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China Display Optoelectronics Technology Holdings Limited

華顯光電技術控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

**CONTINUING CONNECTED TRANSACTIONS –
MASTER RESEARCH & DEVELOPMENT SERVICE AGREEMENT**

MASTER RESEARCH & DEVELOPMENT SERVICE AGREEMENT

The Board is pleased to announce that the Company had on 19 December 2025 (Hong Kong time after trading hours) entered into the Master Research & Development Service Agreement with TCL CSOT, pursuant to which members of the Group may, at their absolute discretion, request members of the TCL CSOT Group to provide the Research & Development Service.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TCL Technology, the ultimate controlling shareholder of the Company, indirectly held approximately 64.20% of the number of issued Shares and therefore is a connected person of the Company under the Listing Rules. As TCL CSOT is a subsidiary of TCL Technology, it is an associate of TCL Technology and therefore also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master Research & Development Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios with reference to the proposed annual caps under the Master Research & Development Service Agreement exceed 0.1% but all are lower than 5%, the continuing connected transactions contemplated thereunder are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

CONTINUING CONNECTED TRANSACTIONS – MASTER RESEARCH & DEVELOPMENT SERVICE AGREEMENT

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The material terms of the Master Research & Development Service Agreement are summarised below:

- Date: 19 December 2025 (after trading hours)
- Parties: (i) the Company (for itself and on behalf of its subsidiaries); and
(ii) TCL CSOT (for itself and on behalf of the TCL CSOT Group).
- Duration: From 19 December 2025 to 31 December 2027 (both days inclusive)
- Condition Precedent: The Master Research & Development Service Agreement is conditional on and subject to compliance by the Company with relevant requirements of the Listing Rules in respect of the Master Research & Development Service Agreement, the transactions contemplated thereunder and the proposed annual caps.
- Major Terms: Members of the Group may, from time to time at their absolute discretion, request for Research & Development Service from members of the TCL CSOT Group.
- The relevant member of the Group and the relevant member of the TCL CSOT Group shall enter into written service contract(s) to set out the detailed terms and conditions of any particular Research & Development Service provided pursuant to the Master Research & Development Service Agreement. The terms of such service contract(s) shall be consistent with the Master Research & Development Service Agreement.

The relevant member of the Group shall own all right, title and interest in any intellectual property in and to any inventions, discoveries, works and/or final products of the Research & Development Service (“**Proprietary Rights**”). Subject to the relevant member of the Group granting to the relevant member of the TCL CSOT Group a licence to use the relevant Proprietary Rights, the relevant member of the TCL CSOT Group may use the relevant Proprietary Rights and be entitled to the income derived therefrom.

Pricing policy and price determination:

- (i) The relevant member of the Group shall pay the relevant member of the TCL CSOT Group a monthly research funding for the Research & Development Service. The research funding shall be determined on a cost plus basis based on the expenses incurred in provision of the Research & Development Service which include but are not limited to salary expense of research personnel of the relevant member of the TCL CSOT Group, the rental fee of research equipment, cost of material for research purpose and shall be agreed in writing by the relevant member of the Group and the relevant member of the TCL CSOT Group in specific service contracts.
- (ii) The payment method of the monthly research funding shall be agreed between the relevant member of the Group and the relevant member of the TCL CSOT in writing.

All terms and conditions of the Research & Development Service under the Master Research & Development Service Agreement shall be on normal commercial terms and shall be not less favourable to the relevant member of the Group than those offered by Independent Third Parties for similar transactions.

In determining whether the overall terms and conditions of the Research & Development Service is no less favourable to the relevant member of the Group than those offered by an Independent Third Party, the Group will consider all relevant factors, including but not limited to the wage of research personnel, the rental fee of research equipment, cost of material and will make reference to the price range and pricing terms of similar or comparable research & development service offered by Independent Third Parties at the time the relevant service contract was entered into. The service fees paid by the relevant member of the Group for the Research & Development Service generally shall not exceed those charged by Independent Third Parties for the relevant research and development service.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

In order to safeguard the interests of the Company and the Shareholders, and to ensure that the transactions contemplated under the Master Research & Development Service Agreement 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 internal control procedures and pricing policies:

General internal control procedures and pricing policies

- (1) The finance department of the Company has maintained a list of transaction parties (the “**Transaction Parties List**”) of all material transactions and highlighted those who are connected persons of the Company so that staff members could identify transactions that constitute connected transactions of the Company. Whenever the relevant department of the Company intends to enter into transaction with an entity, the relevant department would check against the Transaction Parties List to see if the such entity is a connected person of the Company, and if so the connected transaction would be subject to applicable review and monitoring procedures (including those set out herein, if applicable) to ensure the connected transactions would be on normal commercial terms and on terms no less favourable from the perspective of the Group.

- (2) The finance department of the Company has, on a quarterly basis, counterchecked with each party in the Transaction Parties List to ascertain whether they are a connected person of the Company, so as to maintain the list of connected persons (the “**Connected Person List**”) for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the Connected Person List could only be made after checking with the counterparty to ascertain the relationship with the Company, in the case of addition of a connected relationship, evidence such as organisation chart will have to be obtained, and in the case of cessation of a connected relationship, evidence will have to be obtained to confirm the date of cessation as a connected person of the Company. Whenever there is an update to the Connected Person List, it must be reported and approved by the management of the Group to ensure the management is aware of such update.
- (3) The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts under the continuing connected transactions 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.
- (4) Before conducting any transactions with connected persons, the finance department would confirm that the Group still has sufficient unused annual caps for carrying out the relevant continuing connected transactions. The finance department would on a 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.

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

Specific internal control procedures and pricing policies

In addition to those disclosed above, the Company has also adopted the following internal control procedures and pricing policies specific to the continuing connected transactions contemplated under the Master Research & Development Service Agreement. To ensure that the continuing connected transactions contemplated under the Master Research & Development Service Agreement are on normal commercial terms and no less favourable than those available from Independent Third Parties:

- (i) Where comparable services are available on the market from Independent Third Parties, before requesting the Research & Development Service from the relevant member of the TCL CSOT Group, the Group would obtain a quotation from at least two Independent Third Parties for similar or comparable services and conduct an assessment on the overall terms offered for such services. The Group would only engage the relevant member of the TCL CSOT Group for the provision of the Research & Development Service when the terms offered by the relevant member of the TCL CSOT Group are better than those offered by Independent Third Parties.
- (ii) The finance department of the Group will record all quotations obtained from the Independent Third Parties in a database maintained by the Group which would be updated monthly so that the members of the Group would have an easy access of information regarding the market price and other terms of contract.

PROPOSED ANNUAL CAPS OF THE MASTER RESEARCH & DEVELOPMENT SERVICE AGREEMENT

The following table sets out the proposed annual caps of the Master Research & Development Service Agreement for the period from 19 December 2025 to 31 December 2027:

	For the period from 19 December to 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>	For the year ending 31 December 2027 <i>RMB'000</i>
Master Research & Development Service Agreement			
Proposed Annual Cap	18,000	28,000	29,000

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

None of the Company nor other members of the Group has previously entered into any master research & development service agreement similar to the Master Research & Development Service Agreement with the TCL CSOT Group. The proposed annual caps under the Master Research & Development Service Agreement are determined with reference to, among others, the following factors:

- (i) as discussed in the section headed “Reasons for and Benefits of Entering into the Master Research & Development Service Agreement”, the Group’s growth in business scale is driven by the Group’s increasing pull to End Customers which goes hand in hand with the Group’s ability to fulfil the technical specification of End Customers. The Research & Development Service offers a cost-effective way to enhance the production capability of the Group;
- (ii) historical amount of expenses incurred by the Group for research and development comparable or similar to the Research & Development Service;
- (iii) the prevailing level of wage offered to research personnel with comparable or similar role, qualification, skillset etc. to the research personnel engaged under the Research & Development Service; and
- (iv) the prevailing rental fee level for research equipment similar or comparable to those used under the Research & Development Service in type, quality, specification etc.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER RESEARCH & DEVELOPMENT SERVICE AGREEMENT

Research and development of LCD Module is one of the principal business of the Group, and in order to keep up with the rapid technology development of the LCD Module industry, research and development plays a crucial role in maintaining competitiveness of the Group’s business.

In particular, the Group’s business operation has been growing in recent years and since the establishment of an integrated panel and module business model with TCL CSOT’s “t9” display panel production line in the fourth quarter of 2022, the Group has been successfully listed as a supplier of certain End Customers which are renowned consumer electronics and smart manufacturing companies. These End Customers are often industry leaders offering flagship products equipped with the latest technologies.

In order to strengthen the business relationship with and attract more End Customers, the Group seeks to enhance its production capacity and R&D capability so as to be equipped to meet the technical specification of more End Customers and therefore secure the orders from such End Customers.

Given the close cooperation relationship between the Group and the TCL CSOT Group over the past years, the members of the TCL CSOT Group are familiar with the business needs of the Group. Further, as many of the Group's LCD products use raw material and panels manufactured and supplied by the TCL CSOT Group, the Directors consider the TCL CSOT Group to be able to provide appropriate assistance and suitable Research & Development Service to the Company and hence it is beneficial for the Company to enter the Master Research & Development Service Agreement with TCL CSOT.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Master Research & Development Service Agreement, the transactions contemplated thereunder and the proposed annual caps 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 of the Company as a whole.

GENERAL INFORMATION OF THE PARTIES

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

TCL CSOT is a company established under the laws of the PRC with limited liability and is principally engaged in the research and development, manufacture sale and distribution of semiconductor display modules. As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, TCL CSOT is owned as to approximately 82.21% by TCL Technology. Accordingly, TCL CSOT is a subsidiary of TCL Technology.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TCL Technology, the ultimate controlling shareholder of the Company, indirectly held approximately 64.20% of the number of issued Shares and therefore is a connected person of the Company under the Listing Rules. As TCL CSOT is a subsidiary of TCL Technology, it is an associate of TCL Technology and therefore also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master Research & Development Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios with reference to the proposed annual caps under the Master Research & Development Service Agreement exceed 0.1% but all are lower than 5%, the continuing connected transactions contemplated thereunder are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

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

- (i) Mr. LIAO Qian who is deemed to be interested in 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.

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 Master Research & Development Service Agreement, therefore all Directors are entitled to vote on the Board resolution(s) for considering and approving the Master Research & Development Service Agreement pursuant to the Bye-laws.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company as supplemented or amended or substituted from time to time;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Display Optoelectronics Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 334);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“End Customers”	Independent Third Party first-tier brand customers of the Group;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its Subsidiaries and their respective associates;
“LCD Module(s)”	the integrated module(s) 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 Research & Development Service Agreement”	the master research & development service agreement dated 19 December 2025 entered into between the Company and TCL CSOT;
“PRC”	means the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, China;

“Research & Development Service”	the research and development service, including but not limited to the provision of research personnel, equipment, material, core intellectual properties offered by members of the TCL CSOT Group to members of the Group pursuant to the Master Research & Development Service Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“TCL CSOT”	TCL China Star Optoelectronics Technology Co., Ltd.* (TCL華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;
“TCL CSOT Group”	TCL CSOT, its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of TCL CSOT from time to time, and for the purpose of this announcement excludes the Group (unless otherwise specified);
“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, and for the purpose of this announcement excludes the Group (unless otherwise specified);

“%” per cent

On behalf of the Board

LIAO QIAN

Chairman

Hong Kong, 19 December 2025

The English translation of Chinese names or words in this announcement, where indicated by “”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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