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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)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS			
	Year ended 31 December 2025 RMB'000	Year ended 31 December 2024 RMB'000	Change
Results			
Revenue	7,725,363	4,549,406	+69.8%
Gross profit	375,256	196,319	+91.1%
Profit for the year	139,429	65,979	+111.3%
Profit attributable to owners of the parent	139,429	65,979	+111.3%
Basic earnings per share attributable to owners of the parent			
– For profit for the year	RMB6.65 cents	RMB3.15 cents	+111.1%

The board (“Board”) of directors (each a “Director”, together the “Directors”) of China Display Optoelectronics Technology Holdings Limited (the “Company”) is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 with the corresponding comparative figures for the year ended 31 December 2024 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	5	7,725,363	4,549,406
Cost of sales		<u>(7,350,107)</u>	<u>(4,353,087)</u>
Gross profit		375,256	196,319
Other income and gains	5	103,864	83,075
Selling and distribution expenses		(20,215)	(7,836)
Administrative expenses		(280,670)	(185,913)
Impairment loss on financial assets		(305)	(209)
Other expenses		(15,521)	(6,532)
Finance costs	7	<u>(15,898)</u>	<u>(11,402)</u>
PROFIT BEFORE TAX		146,511	67,502
Income tax expense	8	<u>(7,082)</u>	<u>(1,523)</u>
PROFIT FOR THE YEAR		<u>139,429</u>	<u>65,979</u>
Attributable to:			
Owners of the parent	10	<u>139,429</u>	<u>65,979</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	10		
Basic			
– For profit for the year		<u>RMB6.65 cents</u>	<u>RMB3.15 cents</u>
Diluted			
– For profit for the year		<u>RMB6.65 cents</u>	<u>RMB3.15 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>139,429</u>	<u>65,979</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial operations	<u>7,518</u>	<u>(6,347)</u>
Net other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods	<u>7,518</u>	<u>(6,347)</u>
OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR, NET OF TAX	<u>7,518</u>	<u>(6,347)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>146,947</u>	<u>59,632</u>
Attributable to:		
Owners of the parent	<u>146,947</u>	<u>59,632</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		814,608	747,470
Intangible assets		11,384	10,039
Goodwill		–	–
Deposits paid for purchase of items of property, plant and equipment		793	704
Deferred tax assets		5,144	627
Right-of-use assets		26,982	28,009
Treasury deposits at related parties		220,000	235,000
		<hr/>	<hr/>
Total non-current assets		1,078,911	1,021,849
CURRENT ASSETS			
Inventories	<i>11</i>	387,170	325,988
Trade and bills receivables	<i>12</i>	1,617,584	1,059,564
Prepayments and other receivables		223,346	75,793
Treasury deposits at related parties		825,615	965,485
Time deposits		–	19,000
Cash and cash equivalents		33,296	62,149
		<hr/>	<hr/>
Total current assets		3,087,011	2,507,979
CURRENT LIABILITIES			
Trade payables	<i>13</i>	2,529,606	1,836,106
Other payables and accruals		375,489	584,467
Lease liabilities		308	239
Tax payable		30,585	24,950
		<hr/>	<hr/>
Total current liabilities		2,935,988	2,445,762
NET CURRENT ASSETS			
		<hr/>	<hr/>
		151,023	62,217
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/>	<hr/>
		1,229,934	1,084,066

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		606	–
Deferred income		4,764	7,516
Deferred tax liabilities		672	5,921
		<hr/>	<hr/>
Total non-current liabilities		6,042	13,437
		<hr/>	<hr/>
Net assets		1,223,892	1,070,629
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>14</i>	172,134	172,134
Shares held for the Share Award Scheme		(13,080)	(13,080)
Reserves		1,064,838	911,575
		<hr/>	<hr/>
Total equity		1,223,892	1,070,629
		<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity) directly or indirectly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), any non-controlling interest and the exchange fluctuation reserve and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

3. ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of *HKAS 29 Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (and the accompanying Guidance on implementing HKFRS 7). Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment being the display product segment which principally engages in the processing, manufacture and sale of LCD module products.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland*	6,194,561	4,285,556
Hong Kong	1,530,802	263,610
Taiwan	—	240
	<u>7,725,363</u>	<u>4,549,406</u>

The revenue information above is based on the locations of the customers.

* *Chinese Mainland means the People's Republic of China excluding Hong Kong, Macau and Taiwan.*

(b) Non-current assets

All significant operating assets of the Group are located in Chinese Mainland. Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue of approximately RMB4,952,675,000 during the year ended 31 December 2025 (year ended 31 December 2024: RMB2,003,959,000) was derived from sales to related parties of the Company.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>7,725,363</u>	<u>4,549,406</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the year ended 31 December 2025

Segments	LCD modules <i>RMB'000</i>
Types of goods or services	
Sale of industrial products	7,662,467
Services income	<u>62,896</u>
Total revenue from contracts with customers	<u>7,725,363</u>
Geographical markets	
Chinese Mainland	6,194,561
Hong Kong	1,530,802
Taiwan	<u>–</u>
Total revenue from contracts with customers	<u>7,725,363</u>
Timing of revenue recognition	
Goods and services transferred at a point in time	<u>7,725,363</u>

For the year ended 31 December 2024

Segments	LCD modules <i>RMB'000</i>
Types of goods or services	
Sale of industrial products	4,505,131
Services income	<u>44,275</u>
Total revenue from contracts with customers	<u><u>4,549,406</u></u>
Geographical markets	
Chinese Mainland	4,285,556
Hong Kong	263,610
Taiwan	<u>240</u>
Total revenue from contracts with customers	<u><u>4,549,406</u></u>
Timing of revenue recognition	
Goods and services transferred at a point in time	<u><u>4,549,406</u></u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	<u><u>245,623</u></u>	<u><u>39,056</u></u>

(b) Performance obligations

Information about the Group's performance obligation is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the LCD module products and the payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Services Income

The performance obligation is satisfied upon delivery of the LCD module products.

An analysis of other income and gains is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other income		
Interest income	41,570	35,563
Subsidy income*	21,569	4,369
Gain on disposal of raw materials, samples and scraps	19,662	14,615
Value-added tax additional deduction	20,408	24,621
Others	449	1,213
	103,658	80,381
Other net gain		
Exchange gains	206	–
Realised gain on derivative financial instruments	–	2,694
	206	2,694
	103,864	83,075

* *Subsidy income represents various government grants received from the relevant government authorities to support the development of the relevant projects of the Group in Chinese Mainland. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.*

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operation is arrived at after (crediting)/charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	7,350,107	4,353,087
Depreciation of property, plant and equipment	110,937	92,026
Amortisation of intangible assets*	4,971	4,331
Depreciation of right-of-use assets	1,335	1,459
Auditor's remuneration	1,602	1,327
Research and development costs [^] :		
Current year expenditures	230,754	131,222
Impairment of goodwill [#]	–	3,011
Lease payments not included in the measurement of lease liabilities	775	4,655
Employee benefit expense (including directors' remuneration):		
Wages and salaries	376,416	243,354
Equity-settled share incentive expenses	6,316	1,549
Pension scheme contributions	36,137	26,870
	<u>418,869</u>	<u>271,773</u>
Exchange losses, net [#]	14,221	863
Realised loss on derivative financial instruments	–	1,352
Impairment of trade receivables	306	199
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets	(9)	10
Reversal of write-down of inventories to net realisable value**	(524)	(2,085)
Loss on disposal of items of property, plant and equipment***	173	1,192

* *The amortisation of intangible assets is included in “Cost of sales” and “Administrative expenses” in the consolidated statement of profit or loss.*

[^] *Research and development costs are included in “Administrative expenses” in the consolidated statement of profit or loss.*

[#] *The impairment of goodwill and exchange loss are included in “Other expenses” in the consolidated statement of profit or loss.*

** *Reversal of write-down of inventories to net realisable value is included in “Cost of sales” in the consolidated statement of profit or loss.*

*** *Loss on disposal of items of property, plant and equipment is included in “Other expenses” in the consolidated statement of profit or loss*

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	16	20
Interest on discounted bills	<u>15,882</u>	<u>11,382</u>
	<u>15,898</u>	<u>11,402</u>

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024:16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Charge for the year	30,746	163
Adjustment in respect of current tax of previous periods	(13,898)	(10,940)
Deferred	<u>(9,766)</u>	<u>12,300</u>
Total tax charge for the year	<u>7,082</u>	<u>1,523</u>

9. DIVIDENDS

The Board does not recommend to declare any final dividends for the year ended 31 December 2025 (31 December 2024: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic earnings per share amount for the year ended 31 December 2025 is based on the profit for the year attributable to owners of the parent of RMB139,429,000 (2024: RMB65,979,000), and the weighted average number of ordinary shares of the Company in issue less shares held for the Share Award Scheme during the year of 2,096,908,406 (2024: 2,096,908,406).

The Company had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025.

11. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	133,781	155,084
Work in progress	30,190	19,364
Finished goods	<u>223,199</u>	<u>151,540</u>
	<u>387,170</u>	<u>325,988</u>

12. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,617,748	1,051,329
Bills receivable	983	9,076
Impairment	<u>(1,147)</u>	<u>(841)</u>
	<u>1,617,584</u>	<u>1,059,564</u>

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is normally required. The credit period is generally 30 to 90 days, depending on the size and credibility of the customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

Included in the Group's trade and bills receivables are amounts due from the Group's related parties of RMB1,122,125,000 (2024: RMB773,490,000), accounting for 69% (2024: 73%) of the net carrying amount of the Group's trade and bills receivables, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the end of the year, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	650,445	1,007,649
1 to 2 months	491,002	50,544
2 to 3 months	440,941	1,371
Over 3 months	35,196	–
	<u>1,617,584</u>	<u>1,059,564</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	841	642
Impairment losses, net	306	199
	<u>1,147</u>	<u>841</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Less than 6 months	Over 6 months	Total
Expected credit loss rate	0.07%	–	0.07%
Gross carrying amount (<i>RMB'000</i>)	1,617,748	–	1,617,748
Expected credit losses (<i>RMB'000</i>)	1,147	–	1,147

As at 31 December 2024

	Less than 6 months	Over 6 months	Total
Expected credit loss rate	0.08%	–	0.08%
Gross carrying amount (<i>RMB'000</i>)	1,051,329	–	1,051,329
Expected credit losses (<i>RMB'000</i>)	841	–	841

The Group's bills receivable have been accepted by notable banks with high credit ratings. As at 31 December 2025 and 31 December 2024, the probability of default and the loss given default were estimated to be minimal.

13. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>2,529,606</u>	<u>1,836,106</u>

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	1,339,158	1,042,748
31 to 60 days	640,496	317,271
61 to 90 days	381,989	345,728
Over 90 days	167,963	130,359
	<u>2,529,606</u>	<u>1,836,106</u>

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 150 days.

14. SHARE CAPITAL

	2025	2024
<i>Authorised:</i>		
4,000,000,000 (31 December 2024: 4,000,000,000) ordinary shares of HK\$0.10 each (<i>HK\$'000</i>)	<u>400,000</u>	<u>400,000</u>
<i>Issued and fully paid:</i>		
2,114,307,929 (31 December 2024: 2,114,307,929) ordinary shares (<i>HK\$'000</i>)	<u>211,431</u>	<u>211,431</u>
Equivalent to RMB'000	<u>172,134</u>	<u>172,134</u>

As at 31 December 2025, the total number of issued ordinary shares of the Company was 2,114,307,929 (2024:2,114,307,929), of which 17,399,523 (2024: 17,399,523) shares, equivalent to RMB13,080,000 (2024: RMB13,080,000) were held by the trustee appointed for the Share Award Scheme adopted by the Company.

INDUSTRY REVIEW

In 2025, the global consumer electronics industry experienced a slow recovery amid a complex economic environment. In the smartphone market, according to a report from market research institution Omdia (“Omdia”), driven by strong sales of high-end models and consumers replacing devices earlier in anticipation of potential price increases, the global consumer electronics market overcame challenges from storage chip shortages and achieved shipment growth. Global smartphone shipments reached 1,246 million units in 2025, representing a year-on-year increase of 2%. In particular, global smartphone shipments in the fourth quarter increased by 4% year-on-year to 340 million units. However, the Chinese mainland smartphone market showed signs of faltering growth, affected by cost pressures and the weakening subsidy effect of the national “trade-in” consumption policy (“national subsidy policies”). Smartphone shipments in the Chinese mainland market reached approximately 282 million units in 2025, representing a year-on-year decrease of 1%. In the tablets market, according to a report from Omdia, boosted by seasonal holiday demand and suppliers’ advance production in response to anticipated memory supply shortage, global tablet shipments in 2025 increased 9.8% year-on-year to 162 million units.

The panel industry also demonstrated a steady recovery trend. According to the research from CINNO Research, demand for smartphone panels from most brand customers remained stable, with overall demand and pricing for amorphous silicon liquid crystal display (“a-Si LCD”) panels remaining steady. Data from Sigmaintell showed that global smartphone panel shipments in 2025 reached 2,310 million pieces, representing a year-on-year increase of approximately 3.4%. Among them, shipments of a-Si LCD smartphone panels reached about 1,330 million units, representing a year-on-year increase of 10.2%. This highlighted their strong resilience, driven by significant cost advantages, even amid global economic uncertainty. In the tablet panel segment, global shipments in 2025 reached 298 million units, representing a year-on-year growth of 13.9%. Stimulated by the expansion of application scenarios and the national subsidy policy, the market achieved consecutive quarter-on-quarter growth in the first two quarters of 2025, while the trend gradually stabilized in the second half of 2025.

BUSINESS REVIEW

During the year ended 31 December 2025 (the “Review Period”), the Group continued to deepen its collaboration with TCL China Star Optoelectronics Technology Co., Ltd. (“TCL CSOT”). By integrating with TCL CSOT’s t9 liquid crystal panel production line (“t9 Production Line”), which focuses on the small to medium-sized and professional display markets, the Group has established an integrated panel and module business model. This model provides customized products and solutions for multiple first-tier brand customers.

During the Review Period, the Group’s business achieved rapid growth driven by its product diversification strategy and stable order growth from brand customers. Total sales volume reached 89.1 million units, representing a year-on-year increase of 80.6%, which significantly boosted up the overall revenue by 69.8%, reaching RMB7,725.4 million. To strengthen long-term collaboration with customers and enhance customer loyalty, the Group actively implemented a customized product strategy, enabling more flexible and rapid responses to market demands and changes. However, due to the execution of this strategy and intensified market competition, coupled with changes in the product mix of commercial display products to smaller sizes and standard resolution products, the Group’s average selling price of sales products declined by 7.0% year-on-year to RMB90.5 per unit.

During the Review Period, the Group’s mobile phone modules sales increased by 72.3% year-on-year to 63.1 million units, with related revenue reaching RMB2,998.8 million. Sales of tablet modules grew by 167.2% year-on-year to 13.8 million units, generating related revenue of RMB2,353.6 million. Sales of commercial display products surged by over 4 times year-on-year to 6.0 million units, with related revenue amounting to RMB1,769.5 million.

During the Review Period, the Group expanded its portfolio of brand clients through strategic collaborations, driving rapid growth in core operations and achieving economies of scale that led to a significant reduction in unit production costs. As a result, the Group recorded a gross profit of RMB375.3 million, with a gross profit margin of 4.9%, representing a year-on-year increase of 0.6 percentage point. The Group's profit attributable to owners of the parent amounted to RMB139.4 million, representing a year-on-year increase of 111.3%.

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

	For the year ended 31 December				Change
	2025		2024		
	'000 units	%	'000 units	%	
Sales of Products					
Mobile Phone Modules	63,051.1	70.8%	36,598.9	74.2%	+72.3%
Tablet Modules	13,841.3	15.5%	5,180.9	10.5%	+167.2%
Commercial Display Products	5,985.3	6.7%	1,196.2	2.4%	+400.4%
Parts and Others	1,780.1	2.0%	3,304.7	6.7%	-46.1%
Other Services	4,473.0	5.0%	3,061.6	6.2%	+46.1%
Total	89,130.8	100.0%	49,342.3	100.0%	+80.6%

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

	For the year ended 31 December				Change
	2025		2024		
	<i>RMB million</i>	%	<i>RMB million</i>	%	
Sales of Products					
Mobile Phone Modules	2,998.8	38.8%	1,855.1	40.8%	+61.7%
Tablet Modules	2,353.6	30.5%	925.9	20.4%	+154.2%
Commercial Display Products	1,769.5	22.9%	1,012.2	22.2%	+74.8%
Parts and Others	540.6	7.0%	712.0	15.6%	-24.1%
Other Services	<u>62.9</u>	<u>0.8%</u>	<u>44.2</u>	<u>1.0%</u>	<u>+42.1%</u>
Total	<u><u>7,725.4</u></u>	<u><u>100.0%</u></u>	<u><u>4,549.4</u></u>	<u><u>100.0%</u></u>	<u><u>+69.8%</u></u>

- **Revenue by geographical segment and their respective year-on-year comparisons**

	For the year ended 31 December				Change
	2025		2024		
	<i>RMB million</i>	%	<i>RMB million</i>	%	
Chinese Mainland	6,194.6	80.2%	4,285.6	94.20%	+44.5%
Hong Kong	1,530.8	19.8%	263.6	5.79%	+480.7%
Other	<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.01%</u>	<u>N.A.</u>
Total	<u><u>7,725.4</u></u>	<u><u>100.0%</u></u>	<u><u>4,549.4</u></u>	<u><u>100.0%</u></u>	<u><u>+69.8%</u></u>

OUTLOOK

Looking ahead to 2026, the risks of geopolitical conflict persist. However, the macroeconomic environment is expected to maintain a low-speed growth trajectory, driven by the combined effects of the robust development of artificial intelligence technology, accommodative monetary and fiscal policies, and easing trade tensions. The global consumer electronics industry continues to grapple with rising costs due to the ongoing shortage of memory chips. Against this backdrop, the panel industry is likely to encounter challenges from contraction of downstream procurement plans and an overall weakening demand for smart device panels. The national subsidy policy is expected to continue in 2026, but its stimulus effect on market growth is likely to be diminished. International Data Corporation forecasts that smartphone shipments in the Chinese mainland market are likely to experience a relatively noticeable decline which will in turn exert increasing pressure on panel demand.

In response to the structural market changes, the Group will fully leverage the integrated panel-module advantage established with TCL CSOT's t9 production line. The Group will strictly control costs, diversify its product and customer portfolio, continuously strengthen operational resilience, and enhance its relative competitiveness. Orders for mobile phone modules and tablet modules from brand customers will remain the core driver of the Group's growth. As consumers increasingly prioritize screen experience and multifunctional applications and benefiting from the rapid development of artificial intelligence, medium-sized display modules are expected to achieve steady growth. Meanwhile, driven by the strong momentum of digital education transformation and intelligentization, the educational learning tablet market is poised to sustain robust growth.

Looking ahead, the Group maintains a cautiously optimistic outlook on market developments. We will remain committed to optimizing production capacity and supply chain layout, while continuously enhancing product competitiveness through technological innovation and process upgrades to meet the growth demands of different market segments. At the same time, we are dedicated to deepening collaborations with strategic customers, consolidating growth momentum, and strengthening and expanding our market share among brand clients. Through lean management and operational efficiency, we will strictly control costs to accelerate both sales and profit growth, thereby creating sustainable long-term value for the Group and its shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's principal financial instruments comprise cash and cash equivalents, short-term deposits and time deposits. The main objective for the use of these financial instruments is to maintain continuity of funding and flexibility at the lowest cost possible.

The Group's cash and cash equivalents balance as at 31 December 2025 amounted to RMB33.3 million, of which 1.6% was denominated in US dollar and 98.4% was denominated in RMB. The Group's treasury deposits balance as at 31 December 2025 amounted to RMB1,045.6 million, such deposits were placed with TCL Technology Group Corporation ("TCL Technology") and its subsidiaries 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 31 December 2025, the Group had no interest-bearing bank loans.

As at 31 December 2025, total equity attributable to owners of the parent was RMB1,223.9 million (31 December 2024: RMB1,070.6 million), and the gearing ratio was nil (31 December 2024: Nil). The gearing ratio is calculated based on the Group's total interest-bearing loans (including bank and other borrowings) divided by its total assets.

Pledge of Assets

As at 31 December 2025, no asset of the Group was pledged (31 December 2024: Nil).

Capital Commitments and Contingent Liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contracted, but not provided for:		
Plant and machinery	<u>36,797</u>	<u>53,318</u>

As at 31 December 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

Pending Litigation

The Group had not been involved in any material litigation for the year ended 31 December 2025.

Foreign Exchange Risk

The Group's business and operations is facing the international market, thus it is inevitable for the Group to be exposed to the risks arising from foreign exchange transactions and conversion.

The Group is committed to striking a balance among trades, assets and liabilities that are denominated in foreign currencies to achieve a natural hedging effect. The Group also used forward currency contracts to reduce the foreign currency exposures. In addition, pursuant to the principle of prudent financial management, the Group has not conducted or engaged in any high-risk derivative transactions during the Review Period.

Significant Investments Held

There was no significant investment held by the Group as at 31 December 2025.

Material Acquisitions and Disposals

The Group did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the Review Period.

Future Plans for Material Investments or Capital Assets

As at 31 December 2025, the Group did not have any concrete plans for material investments or capital assets for the year ending 31 December 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 4,009 employees. During the Review Period, the total staff costs amounted to RMB418.9 million. The Group aims to provide employees with reasonable, legal and competitive compensation and welfare by offering remuneration packages which are regularly updated based on local gross domestic product (GDP) growth and the latest laws and regulations. Training and development programmes are also provided on an on-going basis to employees of the Group. During the Review Period, the Company has also reviewed the remuneration policy with reference to the existing legislations, market conditions, as well as the performances of employees and the Company. In order to align the interests of staff with those of shareholders, the Company may grant share options and share awards to relevant grantees, including employees of the Group, under the Company's share option scheme and share award scheme respectively.

ENVIRONMENTAL POLICY AND COMPLIANCE

The Group is devoted to achieve environmental sustainability and incorporates its philosophy of corporate social responsibility into its daily operations. The Group operates its manufacturing facilities in compliance with all applicable local environmental regulations.

The Group is committed to create an environmental friendly workplace. To promote environmental awareness among employees, new staff shall attend induction training on energy saving. During the Review Period, the Group improved its management efficiency and implemented various energy saving measures, which effectively reduced the use of resources and further created a safe and healthy workplace and living environment for its staff.

The Group continues to optimise its strategy to shoulder its corporate environmental, social and ethical responsibility and improve corporate governance, in an effort to create greater value for all of the Group's stakeholders including shareholders, customers and employees as well as the communities where it operates.

The Environmental, Social and Governance Report of the Company for the year ended 31 December 2025 prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") will be published separately pursuant to the requirements under Appendix C2 to the Listing Rules.

CUSTOMERS AND SUPPLIERS

The Group recognises that maintaining good and stable relationship with customers and business partners is the key for the sustainable development of the Group. Therefore, the Group keeps good partnership with its major customers and suppliers. During the Review Period, the Group's largest customer and the top five largest customers contributed approximately 23% and 77% (for the year ended 31 December 2024: 19% and 72%) of the revenue of the Group, respectively. Those customers have business relationship with the Group ranging from 2 to 11 years. The Group's largest supplier and the top five largest suppliers accounted for approximately 24% and 55% (for the year ended 31 December 2024: 35% and 53%) of the purchases made by the Group, respectively. Those suppliers have been cooperating with the Group ranging from 1 to 17 years.

Major customers

The Group's major customers are all from the consumer mobile device industry, including a number of world-renowned brands. As the mobile device industry is characterised by its cycles of integration and emergence of new brands, any loss or changes in market position of any of these customers may materially and adversely affect the business, financial conditions and operating results of the Group. In light of this, the Group has adopted the following strategies to reduce the risk of over-reliance on a single customer. Firstly, the Group has strengthened the relationship with its existing customers, one of them being a subsidiary of TCL Industries Holdings Company Limited* (TCL實業控股股份有限公司), which has established a solid partnership with the Group over the years. The other major customers have also maintained long-term cooperation with the Group, keeping the number of orders at a relatively stable level. Secondly, the Group endeavours to expand its business horizontally and attract new customers in different markets by developing a diverse range of product categories.

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is normally required. The credit period generally ranges from 30 to 90 days, depending on the size and credibility of the customers. Each customer has its own specific credit limit. The Group also maintains credit insurance for trade receivables from customers.

Suppliers

There are numerous suppliers providing materials required for the Group's production and other business operations. However, for certain materials with specified feature or specification, the Group can only rely on a limited number of suppliers. If the suppliers fail to timely deliver adequate production materials, the Group's production process may be disrupted. Since the commencement of production of the display panel production line "t9" of TCL CSOT, a member of TCL Technology Group, in September 2022, the Group has benefited from a stable supply of materials from TCL CSOT. In addition, the Group periodically reviews the market environment and new trends, and adopts multiple sourcing policy and strategic inventory management to ensure sufficient supply of materials for production.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend by the Company for the year ended 31 December 2025 (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the entitlements of the shareholders of the Company to attend and vote at the forthcoming annual general meeting of the Company ("AGM"), the register of members of the Company will be closed from 22 May 2026, Friday to 28 May 2026, Thursday (both dates inclusive). No transfer of the Shares may be registered during the said period. The record date for determining the entitlements of the shareholders of the Company to attend and vote at the AGM is 28 May 2026, Thursday. In order to qualify to attend and vote at the AGM, all transfers of Shares 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 21 May 2026, Thursday.

ANNUAL GENERAL MEETING

The AGM will be held on 28 May 2026, Thursday. The notice of AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited and despatched to the shareholders of the Company in due course.

CORPORATE GOVERNANCE

During the Review Period, the Company has complied with the code provisions (the “Code Provision(s)”) set out in Part 2 of the Corporate Governance Code (“CG Code”) under Appendix C1 to the Listing Rules except for the following deviations:

Under Code Provision C.6.1, the company secretary should be an employee of the issuer and have day-to-day knowledge of the issuer’s affairs.

The company secretary of the Company, Ms. CHEUNG Bo Man (“Ms. CHEUNG”), being a practising solicitor in Hong Kong and a partner of the Company’s legal advisor, is not an employee of the Company.

During the year ended 31 December 2025, the Company has assigned Ms. Clara SIU, the Vice Director of Finance and Investor Relations Department of the Company as the contact person with Ms. CHEUNG to ensure that information in relation to the performance, financial position and other major developments of the Group are speedily delivered to Ms. CHEUNG through the contact person assigned, to enable the company secretary to get hold of the Group’s development promptly without material delay. With her expertise and experience, the Company is confident that having Ms. CHEUNG as its company secretary is beneficial to the Group’s compliance with the relevant board procedures, applicable laws, rules and regulations.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the year ended 31 December 2025, fully complied with the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Board has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix C3 to the Listing Rules. Specific enquiries have been made with all Directors and all of them have confirmed that they have complied with the standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company (“Audit Committee”) has reviewed the annual results of the Group for the year ended 31 December 2025, including the accounting principles adopted by the Group, with the Company’s management. As at the date of this announcement, the Audit Committee comprises four members, namely Ms. HSU Wai Man, Helen (chairperson), Mr. XU Yan, Mr. LI Yang and Ms. YANG Qiulin, all being independent non-executive Directors.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit of loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditors on this preliminary announcement.

On behalf of the Board

LIAO Qian

Chairman

Hong Kong, 27 March 2026

The English translation of Chinese name(s) or word(s) in this announcement, where indicated by “”, is included for information purpose only, and should not be regarded as the official English translation of such Chinese name(s) or word(s).*

As at the date of this announcement, the Board comprises Mr. LIAO Qian as Chairman and non-executive Director; Mr. ZHANG Feng, Mr. ZHANG Caili, Mr. XI Wenbo 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.