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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 FIRST QUARTER ENDED 31 MARCH 2026**

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 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 three months ended 31 March 2026 (the “**Review Period**”).

BUSINESS REVIEW

Shortage in supply and rising prices of memory-related components have forced smart terminal brand manufacturers to adopt more conservative strategies by controlling orders and scaling back production. In particular, the slowdown in stocking pace for entry-level models has put market demand under pressure. According to the latest report from market research institution IDC, global smartphone shipments in the first quarter of 2026 decreased by 4.1% year-on-year to 289.7 million units, ending a streak of ten consecutive quarters of growth.

During the Review Period, the Group's total sales volume reached 18.6 million units, representing a year-on-year growth of 61.5%, which resulted in a 19.7% year-on-year increase in overall revenue to RMB1,669.0 million. During the Review Period, sales volume of mobile phone modules increased by 15.9% year-on-year to 10.5 million units, with revenue increasing by 8.1% year-on-year to RMB478.0 million. Sales volume of tablet modules grew by 139.4% year-on-year to 4.9 million units, with revenue increasing by 119.7% year-on-year to RMB780.6 million. To strengthen customer relationships and enhance loyalty, the Group implemented a customization strategy. As a result of which, coupled with intensified market competition, and changes in the product mix, the average selling price of products (excluding parts and others) of the Group declined by 4.8% year-on-year to RMB88.7 per unit.

Sales volume of the Group for the Review Period by product segment and their respective year-on-year comparisons are as follows*:

(Unaudited)	For the three months ended 31 March				Change
	2026		2025		
	<i>'000 units</i>	<i>%</i>	<i>'000 units</i>	<i>%</i>	
Sale of Products					
Mobile Phone Modules	10,500.7	56.6%	9,062.2	78.9%	+15.9%
Tablet Modules	4,936.7	26.6%	2,061.8	17.9%	+139.4%
Commercial Display Products	3,115.2	16.8%	363.1	3.2%	+757.9%
Total	<u>18,552.6</u>	<u>100.0%</u>	<u>11,487.1</u>	<u>100.0%</u>	<u>+61.5%</u>

* To provide a clearer overview of the performance of the Group's core manufacturing business, from 2026 onwards the Group will refine its sales volume reporting to focus on products manufactured by the Group and will no longer include "Sales of Products – Parts and Others" and "Other Services".

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

(Unaudited)	For the three months ended 31 March				
	2026		2025		Change
	<i>RMB</i> <i>million</i>	%	<i>RMB</i> <i>million</i>	%	
Sale of Products					
Mobile Phone Modules	478.0	28.6%	442.0	31.7%	+8.1%
Tablet Modules	780.6	46.8%	355.4	25.5%	+119.7%
Commercial Display Products	387.1	23.2%	272.9	19.6%	+41.8%
Parts and Others	6.6	0.4%	309.6	22.2%	-97.8%
Other Services	16.7	1.0%	14.5	1.0%	+15.0%
Total	<u>1,669.0</u>	<u>100.0%</u>	<u>1,394.4</u>	<u>100.0%</u>	<u>+19.7%</u>

OUTLOOK

According to the IDC report, shortage in the memory chips market is intensifying across the board. To cope with cost pressures, several manufacturers have continuously lowered their full-year shipment targets, thereby spreading pressure to the entire supply chain. Counterpoint expects global smartphone shipments to decrease by 12% year-on-year for the full year of 2026, representing the lowest level on record.

Faced with a challenging external environment, the Group will fully leverage on the integrated panel-module synergy established with TCL China Star Optoelectronics Technology Co., Ltd.'s t9 production line. The Group will strictly control costs, optimize its product and customer portfolio, continuously strengthen operational resilience, and enhance its competitiveness. Orders for mobile phone modules and tablet modules from brand customers will remain the core driver of growth. As consumers increasingly prioritize screen experience and multifunctional applications, medium-sized display modules are expected to achieve steady growth, benefiting from the rapid development of applications such as artificial intelligence. Meanwhile, driven by the strong momentum of digital education transformation and smart technologies, the educational learning tablet market is poised to maintain its growing trend.

In the long term, the Group maintains a cautiously optimistic outlook on the development prospects of the display module business. The Group will continue to optimize production capacity and industrial chain layout, while enhancing product competitiveness through technological innovation and process upgrades to meet the growth demands of different market segments. At the same time, the Group will continue to deepen collaboration with strategic customers, consolidate and expand its market share among brand clients. Through lean management and improved operational efficiency, the Group will strictly control costs to drive both sales and profit growth, striving to create sustainable long-term value for the Group and its shareholders.

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 three months ended 31 March 2026. 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, 29 April 2026

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.