

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

**ANNOUNCEMENT ON BUSINESS UPDATE FOR  
THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

This announcement is made by China Display Optoelectronics Technology Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In order to further enhance the transparency of the Group and provide additional information with which shareholders of the Company and potential investors may better appraise the recent business development and financial position of the Group in a timely manner, the board (the “**Board**”) of directors of the Company (the “**Directors**”) would like to provide an update to its shareholders and potential investors certain unaudited financial and operating data of the Group for the nine months ended 30 September 2023 (the “**Review Period**”).

**BUSINESS REVIEW**

The global smartphone market remained sluggish with lackluster consumer demands with no signs of an upturn, and has affected the display module industry. During the Review Period, the Group recorded a total sales volume of 36.5 million units, representing a year-on-year decrease of 18.3%. As industry competition continued to drive down product prices, the overall average selling price of the Group (excluding processing modules) decreased by 32.1% year-on-year to RMB56.6. The total revenue amounted to RMB1,940.6 million, representing a year-on-year decrease of 46.8%. Despite the fact that the display industry remained at the trough of the business cycle, driven by the traditional peak season, the Group recorded a quarter-on-quarter increase in sales volume and revenue of 20.8% and 12.5% respectively for the third quarter.

Sales volume by product segment and their respective year-on-year comparisons:

(Unaudited)	For the nine months ended 30 September				Change
	2023		2022		
	<i>million units</i>	<i>%</i>	<i>million units</i>	<i>%</i>	
<b>Sale of TFT LCD module</b>					
Non-laminated modules	3.1	8.6	3.5	7.8	-9.8%
Laminated modules	30.4	83.3	39.9	89.3	-23.8%
<b>Processing TFT LCD module</b>					
Non-laminated modules	-	-	0.1	0.3	-100.0%
Laminated modules	3.0	8.1	1.1	2.6	+157.1%
<b>Total</b>	<b>36.5</b>	<b>100.0</b>	<b>44.6</b>	<b>100.0</b>	<b>-18.3%</b>

Revenue by product segment and their respective year-on-year comparisons:

(Unaudited)	For the nine months ended 30 September				Change
	2023		2022		
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>	
<b>Sale of TFT LCD module</b>					
Non-laminated modules	75.0	3.8	138.1	3.8	-45.7%
Laminated modules	1,823.8	94.0	3,481.4	95.4	-47.6%
<b>Processing TFT LCD module</b>					
Non-laminated modules	-	-	2.1	0.1	-100.0%
Laminated modules	41.8	2.2	25.2	0.7	+65.6%
<b>Total</b>	<b>1,940.6</b>	<b>100.0</b>	<b>3,646.8</b>	<b>100.0</b>	<b>-46.8%</b>

## **OUTLOOK**

Looking ahead, global economy is still growing in a slow and uneven manner with increasing polarisation, and China's economic growth is weaker than expected. Persistent inflation and smartphone innovation losing steam has lengthened the smartphone replacement cycle for consumers. As a result, smartphone shipment continues to decline. According to the latest report from IDC, it is expected that global smartphone shipments will decrease by 4.7% to 1,150 million units in 2023, hitting a new low in a decade.

Facing various challenges from the industry and peers, the Group will strengthen its main business. On the one hand, it will actively reduce costs, increase efficiency, and maintain stable operations. On the other hand, the Group will deepen its cooperation with TCL China Star Optoelectronics Technology Company Limited by creating synergies with its liquid-crystal display panel production line t9, which focuses on the medium-sized intelligent technology and professional display market, to launch new projects with global leading brand customers. Meanwhile, the Group will keep an eye on the trends in the markets of tablets and the Internet of Things, and broaden its business coverage.

In the long run, the Group remains cautiously optimistic about the development of the display module business, and it is confident that its competitiveness will be enhanced by improving the planning of industrial chain and boosting its technological and economies of scale advantages. While responding to the challenges, the Group will maintain a balance between sales growth and robust development, and strive to create better value for the Company and its shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's principal financial instruments comprise cash and cash equivalents, time deposits and interest-bearing bank loans. According to the unaudited financial statements, the Group's cash and cash equivalents and time deposits balance as at 30 September 2023 amounted to RMB154 million, of which 45.3% was in Renminbi, 53.4% was in US dollar and 1.3% was in HK dollar. As at 30 September 2023, the Group had no interest-bearing bank loans or other borrowings.

The Board wishes to remind shareholders of the Company and potential investors that the above financial and operating data are based on the Group's management accounts which have not been audited or reviewed by auditors. Accordingly, figures and discussions contained in this announcement should in no way be regarded as providing any indication or assurance on the financial results of the Group for the nine months ended 30 September 2023. Shareholders of the Company and potential investors are cautioned not to place undue reliance on such data.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board

**LIAO Qian**

*Chairman*

Hong Kong, 20 October 2023

*As at the date of this announcement, the Board comprises Mr. LIAO Qian as Chairman and non-executive Director; Mr. OUYANG Hongping, Mr. WEN Xianzhen and Mr. XI Wenbo as executive Directors; and Ms. HSU Wai Man Helen, Mr. XU Yan and Mr. LI Yang as independent non-executive Directors.*