
ZHANG Caili	Beneficial owner	129,025	427,976	–	575,006	0.0028%
	Interest of spouse	–	18,005	–		
XI Wenbo	Beneficial owner	583,646	319,117	–	602,763	0.0029%

Notes:

1. TCL Technology, a joint stock limited company established under the laws of the PRC, is the ultimate controlling shareholder of the Company.
2. These interests are incentive shares that has been granted to the relevant Director under the incentive scheme adopted by TCL Technology and were not vested as at the Latest Practicable Date.
3. Such percentage was calculated based on the number of issued shares of TCL Technology as at the Latest Practicable Date, being 20,800,862,447 shares in issue, as informed by TCL Technology.

As at the Latest Practicable Date, the following Directors were directors/employees of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. LIAO Qian was also an executive director, senior vice president and secretary of the board of directors of TCL Technology.
- (b) Mr. ZHANG Feng was also the senior vice president of TCL CSOT.
- (c) Mr. ZHANG Caili was also the vice president and general manager of the manufacturing centre of TCL CSOT.
- (d) Mr. XI Wenbo was also the vice president and head of financial centre of TCL CSOT.

Save as disclosed in this section, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since the date to which the latest published audited accounts for the financial year ended 31 December 2024 of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group as referred to in paragraph 40 of Appendix D1B to the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them (or his/her respective close associates) had direct or indirect interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Pelican Financial Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO

Pelican Financial Limited, the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 10 November 2025 and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Pelican Financial Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which have, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the Company or any of its subsidiaries did not enter into any contract(s), not being contract(s) entered into in the ordinary course of business, which are or may be material.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.
- (b) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The secretary of the Company is Ms. CHEUNG Bo Man, a practising solicitor of Hong Kong.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

11. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.tclcdot.com) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Master HR Subcontracting (2025-2027) Agreement;
- (b) the Master Financial Services (2026-2028) Agreement; and
- (c) the Master Sourcing (2025-2027) Agreement.

NOTICE OF SGM

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)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of China Display Optoelectronics Technology Holdings Limited (the “**Company**”) will be held at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong, on 28 November 2025, Friday, at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following ordinary resolution(s) (with or without modifications):

ORDINARY RESOLUTION(S)

To consider and, if thought fit, pass the following resolution(s) (with or without modification) as ordinary resolution(s) of the Company:

1. “**THAT:**

- (a) the Revised Annual Caps (as defined in the circular of the Company dated 10 November 2025) be and is hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is hereby authorised to do all such acts and take all such steps as he/she or they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Revised Annual Caps or the transactions contemplated thereunder.”

2. “**THAT:**

- (a) the Master Financial Services (2026-2028) Agreement (as defined in the circular of the Company dated 10 November 2025), a copy of which has been produced to the meeting and marked “A” and initialled by the chairperson of the meeting for the purpose of identification, the terms and the transactions thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such acts and take all such steps as he/she or they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Master Financial Services (2026-2028) Agreement or the transactions contemplated thereunder, and to agree with such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company and the shareholders of the Company as a whole, provided that such variation, amendment or waiver shall not be material in nature.”

NOTICE OF SGM

3. “**THAT:**

- (a) the Master Sourcing (2025-2027) Agreement (as defined in the circular of the Company dated 10 November 2025), a copy of which has been produced to the meeting and marked “B” and initialled by the chairperson of the meeting for the purpose of identification, the terms and the transactions thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such acts and take all such steps as he/she or they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Master Sourcing (2025-2027) Agreement or the transactions contemplated thereunder, and to agree with such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company and the shareholders of the Company as a whole, provided that such variation, amendment or waiver shall not be material in nature.”

By order of the Board

LIAO Qian

Chairman

Hong Kong, 10 November 2025

Notes:

- 1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the SGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company.
- 2. A form of proxy for the SGM is enclosed with the Company’s circular dated 10 November 2025. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.tclcdot.com). In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at 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 or via the designated website (<https://evoting.vistra.com>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the SGM or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the SGM and any adjournment or postponement thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.

NOTICE OF SGM

3. The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for determining the entitlements of the shareholders of the Company to attend and vote at the meeting is 24 November 2025, Monday. In order to qualify for the aforesaid entitlements, 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 no later than 4:30 p.m. on 24 November 2025, Monday.
4. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders, stand on the register in respect of the relevant joint holding.
5. If a tropical cyclone signal no. 8 or above or a black rainstorm warning signal or "extreme conditions" as defined under Chapter 1 of the Rules of the Exchange of the Stock Exchange is/are in force at or at any time after 12:00 noon on the date of the SGM and/or the Hong Kong Observatory and/or the government of Hong Kong (as the case may be) has announced at or before 12:00 noon on the date of the SGM that either of the above mentioned warnings is to be issued within the next two hours, the SGM will be postponed. The Company will publish an announcement to notify Shareholders of the date, time and place of the postponed SGM.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders of the Company should decide on their own whether they would attend the SGM under bad weather conditions bearing in mind their own situation.

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