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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 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 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 2026 (the "**Review Period**").

## BUSINESS REVIEW

Since the end of 2025, the costs of memory chips and other components have continued to rise, driving multiple increases in smartphone retail prices, dampening consumer demand and slowing end-market sales amid an increasingly challenging market environment. According to the latest research report from Omdia, global smartphone shipments in the third quarter of 2026 declined by 20% year-on-year to the lowest level for the same period since 2012, and domestic smartphone shipments stood at approximately 59.3 million units in the third quarter of 2026, representing a year-on-year decrease of 12% and hitting a new low since 2013. Affected by the aforementioned market environment, the Group's operating performance deteriorated further in the third quarter. Some brand customers reduced their orders for mobile phone modules due to weak end-user demand and inventory management, resulting in a notable year-on-year drop in shipments and revenue of mobile phone modules. While orders and shipments of tablet modules registered year-on-year growth, revenue nevertheless fell compared with the same period last year due to changes in product mix and price competition. As a result, overall shipments and revenue decreased year-on-year in the third quarter, with the decline in revenue widening markedly compared with the cumulative level during the Review Period.

During the Review Period, driven by the product diversification strategy and the steady growth in orders from brand customers, the Group's total sales volume increased by 9.4% year-on-year to 63.9 million units, while the total revenue decreased by 6.6% year-on-year to RMB5,051.9 million. Revenue failed to grow in tandem with sales volume, primarily due to changes in product mix and a decline in average selling prices of products amid intensified market competition. During the Review Period, the Group's average selling prices of products dropped year-on-year by 6.1% to RMB77.7. The average selling prices of the Group's various product categories generally came under pressure, affected by an environment of declining average market prices and shifts in product mix. Nevertheless, sales volume growth rates varied, leading to a mixed overall business performance. Tablet modules delivered a relatively strong performance, with sales volume increasing year-on-year by 124.4% to 24.9 million units. Despite a decline in average selling price attributable to changes in product mix, the relevant revenue increased by 27.7% year-on-year to RMB3,267.4 million, making it the Group's key source of growth. Sales of mobile phone modules decreased by 17.6% year-on-year to 39.0 million units during the Review Period. While the average selling price remained broadly stable at RMB43 to RMB44 within the year, it fell by approximately 10% compared with the same period last year. Affected by the drop in both sales volume and average selling price, the relevant revenue declined year-on-year by 25.5% to RMB1,694.9 million. Overall, while maintaining the scale of its existing brand customer base, the Group proactively expanded its tablet modules and medium-sized module businesses, thereby optimising its product mix and mitigating the impact of volatility in the mobile phone market on overall operations.

Sales volume[(Note)] of the Group by product segment during the Review Period and their respective year-on-year changes are as follows:

| **(Unaudited)** | **For the nine months ended 30 September** | | | | |
|---|---|---|---|---|---|
| | **2026** | | 2025 | | **Change** |
| | ***'000 units*** | ***%*** | *'000 units* | *%* | |
| **Sales of Products** | | | | | |
| Mobile Phone Modules | **38,992.0** | **61.1%** | 47,298.8 | 81.0% | **–17.6%** |
| Tablet Modules | **24,870.7** | **38.9%** | 11,082.5 | 19.0% | **+124.4%** |
| **Total** | **63,862.7** | **100.0%** | 58,381.3 | 100.0% | **+9.4%** |

*Note* Effective from the 2026 interim report of the Company, the Group will optimise and adjust its product classification for presentation purpose as follows: (1) sales volume of "Sales of Products – Commercial Display Products" will be merged into "Sales of Products – Tablet Modules"; (2) sales volume of "Sales of Products – Parts and Others" and "Other Services" as appeared in the 2025 annual report of the Company will no longer be separately reported to provide a more focused overview of the performance of the Group's core products.

Revenue[(Note)] of the Group by product segment during the Review Period and their respective year-on-year changes are as follows:

| **(Unaudited)** | **For the nine months ended 30 September** | | | | |
|---|---|---|---|---|---|
| | **2026** | | 2025 | | **Change** |
| | ***RMB million*** | ***%*** | *RMB million* | *%* | |
| **Sales of Products** | | | | | |
| Mobile Phone Modules | **1,694.9** | **33.5%** | 2,275.1 | 42.1% | **–25.5%** |
| Tablet Modules | **3,267.4** | **64.7%** | 2,558.2 | 47.3% | **+27.7%** |
| **Other Products and services** | **89.6** | **1.8%** | 574.0 | 10.6% | **–84.4%** |
| **Total** | **5,051.9** | **100.0%** | 5,407.3 | 100.0% | **–6.6%** |

*Note* Effective from the 2026 interim report of the Company, the Group will optimise and adjust its product classification as follows: (1) revenue from "Sales of Products – Commercial Display Products" will be merged into "Sales of Products – Tablet Modules"; (2) revenue from "Sales of Products – Parts and Others" and "Other Services" as appeared in the 2025 annual report of the Company will be combined into "Other Products and Services" for presentation purpose.

## OUTLOOK

Looking ahead, the smartphone market is expected to remain on a downward trajectory, and the operating environment is projected to weaken further in the fourth quarter, with the industry as a whole facing significant destocking and cost pressures. According to forecasts by Omdia, the global smartphone market is projected to decline by 12% year-on-year in 2026, with shipments falling to approximately 1,097 million units, and the full-year shipments of domestic smartphones are expected to drop by 7% year-on-year. The market structure continues to shift toward the high-end segment, while demand for entry-level products remains weak, and purchasing pressure is intensifying in emerging markets dominated by sales of affordable products. Affected by the aforesaid, brand customers are adopting a more conservative ordering strategy. In the small and medium-sized panel market, overall industry growth momentum is expected to slow down, constrained by contracting end-user demand and increasingly conservative procurement strategies adopted by brand customers. Meanwhile, market demand is undergoing structural changes with a-Si LCD panels expecting to retain their cost advantages and continue providing relatively stable demand support in the repair market as well as in medium-sized tablet applications.

In response to changes in the market environment, the Group will continue to deepen its synergies with the t9 production line of TCL China Star Optoelectronics Technology Co., Ltd., fully leveraging the advantages of its integrated panel-and-module to jointly enhance product competitiveness and supply chain efficiency, thereby maintaining deep cooperative relationships with first-tier brand customers. Looking ahead to the fourth quarter and full year of 2026, the Group will maintain the scale of its existing brand customer base while actively expanding its medium-sized panel businesses such as tablets. Through optimising the product portfolio, strengthening cost control and deepening strategic cooperation, the Group aims to smoothly navigate the rising memory chip price-cycle, further reinforce its operational resilience, and strive to create sustainable value for shareholders while laying a solid foundation for stable and long-term development.

## LIQUIDITY AND FINANCIAL RESOURCES

During the Review Period, the Group's principal financial instruments comprised cash and cash equivalents, short-term deposits and time deposits. According to the unaudited financial statements, the Group's cash and cash equivalents balance as at 30 September 2026 amounted to RMB242.4 million, of which 85.9% was in US dollar, 14.1% was in RMB. The Group's treasury deposits balance as at 30 September 2026 amounted to RMB877.2 million, such deposits were placed with TCL Technology Group Corporation ("**TCL Technology**") and its subsidiaries pursuant to the Master Financial Services (2026-2028) Agreement dated 13 October 2025 entered into among the Company, TCL Technology and TCL Technology Finance Co., Ltd.* (TCL 科技集團財務有限公司). As at 30 September 2026, 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 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, 28 October 2026

*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. 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.*