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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)

**ANNOUNCEMENT ON BUSINESS UPDATE
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

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 on certain unaudited financial and operating data of the Group for the nine months ended 30 September 2025 (the “**Review Period**”).

BUSINESS REVIEW

In the third quarter of 2025, brand manufacturers sustained their promotional activities. The earlier launch of new models by multiple brands, along with their successive release of competitively priced AI smartphones, contributed to the growth of the market in the third quarter. According to the latest data from IDC and OMDIA, global market research firms, in the third quarter of 2025, the global shipment volume of smartphones amounted to 322.7 million, representing a year-on-year increase of 2.6%; in contrast, Chinese Mainland smartphone sales fell by 3% year-on-year to 67.2 million units in light of the tightening up of the national subsidy policies. Meanwhile, demand for amorphous silicon (a-Si) panels in the mid- and low-end markets, driven by traditional peak season demand, remained strong. According to the reports of Cinno Research, a third-party consulting firm, the mobile phone panel market generally maintained high utilization rates in the third quarter.

The Group has maintained its focus on a-Si panel products. Leveraging the high recognition from multiple first-tier brand customers, the Group has consolidated its business foundation, and achieved continuous sales growth in both mobile phones and medium-sized product segments. In the third quarter of 2025, the Group's sales volume reached 28.5 million units, representing a quarter-on-quarter increase of 39.6%. During the Review Period, the Group's total sales volume reached 62.2 million units, representing a year-on-year increase of 84.3%, which drove the Group's revenue up to RMB5,407.3 million. Sales of mobile phone module products rose by 91.8% year-on-year to 47.3 million units, and the relevant revenue amounted to RMB2,275.1 million. Tablet module sales rose by 108.6% year-on-year to 7.4 million units, and the relevant revenue amounted to RMB1,338.4 million. Sales of commercial display products grew by 488.9% year-on-year, reaching 3.7 million units, and the relevant revenue amounted to RMB1,219.9 million. During the Review Period, due to the price fluctuations across commercial display products, which are delivered in fully assembled complete sets, the Group's average selling price for products for sale decreased by 4.2% year-on-year to RMB89.3.

During the Review Period, sales volume by product segment and their respective year-on-year changes of the Group were as follows:

(Unaudited)	For the nine months ended 30 September				Change
	2025		2024		
	‘000 units	%	‘000 units	%	
Sale of Products					
Mobile Phone Modules	47,298.8	76.1%	24,656.9	73.1%	+91.8%
Tablet Modules	7,415.1	11.9%	3,554.6	10.5%	+108.6%
Commercial Display Products	3,667.4	5.9%	622.8	1.8%	+488.9%
Parts and Others	1,777.8	2.9%	2,353.0	7.0%	−24.4%
Processing and Manufacturing Services	2,017.3	3.2%	2,546.2	7.6%	−20.8%
Total	62,176.4	100.0%	33,733.5	100.0%	+84.3%

During the Review Period, revenue by product segment and their respective year-on-year changes of the Group were as follows:

(Unaudited)	For the nine months ended 30 September				Change
	2025		2024		
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>	
Sale of Products					
Mobile Phone Modules	2,275.1	42.1%	1,268.4	43.1%	+79.4%
Tablet Modules	1,338.4	24.7%	653.8	22.2%	+104.7%
Commercial Display Products	1,219.9	22.6%	513.5	17.5%	+137.6%
Parts and Others	539.7	10.0%	470.5	16.0%	+14.7%
Processing and Manufacturing Services	34.2	0.6%	35.2	1.2%	−2.8%
Total	5,407.3	100.0%	2,941.4	100.0%	+83.8%

OUTLOOK

Looking ahead, increasing global economic uncertainty, decelerated growth and more global trade barriers will impact the entire consumer electronics industry. The size of the smartphone market continues to suffer from slack replacement demand of consumers.

Although consumers remain conservative in their spending and are trading down, there will be seasonal demands in the fourth quarter of 2025. According to the projection of IDC, the global smartphone market will maintain its growth momentum in 2025, due to the replacement demand driven by the software and hardware upgrades. In addition, brand customers will prioritize inventory management, responding to demand uncertainties by making small, multiple batches. In view of this, the Group will continue to expand its product varieties and maintain a steady increase in the number of orders, leveraging advantage of panel modules built under the integrated panel and module business model in cooperation with the t9 display panel production line of TCL China Star Optoelectronics Technology Co., Ltd.* (TCL華星光電技術有限公司).

In the long term, the Group remains cautiously optimistic about the prospects of its display module business and is confident that by improving its industrial chain layout, it can develop more competitive customized products and solutions and maintain in-depth collaborations with first-tier brand customers. In the meantime, the Group will seize business opportunities brought by the medium-sized display market, smart home and the Internet of Things to steadily promote growth of product sales under strict cost control, while further enhancing profitability and creating long-term sustainable value for the Group and its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's principal financial instruments comprise cash and cash equivalents, short-term deposits and time deposits. According to the unaudited financial statements, the Group's cash and cash equivalents and time deposits balance as at 30 September 2025 amounted to RMB47.0 million, of which 73.3% was in RMB, 26.7% was in US dollar. The Group's treasury deposits balance as at 30 September 2025 amounted to RMB902.5 million, such deposits were placed with TCL Technology Group Corporation ("**TCL Technology**") pursuant to the Master Financial Services (2023-2025) Agreement dated 31 October 2022 entered into among the Company, TCL Technology and TCL Technology Finance Co., Ltd.* (TCL科技集團財務有限公司, "**Finance Company**") (as amended and supplemented by the supplemental agreement to the Master Financial Services (2023-2025) Agreement dated 27 October 2023 entered into among the Company, TCL Technology and the Finance Company). As at 30 September 2025, 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 2025. 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, 17 October 2025

The English translations 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. WANG Xinfu as executive Directors; and Ms. HSU Wai Man Helen, Mr. XU Yan, Mr. LI Yang and Ms. YANG Qiulin as independent non-executive Directors.