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If you are in doubt as to any aspect about 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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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)

FURTHER REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT

Independent Financial Adviser to the Independent Board Committee and the Shareholders



A letter from the Board is set out on pages 6 to 20 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on page 21 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 22 to 40 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 4 December 2025, Thursday at 3:00 p.m. is set out on pages 45 to 46 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.

19 November 2025

CONTENTS

	<i>Page</i>
CONTENTS	i
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	21
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	22
APPENDIX I – GENERAL INFORMATION	41
NOTICE OF SGM	45

DEFINITIONS

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

“2025 Sale Annual Cap”	the original annual cap of RMB2,500,000,000 for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;
“2025 Sale Revenue Limit”	the Revenue Limit for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company as supplemented or amended or substituted from time to time;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Display Optoelectronics Technology Holdings Limited, 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;
“Director(s)”	the director(s) of the Company;
“End Customers”	Independent Third Party brand customers;
“Further Revised 2025 Sale Annual Cap”	the proposed further revised annual cap of RMB5,000,000,000 for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of reviewing the Further Revised 2025 Sale Annual Cap;
“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 adviser appointed by the Board to advise the Independent Board Committee and the Shareholders in respect of the Further Revised 2025 Sale Annual Cap;
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries and their respective associates;
“Latest Practicable Date”	means 13 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 Sale and Purchase (2025-2027) Agreement”	the master sale and purchase (2025-2027) agreement dated 10 September 2024 entered into between TCL Technology and the Company (as amended and supplemented by the Supplement Agreement);

DEFINITIONS

“Materials”	the articles, things, parts or materials required for manufacturing or production of Products, including but not limited to light-emitting diode, iron frames and other components and parts;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this circular;
“Products”	products including but not limited to LCD Modules manufactured, produced or otherwise sold or distributed by the Group;
“Purchase Annual Cap(s)”	the existing annual cap(s) of the purchase of Materials from TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the three years ending 31 December 2027;
“Revenue Limit”	<p>the undertakings by the Company and TCL Technology with each other under the Master Sale and Purchase (2025-2027) Agreement that:</p> <p>(i) the aggregate amount of purchase of Materials from TCL Technology Group by the Group shall not exceed 50% of the Group’s then total revenue in each of the financial years during the term of the Master Sale and Purchase (2025-2027) Agreement; and</p> <p>(ii) the aggregate amount of sale of Products to TCL Technology Group by the Group (A) for the year ending 31 December 2025, shall not exceed 60% of the Group’s then total revenue in the financial year ending 31 December 2025, and (B) for each of the years ending 31 December 2026 and 2027, shall not exceed 50% of the Group’s then total revenue in each of the financial years ending 31 December 2026 and 2027 respectively;</p>

DEFINITIONS

“Revised 2025 Sale Annual Cap”	the existing revised annual cap of RMB4,200,000,000 for the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the year ending 31 December 2025 approved by the Shareholders at the special general meeting of the Company held on 26 September 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Annual Cap(s)”	the existing annual cap(s) of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for each of the three years ending 31 December 2027;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Further Revised 2025 Sale Annual Cap;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
“Supplemental Agreement”	the supplemental agreement dated 12 August 2025 entered into between TCL Technology and the Company to amend and supplement the Master Sale and Purchase (2025-2027) Agreement;
“TCL CSOT”	TCL China Star Optoelectronics Technology Co., Ltd.* (TCL華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;

DEFINITIONS

“TCL Sales Channel”	sales channel to End Customers, which for the time being is one of the subsidiaries of TCL CSOT;
“TCL Technology”	TCL Technology Group Corporation (TCL科技集團股份有限公司), a joint stock limited company established under the laws of the PRC, the ultimate controlling shareholder of the Company, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000100);
“TCL Technology Group”	TCL Technology, its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of TCL Technology from time to time during the term of the Master Sale and Purchase (2025-2027) Agreement, and for the purpose of this 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*)

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Executive Directors:

Mr. ZHANG Feng (*Chief Executive Officer*)

Mr. XI Wenbo

Mr. ZHANG Caili

Principal Place of Business in Hong Kong:

8th Floor

Building 22E

Phase Three, Hong Kong Science Park

Pak Shek Kok

New Territories

Hong Kong

Independent Non-executive Directors:

Ms. HSU Wai Man, Helen

Mr. LI Yang

Mr. XU Yan

Ms. YANG Qiulin

19 November 2025

To the Shareholders

Dear Sir or Madam,

FURTHER REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT

INTRODUCTION

Reference is made to (i) the announcement and the circular of the Company dated 10 September 2024 and 14 October 2024 respectively in relation to the Master Sale and Purchase (2025-2027) Agreement, (ii) the announcement and the circular of the Company dated 12 August 2025 and 9 September 2025 in relation to the revision of the 2025 Sale Revenue Limit and the annual caps under the Master Sale and Purchase (2025-2027) Agreement, and (iii) the announcement of the Company dated 28 October 2025.

LETTER FROM THE BOARD

The purposes of this circular are:

- (i) to provide the Shareholders with further details regarding the further revision of the Revised 2025 Sale Annual Cap;
- (ii) to set out the recommendations from the Independent Board Committee regarding the further revision of the Revised 2025 Sale Annual Cap;
- (iii) to set out the advice from Pelican Financial Limited, the Independent Financial Adviser, regarding the further revision of the Revised 2025 Sale Annual Cap; 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.

FURTHER REVISION OF THE REVISED 2025 SALE ANNUAL CAP

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

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

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

The 2025 Sale Annual Cap has been revised from RMB2,500,000,000 to RMB4,200,000,000, which, together with the Supplemental Agreement, were approved by the Shareholders at the special general meeting of the Company held on 26 September 2025. For details, please refer to the circular of the Company dated 9 September 2025.

LETTER FROM THE BOARD

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

Save for the Further Revised 2025 Sale Annual Cap, all terms and conditions of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged. For the avoidance of doubt, no revision is proposed to be made to (i) the Sale Annual Caps for each of the years ending 31 December 2026 and 2027, (ii) the Purchase Annual Caps and (iii) the Revenue Limit under the Master Sale and Purchase (2025-2027) Agreement.

HISTORICAL FIGURES AND PROPOSED FURTHER REVISED 2025 SALE ANNUAL CAP

The following table sets out the respective relevant historical figures of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the nine months ended 30 September 2025, the existing Sale Annual Caps for the three years ending 31 December 2027 and the proposed Further Revised 2025 Sale Annual Cap for the year ending 31 December 2025:

	For the nine months ended 30 September 2025 (for actual amount only)/ For the year ending 31 December 2025 (for existing Sale Annual Caps and the Further Revised 2025 Sale Annual Cap)	For the year ending 31 December 2026	For the year ending 31 December 2027
	RMB'000	RMB'000	RMB'000
Master Sale and Purchase (2025-2027)			
Agreement			
<i>Sale of Products to TCL Technology Group</i>			
Existing Sale Annual Caps	4,200,000	3,800,000	3,600,000
Actual amount	3,025,696	N/A	N/A
Utilisation Rate	72.0%	N/A	N/A
Proposed Further Revised 2025 Sale Annual Cap	5,000,000	N/A	N/A

LETTER FROM THE BOARD

BASIS FOR DETERMINATION OF THE FURTHER REVISED 2025 SALE ANNUAL CAP

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

- (i) As disclosed in the Company's interim report for the six months ended 30 June 2025, the Group recorded revenue of approximately RMB3.17 billion for the six months ended 30 June 2025, representing a year-on-year increase of 72.2%; as disclosed in the Company's announcement dated 17 October 2025, the Company recorded unaudited revenue of approximately RMB5.41 billion for the nine months ended 30 September 2025, representing a year-on-year increase of 83.8%.
- (ii) Based on (a) existing order quantity, production and shipment schedule, unit price of products, (b) potential orders from new customers; and (c) the Group's production capacity, the revenue of the Group is projected to reach approximately RMB8.5 billion for the year ending 31 December 2025.
- (iii) The increase in revenue was mainly attributable to the increase in sales volume, which was 33.7 million units for the six months ended 30 June 2025, representing a year-on-year increase of 70.0%, and reached 62.2 million units for the nine months ended 30 September 2025, representing a year-on-year increase of 84.3%. In particular, sales to End Customers which are renowned consumer electronics and smart manufacturing companies via the TCL Sales Channel has contributed to the majority of the growth in sales.
- (iv) As discussed in the section "REASONS FOR AND BENEFITS OF THE PROPOSED FURTHER REVISED 2025 SALE ANNUAL CAP" below, due to the industry common practices, some of the End Customers only transact with the Group via the TCL Sales Channel rather than directly with the Group to purchase the Group's Products which resulted in the significant amount of sale of Products to TCL Technology Group.
- (v) In view of paragraphs (i) to (iv) above, the unaudited historical amount of sale of Products to TCL Technology Group has reached approximately RMB3.03 billion during the nine months ended 30 September 2025, representing 72.0% of the Revised 2025 Sale Annual Cap. On the basis of the current trend and the existing orders on hand, the amount of sale of Products is projected to reach RMB4.96 billion by the end of 2025, thereby exceeding the Revised 2025 Sale Annual Cap.

LETTER FROM THE BOARD

- (vi) Nonetheless, the Company has proactively addressed the issue by negotiating with and requesting all End Customers to switch to direct sales with the Group. As at the Latest Practicable Date, three major End Customers have signified their willingness to switch to direct sales with the Group by the first quarter of 2026. As the establishment of direct sales relationship with the Group requires lengthy internal procedures and approval process on the part of the End Customers, the amount of sale of Products to TCL Technology Group is expected to remain substantial for the time being. Therefore, the financial impact of such change may not be reflected in the financial year ending 31 December 2025.
- (vii) As a result of promising oversea sales performance of the smartphone and tablet markets, the Group has received a sudden surge of orders, amounting to RMB718 million, from some of the End Customers which would result in the amount of sale of Products to TCL Technology Group projected to reach approximately RMB4.96 billion by the end of 2025, thereby exceeding the Revised 2025 Sales Annual Cap. Upon the End Customers communicating their needs for Products to the Group, the Group has notified the End Customers that in light of the Revised 2025 Sales Annual Cap being insufficient to fulfil such orders, the Group can only accept the relevant orders after obtaining Shareholders' approval for the Further Revised 2025 Sales Annual Cap so as to ensure the relevant annual cap will not be exceeded at all times.
- (viii) Once direct sales relationships between End Customers and the Group are established, the Group expects the amount of sale of Products to TCL Technology Group to be reduced in the two years ending 31 December 2027. Therefore, no revision to the existing Sale Annual Caps for each of the years ending 31 December 2026 and 2027 is proposed.

REASONS FOR AND BENEFITS OF THE PROPOSED FURTHER REVISED 2025 SALE ANNUAL CAP

The Group has been selling Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement, which may be further processed or onward sold to End Customers which the Group has yet to establish direct sales relationships with.

As discussed in the circular of the Company dated 9 September 2025, the Group has been successfully listed as a supplier of certain End Customers. Such End Customers have also established business relationship with various members of TCL Technology Group for purchase of different types of electronic products. To streamline administration and accounting, the End Customers require all members of TCL Technology Group (including the Group) to centralise their dealings and sales through a single TCL Sales Channel.

LETTER FROM THE BOARD

In order to enhance the Group's operation independence, the Group had notified all End Customers of the Group's intention to establish direct sale channel with End Customers and had engaged in discussions with a few of the major End Customers regarding the establishment of direct sales relationships with the Group. As at the Latest Practicable Date, three major End Customers have signified their willingness to establish direct sales channel with the Group subject to their internal deliberation and approval procedures and the arrangement is expected to be implemented by the first quarter of 2026. However, the other End Customers are still in negotiations with the Group regarding switching to direct sales with the Group. In fact, the Group has received a sudden surge of orders from some of the End Customers and the amount of sale of Products to TCL Technology Group is projected to reach approximately RMB4.96 billion by year-end of 2025, thereby exceeding the Revised 2025 Sale Annual Cap.

The further revision of the Revised 2025 Sale Annual Cap will facilitate the Group to maintain stable sale of Products to the End Customers via TCL Sales Channel for the time being before the full implementation of the direct sales channel between the Group and End Customers. Hence, the Further Revised 2025 Sale Annual Cap will allow the Group to continue to grow its business operation as well as maintain more feasible options as to sale channels of its Products.

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

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

LETTER FROM THE BOARD

- (iii) As disclosed in the Company's interim report for the six months ended 30 June 2025 and the Company's announcement dated 17 October 2025 on business update for the third quarter ended 30 September 2025, the Group recorded revenue of RMB3.17 billion and RMB5.41 billion for the six months ended 30 June 2025 and nine months ended 30 September 2025 respectively. It is therefore projected that the revenue of the Group for the year ending 31 December 2025 will reach RMB8.5 billion. On such basis, the Group expects and will ensure that the amount of sale of Products to TCL Technology Group, after taking into account the further revision of the Revised 2025 Sale Annual Cap, will be below the relevant Revenue Limit at all times.

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

INTERNAL CONTROL PROCEDURES AND PRICING POLICY

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 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.

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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 Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement. The aforementioned internal control procedures and pricing policies in respect of the sale of Products to TCL Technology Group are set out below for easy reference:

Specific internal control procedures and pricing policies

- (i) Before selling any Products to TCL Technology Group, the Group would ensure that the transactions are on normal commercial terms and on terms no less favourable from the perspective of the Group than those offered by Independent Third Parties. The internal control unit of the Group will compare the terms offered by TCL Technology Group with the terms offered by at least two Independent Third Parties and make an overall assessment of the terms offered, including the quality of the Products, past history of dealing with the such party (if any), payment terms and Product price, to ensure that those offered by TCL Technology Group is no less favourable to the Group than those offered by Independent Third Parties.
- (ii) Where no identical Products are offered by Independent Third Parties, the internal control unit will then obtain at least two quotations from Independent Third Parties in respect of similar or comparable Products and compare them with those offered by TCL Technology Group and determine whether on an overall evaluation of the prices, payment terms and other terms and conditions, the terms offered by TCL Technology Group are no less favourable to the Group than those offered by Independent Third Parties.
- (iii) The Group sets a minimum gross profit margin for the Products which is determined with reference to the average price of similar products offered by Independent Third Parties on open market, production cost and market competition. The said minimum gross profit margin will be reviewed and adjusted from time to time based on prevailing market demand and with a view to maintaining the Group's competitiveness amidst changing market condition.

LETTER FROM THE BOARD

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

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. Therefore, the transactions contemplated under the Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Further Revised 2025 Sale Annual Cap exceed 5%, the Further Revised 2025 Sale Annual Cap is subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established by the Company to advise the Shareholders on the Further Revised 2025 Sale Annual Cap. The Company has appointed the Independent Financial Adviser 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 Further Revised 2025 Sale Annual Cap and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the Latest Practicable Date, 1,357,439,806 Shares are held by High Value Ventures Limited, an indirect subsidiary of TCL Technology. Hence, as at the Latest Practicable Date, holders of a total number of 1,357,439,806 Shares, representing approximately 64.20% of the number of issued Shares, will abstain from voting on the resolution in respect of the Further Revised 2025 Sale Annual Cap to be put forward at the SGM.

Notwithstanding the respective interest and/or roles of certain Directors in TCL Technology Group, in particular, as at the 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 Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement, therefore all Directors are entitled to vote on the Board resolution(s) for considering and approving the Further Revised 2025 Sale Annual Cap pursuant to the Bye-laws.

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. It provides products across high-end display application fields and focuses in areas including new energy photovoltaic materials, efficient photovoltaic modules and smart photovoltaic solutions. 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.

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 4 December 2025, Thursday at 3:00 p.m., as opposed to 19 December 2025, Friday as disclosed in the Announcement. At the SGM, resolution(s) will be proposed for the purposes of considering and, if thought fit, approving the Further Revised 2025 Sale Annual Cap. The notice of the SGM is set out on pages 45 and 46 of this circular.

LETTER FROM THE BOARD

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

Reference is made to the Announcement. In view of the new date of the SGM, 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 will be changed from 15 December 2025, Monday to 28 November 2025, Friday. 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 28 November 2025, Friday.

RECOMMENDATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 21 of this circular which contains the recommendation of the Independent Board Committee to the Shareholders regarding the resolution in respect of the Further Revised 2025 Sale Annual Cap to be proposed at the SGM; (b) the letter from Pelican Financial Limited, the Independent Financial Adviser, set out on pages 22 to 40 of this circular which contains its advice to the Independent Board Committee and the Shareholders in respect of the Further Revised 2025 Sale Annual Cap; 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 Further Revised 2025 Sale Annual Cap 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, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Further Revised 2025 Sale Annual Cap.

LETTER FROM THE BOARD

The Board are of the opinion that the Further Revised 2025 Sale Annual Cap and the transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better and in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

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 resolution(s) 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: 19 November 2025

To: the Shareholders

Dear Sirs or Madam,

FURTHER REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SALE AND PURCHASE (2025-2027) AGREEMENT

We refer to the circular of the Company dated 19 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 Further Revised 2025 Sale Annual Cap, 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 6 to 20 and pages 22 to 40 of the Circular respectively.

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 Further Revised 2025 Sale Annual Cap 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 Further Revised 2025 Sale Annual Cap.

Yours faithfully,

HSU Wai Man, Helen,

XU Yan,

LI Yang,

YANG Qiulin

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Shareholders for the purpose of inclusion in this circular.



PELICAN FINANCIAL LIMITED

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

19 November 2025

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

Dear Sirs,

FURTHER REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SALE AND PURCHASE (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 further revision of the Revised 2025 Sale Annual Cap 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 19 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 the announcement of the Company dated 28 October 2025 (the “**Announcement**”), regarding the further revision of the Revised 2025 Sale Annual Cap under the Master Sale and Purchase (2025-2027) Agreement. The Company anticipates that the Revised 2025 Sale Annual Cap under the Master Sale and Purchase (2025-2027) Agreement will not be sufficient to meet the demand of the Group and therefore proposes to further revise the Revised 2025 Sale Annual Cap. Save for the Further Revised 2025 Sale Annual Cap, all terms and conditions of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged. For the avoidance of doubt, no revision is proposed to be made to (i) the Sale Annual Caps for each of the years ending 31 December 2026 and 2027, (ii) the Purchase Annual Caps and (iii) the Revenue Limit under the Master Sale and Purchase (2025-2027) Agreement.

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 holds approximately 64.20% of the number of issued Shares of the Company and therefore is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Further Revised 2025 Sale Annual Cap exceed 5%, the Further Revised 2025 Sale Annual Cap is subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A 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 Further Revised 2025 Sale Annual Cap and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the Latest Practicable Date, 1,357,439,806 Shares are held by High Value Ventures Limited, an indirect subsidiary of TCL Technology. Hence, as at the Latest Practicable Date, holders of a total number of 1,357,439,806 Shares, representing approximately 64.20% of the number of issued Shares, will abstain from voting on the resolution in respect of the Further Revised 2025 Sale Annual Cap to be put forward at the SGM.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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 Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement, therefore all Directors are entitled to vote on the Board resolution(s) for considering and approving the Further Revised 2025 Sale Annual Cap pursuant to the Bye-laws.

The Board currently comprises three executive Directors, one non-executive Director and four independent non-executive Directors. The Independent Board Committee, which currently comprises all the independent non-executive Directors, namely Ms. HSU Wai Man Helen, Mr. XU Yan, Mr. LI Yang and Ms. YANG Qiulin has been established to advise the Independent Shareholders on the Further Revised 2025 Sale Annual Cap. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

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.

In the last two years, other than our engagement by the Company to act as its Independent Financial Adviser 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 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; (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; and (v) the revision of annual caps under Master HR Subcontracting (2025-2027) Agreement; renewal of continuing connected transactions under Master Financial Services (2026-2028) Agreement, major transaction and advance to an entity in respect of the deposit and cash pooling services under Master Financial Services (2026-2028) Agreement, and continuing connected transactions under Master Sourcing (2025-2027) Agreement as disclosed in its announcement dated 13 October 2025, there was no other engagement between the Company and us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 transactions contemplated under the Further Revised 2025 Sale Annual Cap.

Our role is to provide you with our independent opinion and recommendation as to whether the Further Revised 2025 Sale Annual Cap and the transactions contemplated thereunder 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 Further Revised 2025 Sale Annual Cap at the SGM.

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 Sale and Purchase (2025-2027) Agreement, the Supplemental Agreement, the audited annual report 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 circulars of the Company dated 14 October 2024 and 9 September 2025, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Further Revised 2025 Sale Annual Cap, we have considered the following principal factors and reasons.

(a) 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. It provides products across high-end display application fields and focuses in areas including new energy photovoltaic materials, efficient photovoltaic modules and smart photovoltaic solutions. 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 INDEPENDENT FINANCIAL ADVISER

(b) 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 30 June		For the year ended 31 December	
	2025	2024	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<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	<u>23,246</u>	<u>22,858</u>	<u>44,275</u>	<u>64,875</u>
Total revenue	<u>3,170,600</u>	<u>1,841,000</u>	<u>4,549,406</u>	<u>2,576,806</u>
Gross profit	<u>118,349</u>	<u>69,605</u>	<u>196,319</u>	<u>174,051</u>
Profit for the period/year	<u>51,040</u>	<u>6,974</u>	<u>65,979</u>	<u>13,086</u>

For the six months ended 30 June 2025

According to the 2025 Interim Report, the Group recorded 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 for 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 established 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 RMB4,549.4 million for the year ended 31 December 2024, representing an increase of approximately 76.6% compared with the corresponding period in 2023. Such an increase was mainly due to (i) the sales volume of the Group's tablet modules increased by 12.9 times year-on-year to 5.2 million units, (ii) the sales volume of commercial display products increased by 3.9 times year-on-year to 1.2 million units; and (iii) the high unit price of the Group's medium-sized products boosted the total average selling price of products for sale, which increased by 65.9% year-on-year to RMB97.3.

Despite 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 profitability, from a profit of approximately RMB13.1 million for the year ended 31 December 2023 to a profit of approximately RMB66.0 million for the year ended 31 December 2024. The increase in profit was mainly attributable to (i) an increase in revenue by 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Reasons for and benefits of the proposed Further Revised 2025 Sale Annual Cap

According to the circular of the Company dated 9 September 2025, it is noted that the Group has revised the annual cap for sale of Products to TCL Technology Group for the year ending 31 December 2025 from RMB2.5 billion to RMB4.2 billion which were approved by the Shareholders at the special general meeting of the Company held on 26 September 2025. Following due and careful enquiry, we understand that the further revision of the Revised 2025 Sale Annual Cap within a short period is primarily attributable to a sudden surge in orders from End Customers. Since September, End Customers have indicated additional orders totaling approximately RMB718 million for delivery by the end of 2025. The Company has received, and we have reviewed, approximately RMB430.5 million of these incremental orders. Even on this partial-fulfilment basis, the existing Revised 2025 Sale Annual Cap for transactions through the TCL Sales Channel is expected to be reached or exceeded by these incremental orders alone in November 2025, before considering other sales originally planned for the TCL Sales Channel. Accordingly, absent a further revision of the Revised 2025 Sale Annual Cap, the Company may be unable to accept these orders within 2025 despite available demand and capacity. The Group has informed the affected End Customers that acceptance is subject to shareholders' approval for the Further Revised 2025 Sales Annual Cap. This unexpected increase in demand, primarily from End Customers in the smartphone and tablet markets, reflects the Group's strong market position and the robust global demand for its products. These orders, driven by heightened consumer interest and favorable market trends, underscore the need for the Further Revised 2025 Sale Annual Cap to accommodate the increased sales volume through the TCL Sales Channel. To ensure compliance with the existing Revised 2025 Sale Annual Cap, the Group has proactively communicated with the affected End Customers, informing them that acceptance of these orders is contingent upon obtaining Shareholders' approval for the Further Revised 2025 Sale Annual Cap. This approach demonstrates the Group's commitment to maintaining transparent and compliant operations while capitalizing on the growth opportunities presented by the surge in orders. Given the Group's demonstrated ability to maintain stable gross profit margins as evidenced in the 2025 Interim Report, the additional sales volume is expected to contribute positively to the Group's profitability and enhance shareholder value. The rejection of these orders would represent a direct loss of business opportunities that align with the Group's core operations and strategic objectives.

We are given to understand that the Group deepened collaboration with TCL CSOT in the medium-sized professional display sector, leveraging combined technologies and resources to quickly adapt to market demands and deliver customized products to several top-tier branded customers. The Group has been successfully listed as a supplier of certain End Customers. Such End Customers have also established business relationship with various members of TCL Technology Group for purchase of different types of electronic products. To streamline administration and accounting, the End Customers require all members of TCL Technology Group (including the Group) to centralise their dealings and sales through a single TCL Sales Channel.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to enhance the Group's operation independence, the Group had notified all End Customers of the Group's intention to establish direct sale channel with End Customers and had engaged in discussions with a few of the major End Customers regarding the establishment of direct sales relationships with the Group. As at the Latest Practicable Date, three major End Customers have signified their willingness to establish direct sales channel with the Group subject to their internal deliberation and approval procedures and the arrangement is expected to be implemented by the first quarter of 2026. However, the other End Customers are still in negotiations with the Group about switching to direct sales with the Group. The further revision of the Revised 2025 Sale Annual Cap will facilitate the Group to maintain stable sale of Products to the End Customers via TCL Sales Channel for the time being before the full implementation of the direct sales channel between the Group and End Customers. Hence, the Further Revised 2025 Sale Annual Cap will allow the Group to continue to grow its business operation as well as maintain more feasible options as to sale channels of its Products.

According to the Board Letter, the Directors are of the view that the continuing connected transactions contemplated under the Master Sale and Purchase (2025-2027) Agreement will not result in significant reliance on TCL Technology Group, and we concur with this view for the following reasons: (i) the Group will maintain its existing portfolio of Independent Third Party customers, none of whom has indicated any intention to terminate cooperation; (ii) the Group is actively pursuing new markets and Independent Third Party customers, optimizing its product mix, and capitalizing on advancements in medium-sized display modules to diversify revenue sources, with an increasing number of End Customers expected to establish direct sales channels by the first quarter of 2026, thereby reducing the need for TCL Technology Group's involvement; and (iii) the revenue of the Group for the year ending 31 December 2025 is projected at RMB8.5 billion, ensuring that sales to TCL Technology Group, even after the further revision of the Revised 2025 Sale Annual Cap, will remain below the applicable Revenue Limit.

Save for the Further Revised 2025 Sale Annual Cap, all terms and conditions of the Master Sale and Purchase (2025-2027) Agreement shall remain unchanged. No revisions are proposed to (i) the Sale Annual Caps for each of the years ending 31 December 2026 and 2027, (ii) the Purchase Annual Caps and (iii) the Revenue Limit under the Master Sale and Purchase (2025-2027) Agreement.

As such, we consider that the further revision of the Revised 2025 Sale Annual Cap and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, in ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(d) Principal terms of the Master Sale and Purchase (2025-2027) Agreement

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

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

(e) Historical figures and proposed Further Revised 2025 Sale Annual Cap

The following table sets out the respective relevant historical figures of the sale of Products to TCL Technology Group under the Master Sale and Purchase (2025-2027) Agreement for the nine months ended 30 September 2025, the existing Sale Annual Caps for the three years ending 31 December 2027 and the proposed Further Revised 2025 Sale Annual Cap for the year ending 31 December 2025:

	For the nine months ended 30 September 2025 (for actual amount only)/ For the year ending 31 December 2025 (for existing Revised 2025 Sale Annual Cap and the Further Revised 2025 Sale Annual Cap) RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000
Master Sale and Purchase (2025-2027) Agreement			
<i>Sale of Products to TCL Technology Group</i>			
Existing Sale Annual Caps	4,200,000	3,800,000	3,600,000
Actual amount	3,025,696	N/A	N/A
Utilisation Rate	72.0%	N/A	N/A
Proposed Further Revised 2025 Sale Annual Cap	5,000,000	N/A	N/A

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the avoidance of doubt, no revision is proposed to be made to (i) the Sale Annual Caps for each of the years ending 31 December 2026 and 2027, (ii) the Purchase Annual Caps and (iii) the Revenue Limit under the Master Sale and Purchase (2025-2027) Agreement.

(f) Basis for determining the Further Revised 2025 Sale Annual Cap

From our discussions with the Company, it is noted that the Further Revised 2025 Sale Annual Cap in relation to the Master Sale and Purchase (2025-2027) Agreement is determined with reference to, among other things, the historical and projected sales to TCL Technology Group and the sudden surge in orders from End Customers. For further details, please refer to the section titled “Basis for Determination of the Further Revised 2025 Sale Annual Cap” in the Board Letter.

Regarding the historical and projected sales to TCL Technology Group, the unaudited historical amount of sales of Products to TCL Technology Group has reached approximately RMB3.03 billion during the nine months ended 30 September 2025, representing 72.0% of the Revised 2025 Sale Annual Cap. We have reviewed the projections, which indicate that the revenue of the Group is projected to reach approximately RMB8.5 billion for the year ending 31 December 2025. The sales of Products are expected to reach RMB4.96 billion by the end of 2025, thereby exceeding the Revised 2025 Sale Annual Cap. These projections are based on current trends and existing orders.

To validate the reasonableness of the Company’s sales projections, which are based on existing and potential orders, we performed the following work: (a) we have reviewed the projection methodology and calculation workings provided by the Company; (b) we have discussed with the Company the basis and assumptions underlying the projections, which include existing order quantities, production and shipment schedules, and unit prices of Products; (c) we have reviewed a total of approximately RMB430.5 million of the incremental orders from End Customers, which the Company has received but not yet accepted; (d) we have assessed the Group’s stated production capacity and historical fulfillment rates to ascertain its ability to meet the projected demand. We have compared the projections against the Group’s recent historical performance, noting that the unaudited revenue for the nine months ended 30 September 2025 already showed a year-on-year increase of 83.8%, which lends credibility to the strong growth forecast for the full year. Based on the work performed, we are satisfied that the projections are based on a reasonable and prudent assessment by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the unaudited financial and operating data of the Group, as disclosed in the Company's announcement dated 17 October 2025, mobile phone modules and tablet modules accounted for 76.1% and 11.9% of the Group's total sales volume for the nine months ended 30 September 2025 respectively. The Group's total sales volume reached 62.2 million units for the nine months ended 30 September 2025, representing a year-on-year increase of 84.3%. Sales of mobile phone module products increased by 91.8% year-on-year to 47.3 million units, and the relevant revenue amounted to RMB2.3 billion. Tablet module shipment increased by 108.6% year-on-year to 7.4 million units, and the relevant revenue amounted to RMB1.3 billion.

We have conducted independent research on trends in the mobile phone and tablet markets. According to the latest data from International Data Corporation's (IDC) Worldwide Quarterly Mobile Phone Tracker¹, in the third quarter of 2025, the global shipment volume of smartphones amounted to 322.7 million units, representing a year-on-year increase of 2.6%. According to the latest data from Canalys², the worldwide tablet shipments reached 39 million units in Q2 2025, reflecting a 9% annual increase and a 5% sequential increase, driven primarily by robust demand in China and the EMEA (Europe, Middle East, and Africa) region. This research suggests a sustained positive outlook for the mobile phone and tablet markets, which supports the Group's projected revenue growth.

To assess the fairness and reasonableness of the pricing basis of the sale of Products to TCL Technology Group, we have obtained, reviewed and examined three random purchase orders for Products from TCL Technology Group during September 2025 to October 2025 and compared them with three purchase orders for similar/comparable Products from Independent Third Parties during the same period. We consider that the sample size of three purchase orders to be fair and representative based on: (a) random selection covering key Product types and varying transaction sizes; and (b) confirmation through management discussions that the samples reflect standard pricing mechanisms without anomalies. From the comparison, we note that the unit prices for sales of Products to TCL Technology Group, ranged from approximately RMB49.03 to RMB154.8, were competitive with, and in many cases more favourable to the Group, than the unit prices offered to Independent Third Parties, which ranged from RMB43.32 to RMB143.0.

¹ Please refer to the Worldwide Quarterly Mobile Phone Tracker of IDC, a global research provider, at <https://my.idc.com/getdoc.jsp?containerId=prUS53868725>

² Please refer to the research report "Global tablet shipments up for sixth quarter, Chromebook demand rebounded in Q2 2025" published by Canalys, a leading global technology market analyst firm, on 5 August 2025, at <https://www.canalys.com/newsroom/global-tablet-market-q2-2025>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Regarding the sudden surge in orders, as discussed in the section above titled “(c) Reasons for and benefits of the Further Revised 2025 Sale Annual Cap”, we noted that the End Customers have indicated additional orders totaling approximately RMB718 million for delivery by the end of 2025 since September. The proposed Further Revised 2025 Sale Annual Cap of RMB5 billion represents an increase of RMB800 million over the existing Revised 2025 Sale Annual Cap of RMB4.2 billion. The increase closely aligns with the surge in orders of RMB718 million and provides a buffer of approximately RMB82 million to accommodate potential fluctuations in additional demand during the remaining months of 2025. The Company considers this buffer adequate in light of its stated approach that it will not accept orders that would exceed the relevant annual cap prior to obtaining Shareholders’ approval for the Further Revised 2025 Sale Annual Cap and does not expect there will be further sudden surge in orders from the End Customers within this year. As the SGM is expected to be held in mid-December 2025, only a limited number of days would remain thereafter in 2025 to accept any additional orders. This proposed Further Revised 2025 Sale Annual Cap demonstrates that the proposed cap adjustment is tailored to accommodate this unexpected demand while ensuring compliance with regulatory and operational requirements.

Meanwhile, no revisions to the existing Sale Annual Caps for each of the years ending 31 December 2026 and 2027 are proposed. As such, we believe the Further Revised 2025 Sale Annual Cap is appropriately proposed to address the surge in orders and support the Group’s growth objectives.

In light of the above and our assessment of internal control procedures and the pricing policy as discussed in the below section headed “(h) Internal control procedures and pricing policy” of this letter, we are of the view that the proposed Further Revised 2025 Sale Annual Cap in relation to the Master Sale and Purchase (2025-2027) Agreement is 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(g) 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 the such entity is a connected person of the Company, and if so the connected transaction would be subject to applicable review and monitoring procedures (including those set out herein, if applicable) to ensure the connected transactions would be on normal commercial terms and on terms no less favourable from the perspective of the Group.
- (ii) The finance department of the Company has, on a quarterly basis, counterchecked with each party in the Transaction Parties List to ascertain whether they are a connected person of the Company, so as to maintain the list of connected persons (the “**Connected Person List**”) for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the Connected Person List could only be made after checking with the counterparty to ascertain the relationship with the Company, in the case of addition of a connected relationship, evidence such as organisation chart will have to be obtained, and in the case of cessation of a connected relationship, evidence will have to be obtained to confirm the date of cessation as a connected person of the Company. Whenever there is an update to the Connected Person List, it must be reported and approved by the management of the Group to ensure the management is aware of such update.
- (iii) The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts under the continuing connected transactions monthly 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) Before conducting any transactions with connected persons, the finance department would confirm that the Group still has sufficient unused annual caps for carrying out the relevant continuing connected transactions. The finance department would on a regular basis review the continuing connected transactions carried out during the period under review to assess, and compile a report, on (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreement and the Company's pricing policy; and (ii) the transactions amount during the month under review, the aggregate amount of transactions conducted during the relevant financial year and whether the relevant annual caps have been exceeded. If it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions, it would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules including but not limited to revising the relevant annual caps before entering into the proposed transactions. In particular, when 80% of the amount under the relevant annual cap has been utilised, the finance department would send an alert to the operation unit and management, and they would be required to ascertain if there is still sufficient unused annual cap before accepting any further order from the relevant connected persons. When 90% of the amount under the relevant annual cap has been utilised, the Group will consider refusing orders from relevant connected persons until the relevant annual cap has been revised in compliance with the Listing Rules.
- (v) Every time before conducting any continuing connected transactions, the relevant department of the Group would first prepare the relevant individual agreement for the continuing connected transactions and submit it to the finance department and legal department of the Group for review and approval. The finance department and legal department of the Group would review the terms of the proposed transaction and the draft individual agreement to be entered into to make sure that the terms are in compliance with the pricing policy of the Group and the overall terms and conditions (including prices and payment terms) are no less favourable to the relevant member of the Group than those offered by Independent Third Parties. The transactions could only be carried out after the finance department and the legal department have given their approval therefor.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vi) The Company's internal control unit will on a half-year basis review the monitoring of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective, the findings of the review will be reported by the head of internal control unit to the finance director of the Company. The internal control unit regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and in compliance with the policies and procedures. In the event of any non-compliance issue or inadequacy in the policies and procedures, the internal control unit will immediately report such matters to the independent non-executive directors and will take remedial actions.
- (vii) The independent non-executive Directors will be provided with the internal control report which sets out the matters subject to review, the methodology adopted, the findings of the internal control department as well as remedial actions taken (if any). Further, the management will provide independent non-executive Directors with half-yearly reports in respect of the on-going continuing connected transactions; sufficient information relating to (i) financial performance and position of the Company; (ii) the implementation of the continuing connected transactions and (iii) the agreement(s) on the continuing connected transactions to be entered into will also be provided to enable the independent non-executive Directors to make their independent judgment in reviewing the continuing connected transactions. The internal control department of the Company will alert the independent non-executive Directors of any deficiency of internal controls or non-compliance issue.

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 Further Revised 2025 Sale Annual Cap and the Master Sale and Purchase (2025-2027) Agreement. The aforementioned internal control procedures and pricing policies in respect of the sale of Products to TCL Technology Group are set out below for easy reference:

Specific internal control procedures and pricing policies

- (i) Before selling any Products to TCL Technology Group, the Group would ensure that the transactions are on normal commercial terms and on terms no less favourable from the perspective of the Group than those offered by Independent Third Parties. The internal control unit of the Group will compare the terms offered by TCL Technology Group with the terms offered by at least two Independent Third Parties and make an overall assessment of the terms offered, including the quality of the Products, past history of dealing with the such party (if any), payment terms and Product price, to ensure that those offered by TCL Technology Group is no less favourable to the Group than those offered by Independent Third Parties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) Where no identical Products are offered by Independent Third Parties, the internal control unit will then obtain at least two quotations from Independent Third Parties in respect of similar or comparable Products and compare them with those offered by TCL Technology Group and determine whether on an overall evaluation of the prices, payment terms and other terms and conditions, the terms offered by TCL Technology Group are no less favourable to the Group than those offered by Independent Third Parties.
- (iii) The Group sets a minimum gross profit margin for the Products which is determined with reference to the average price of similar products offered by Independent Third Parties on open market, production cost and market competition. The said minimum gross profit margin will be reviewed and adjusted whenever there is any new purchase order from customers/quotation from suppliers based on prevailing market demand and with a view to maintaining the Group's competitiveness amidst changing market condition.
- (iv) The Group will set up half-year targets for sale of Products, which should generally not exceed 50% of the total sale target of the Group for the period, together with the annual revenue target of the Group, it could project the approximate amount of sale to TCL Technology Group, which will be subject to review monthly by its internal control unit depending on the surrounding circumstances such as Group's performance and overall market conditions. The finance department will provide the actual revenue in the end of each month to enable the sale unit and internal control unit to compare the actual sale figures against the sale targets, the sale limit as well as the latest revenue of the Group from time to time and to make necessary adjustment for the sale to TCL Technology Group for the remaining half year period, if needed, to ensure that the Revenue Limit will not be exceeded.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (v) The internal control unit of the Group will maintain a database to record (a) the total revenue of the Group; and (b) the aggregate amount of sale of Products to TCL Technology Group. Where the Group proposes to make a sale which will result in the then aggregate amount of sale of Products to TCL Technology Group exceeding 45% of the then total revenue of the Group in the relevant financial year, the Group will favourably consider offers from other Independent Third Parties for sale of Products as and when appropriate and the internal control unit will notify the relevant department to temporarily decline or delay to process the sale or purchase instructions from the Group and any further instructions from the relevant departments can only be processed on a discretionary basis until there are sufficient sales to other Independent Third Parties to ensure that the Revenue Limit for the corresponding financial year will not be exceeded. Where necessary, the Group will also consider refusing sale of Products to TCL Technology Group until there is sufficient Revenue Limit and/or the relevant Revenue Limit has been revised in compliance with the Listing Rules (including but not limited to obtaining Shareholders' approval, where appropriate).

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) the records for evaluation of three sample quotations offered by/to TCL Technology Group from September 2025 to October 2025; (ii) the records for evaluation of three sample quotations offered by/to Independent Third Parties during September 2025 to October 2025; and (iii) 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 will be submitted to finance director of the Group for review.

Our review found that the quotation evaluation records from both TCL Technology Group and Independent Third Party are comprehensive, detailing the reviewing department, specific approval personnel, approval dates, and processing opinions. Each quotation was reviewed by at least six individuals, including the head of resource development, financial department staff, financial accounting and reporting specialists, the deputy general manager, and the general manager. Additionally, the three randomly selected database records and monthly reports demonstrate a robust tracking system to ensure transaction amounts do not exceed the annual caps. This confirms that a thorough approval process and monitoring system are in place to ensure compliance with the annual caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 Master Sale and Purchase (2025-2027) Agreement have been conducted in accordance with its terms;
- (ii) quotations for Products to TCL Technology Group are compared against market benchmarks and Independent Third Party for similar Products;
- (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 audit committee; and
- (v) there is appropriate segregation of duties in the internal control procedures, with personnel independent from TCL Technology Group.

Based on this assessment, we are satisfied that the internal control measures and procedures are adequate and effective in ensuring that further revision of the Revised 2025 Sale Annual Cap and the transactions contemplated thereunder will be entered on normal commercial terms and are comparable to, or no less favorable than, prevailing market prices and terms.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the Further Revised 2025 Sale Annual Cap and the transactions contemplated thereunder 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 Further Revised 2025 Sale Annual Cap at the SGM.

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

* *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. 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		Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital of TCL Technology (Note 3)
		Personal Interest	Other Interest (Note 2)			
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	283,646	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. 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 19 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.

8. MISCELLANEOUS

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9. 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 Sale and Purchase (2025-2027) Agreement.
- (b) the Supplemental 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 4 December 2025, Thursday, 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 Further Revised 2025 Sale Annual Cap (as defined in the circular of the Company dated 19 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 actions 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 Further Revised 2025 Sale Annual Cap or the transactions contemplated thereunder.”

By order of the Board

LIAO Qian

Chairman

Hong Kong, 19 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.

NOTICE OF SGM

2. A form of proxy for the SGM is enclosed with the Company's circular dated 19 November 2025. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.telcdot.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.
3. Reference is made to the announcement of the Company dated 28 October 2025. In view of the new date of the SGM, 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 28 November 2025, Friday. 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 28 November 2025, Friday.
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.