

DKE (1770.HK) 2026 Interim Results

Aug 2026

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01 Company Overview



A Global Leader in Smart IoT E-Paper Display Solutions

DKE 东方科脉



Leader

Global No. 1

Commercial Smart IoT

E-Paper Provider

26.3% market share¹



Production Scale

Largest Global

Production Footprint

4 production bases

55 dedicated lines²

DKE 东方科脉



Industry Experience

Early Mover

E-paper R&D since 2008

Launched large-format full-

color billboards

Developing full-color,

flexible, large-format

and e-schoolbag products



Solid Business Growth

Strong Volume Growth

Module shipments

49.0% CAGR, 2023–2025

85.5% YoY growth in 2025

Note 1: Based on 2024 revenue, according to CIC

Note 2: As of 30 June 2026

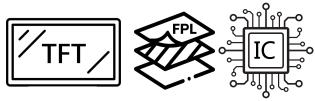
Focused on the R&D and production of smart IoT e-paper display solutions

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Upstream Business



E-Paper Module
Inputs



Key Components & Materials

- E-ink film
- TFT Substrates
- Driver ICs
- Other:
 - Structural components
 - PS protective film
 - FPC flexible circuit boards

Core Products



B&W Series



E6 Series



3-Color Series



Segment Display



Prism Series



4-Color (E5) Series



Flexible Series

Downstream Applications



Smart Retail



Smart Advertis



Smart Office



Smart Education



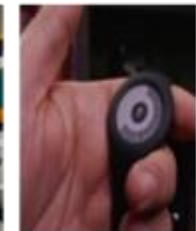
Smart Transportation



Smart Logistic



Smart Healthcare



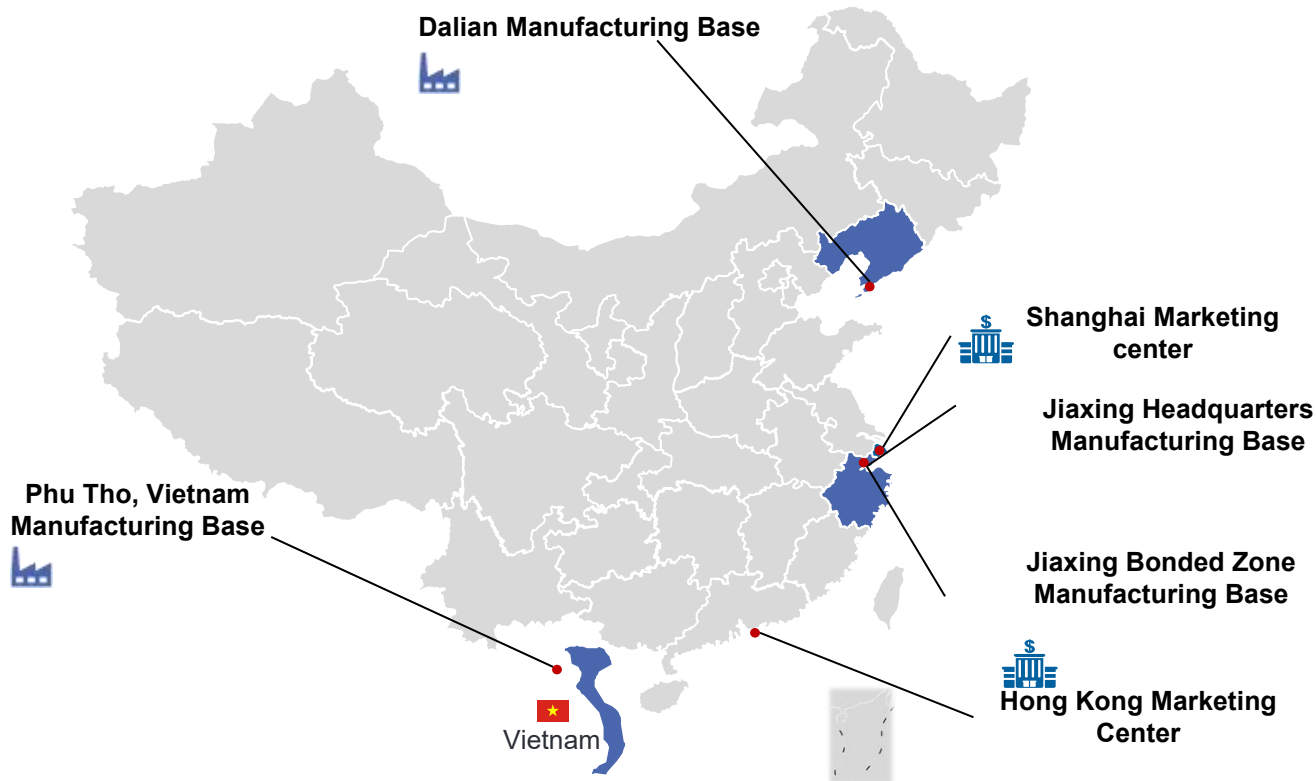
Smart Wearables



Hardware Wallet

Deep Technology and Manufacturing Expertise

Four production bases and two marketing centers work in synergy, providing strong manufacturing and sales capabilities



Growing Technology Capabilities

An R&D model centered on independent innovation, supplemented by open collaboration

Time of entry into the industry

2008

One of the earliest PRC players

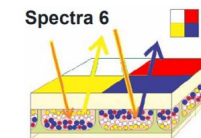
R&D staff

230

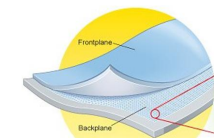
patents granted

97

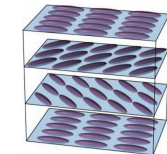
including 32 invention patents



Full-Color E-Paper



OTFT Flexible Backplane



Cholesteric LCD



Honors

National-level "Little Giant" Enterprise

Liaoning Province "Little Giant" Enterprise

Zhejiang Manufacturing Excellence

Demonstration Project for Manufacturing Transformation

Liaoning Province Manufacturing Champion Enterprise

Top 100 Manufacturing Enterprises in Dalian

8th China Innovation Challenge Excellence Award

2022 Liaoning Province "Specialized, Sophisticated, Distinctive and Innovative" Annual Product (Technology)

Jiaxing High-tech R&D Center

Innovative SME of Zhejiang Province

Jiaxing Enterprise Technology Center

High and New Technology Enterprise



E-Paper Technology Pioneer Award

IOTE
物联网展

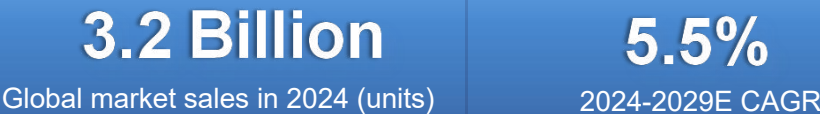
IOTE Gold Award

Core Technology Advantages Accelerate E-Paper Adoption

Core Advantages of Bistable, Reflective E-Paper



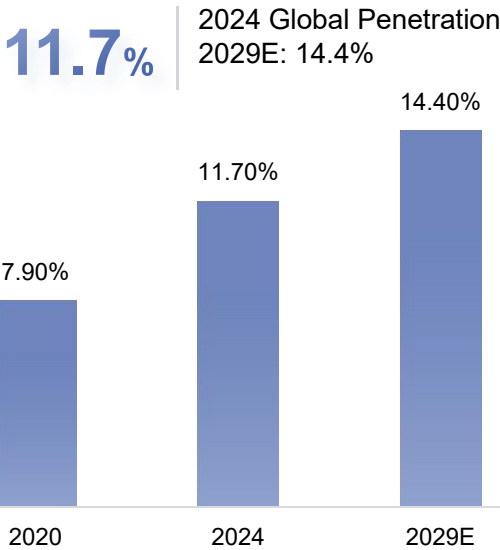
Market Size of Global Smart IoT Device Industry



Smart IoT E-Paper vs. Other Display Technologies

	Light Generation	Power / Area (mW/in ²)	Viewing Comfort	Flexibility	Eco Profile	Typical Applications
E-Paper	Reflective	0.1 - 1.0	Excellent—no blue light or flicker; sunlight-readable	√ (with flexible substrate technology)	High	Shelf labels, meeting-room displays, bus-stop signs, e-readers
LCD	Transmissive	150	Backlight; blue-light and flicker concerns	×	Low	Monitors, mid-size TVs, industrial instruments
LED	Self-emissive (point source)	>700	Strong blue-light and point-source glare	×	Relatively Low	Indoor/outdoor ad displays, backlit signage
OLED	Self-emissive (area source)	120 - 150	Blue-light and flicker concerns	√	Relatively Low	Smartphones, wearables, in-vehicle displays

Smart IoT E-Paper Market Penetration



Source: CIC

02 Performance Review

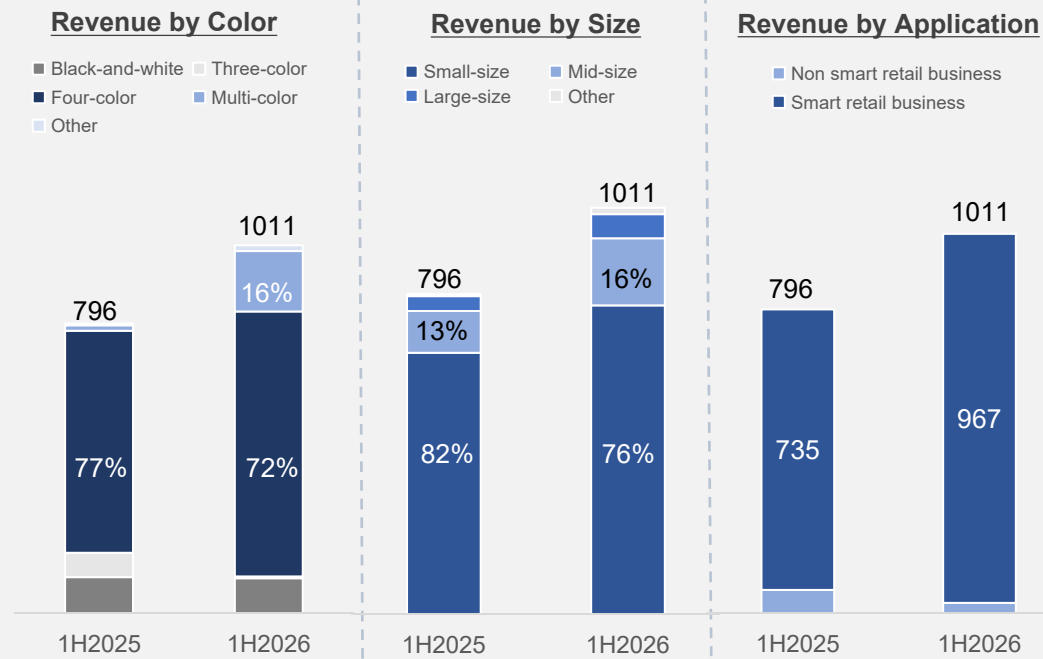


H1 revenue topped RMB 1 billion, with stronger core profitability

Revenue

- Core smart retail maintained steady growth, while color, large-format and flexible e-paper applications advanced
- Revenue increased approximately 27% YoY

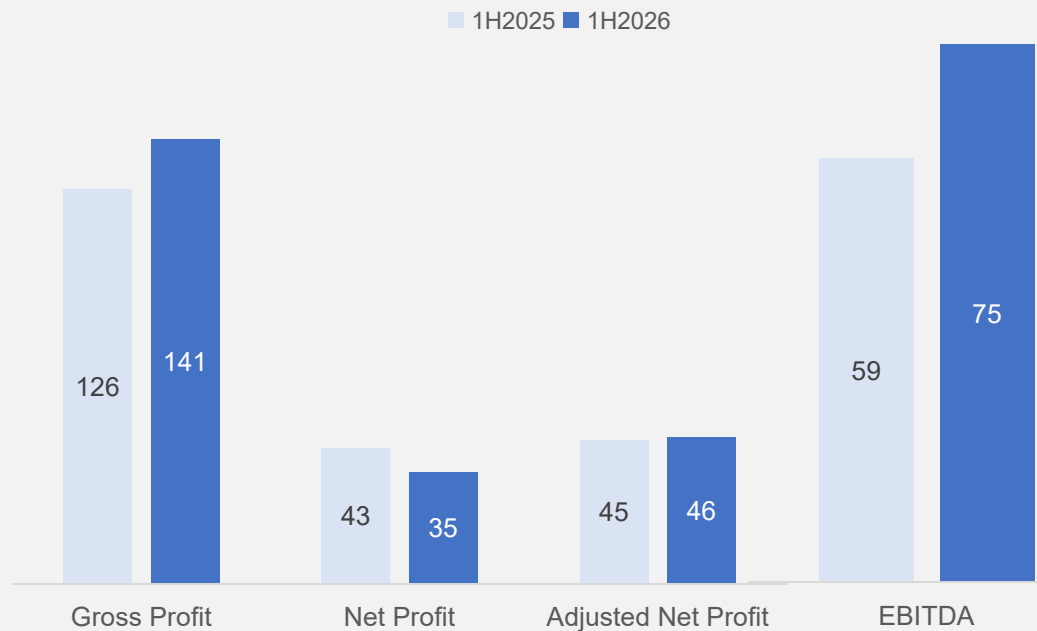
Unit: RMB million



Profitability

- Gross profit increased steadily, up approximately 12% YoY
- Adjusted net profit¹ edged up YoY
- EBITDA² increased 27% YoY

Unit: RMB million



Note 1: Adjusted net profit = profit attributable to owners of the Company + share-based payment expenses + foreign exchange gains/losses

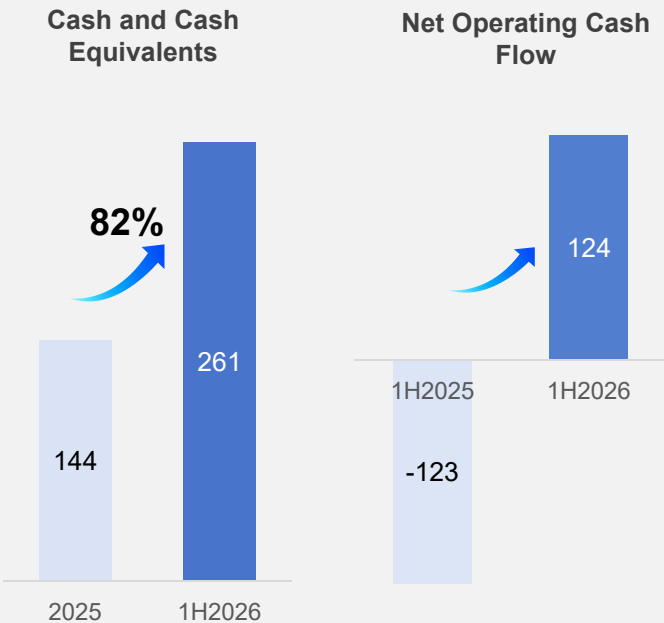
Note 2: EBITDA = profit before income tax + interest expense + depreciation and amortization

Stronger cash reserves, stable operations

Cash & Operating Cash Flow

- Cash and cash equivalents increased 82% from prior year-end
- Operating cash flow improved and turned positive

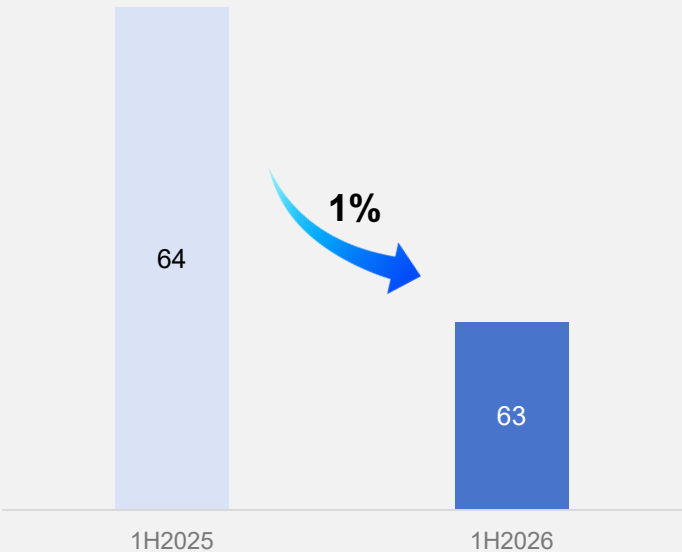
Unit: RMB million



Receivables Turnover Days¹

- Receivables turnover days continued to improve
- Stronger credit and payment-term management sustained healthy collections

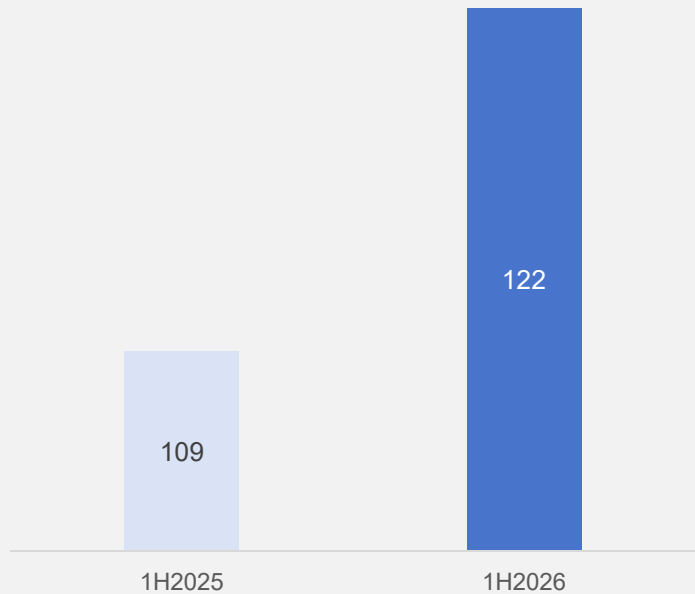
Unit: Days



Inventory Turnover Days²

- Inventory turnover days rose moderately due to new Vietnam production lines and inventory build-up for ramp-up

Unit: Days



Note 1: Receivables turnover days = 180 days × average trade receivables / revenue

Note 2: Inventory turnover days = 180 days × average inventory / cost of sales

Global Expansion Deepened as Overseas Revenue Accelerated

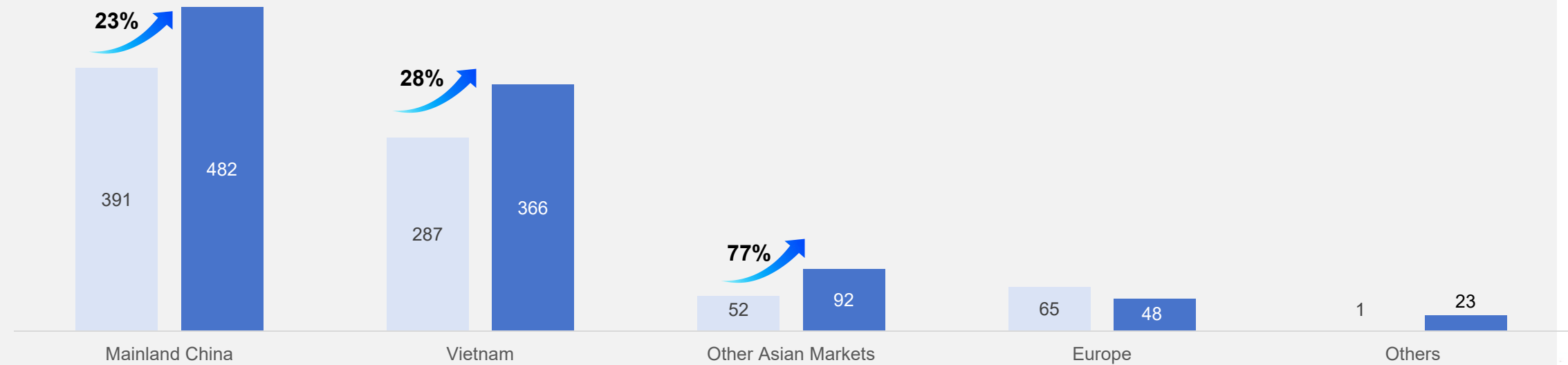
Revenue by Geography

Overseas revenue reached approximately RMB529 million, up 31% YoY; its share of total revenue rose from 51% to 52%:

- Vietnam revenue increased 28%
- Other Asian markets¹ revenue increased 77%
- Mainland China revenue increased 23%

Unit: RMB million

1H2025 1H2026



Note 1: Other Asian markets include Hong Kong, India, Japan, Malaysia, Singapore, South Korea and China Taiwan Province

Industry-Leading Scale, Growth and Operating Quality

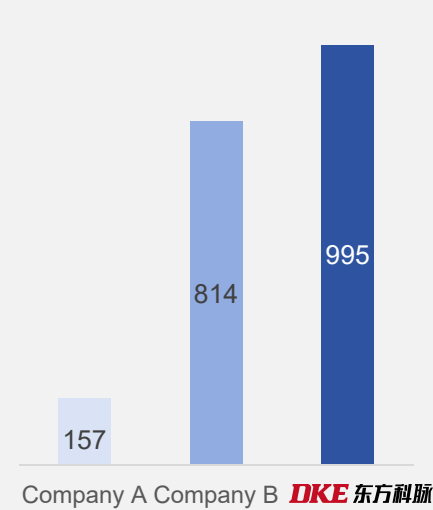
Selected Peer¹

As of June 30 2026, compared with Comparable Company

- Larger e-paper revenue base and faster growth
- Significantly stronger profitability
- Faster receivables turnover and more efficient cash collection
- More resilient operating cash flow

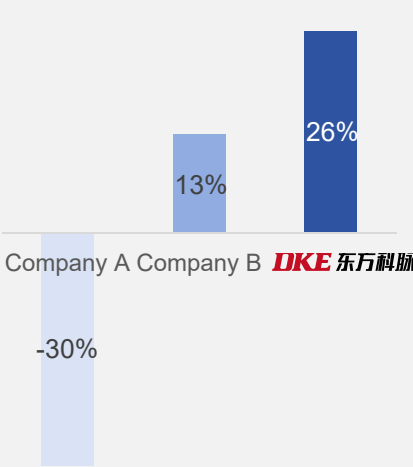
Unit: RMB million

E-paper Revenue



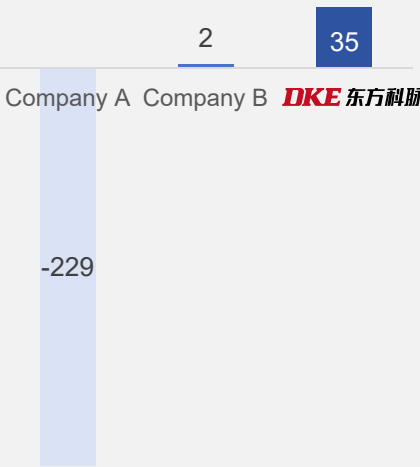
Unit: %

E-paper Revenue Growth



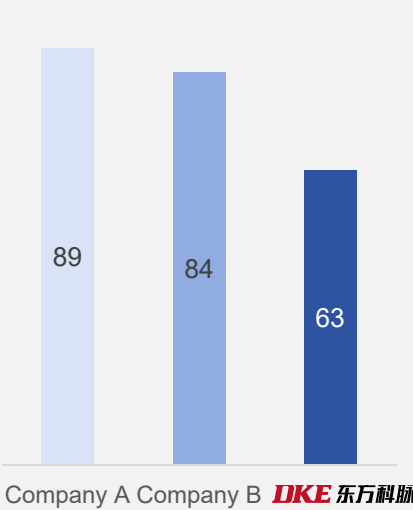
Unit: RMB million

Net Profit Attributable



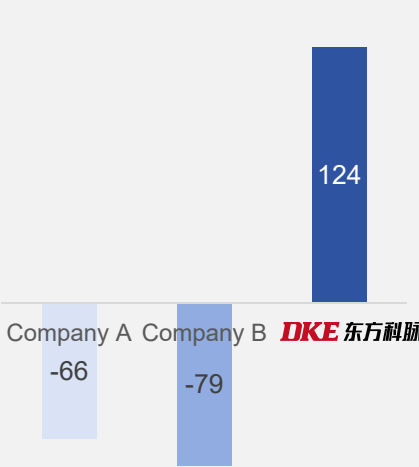
Unit: Days

Receivables Turnover Days



Unit: RMB million

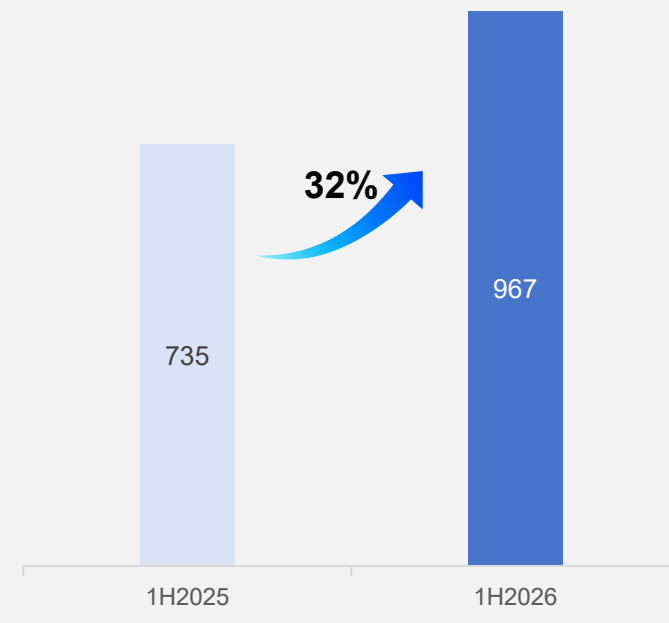
Net Operating Cash Flow



Note 1: The financial data of comparable companies comes from a summary of the publicly disclosed 2026 half-year reports

Smart Retail Revenue

Unit: RMB million



Strong Customer Loyalty
100% Repurchase Rate Among
 Top 10 Customers

Innovative Applications



03 Outlook





E-Paper: The Information Interface for the AIoT Era

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Retail Interaction

Pricing, sales and footfall data drive AI shelf-label updates



Transportation Interaction

Passenger flow, schedules and location data power smart travel



Healthcare Interaction

Clinical data supports AI-generated care information



Office Interaction

Agenda, attendance and participant data sync to meeting terminals



Warehouse Interaction

Inbound, outbound and location data enable real-time inventory



Education Interaction

Progress and homework data power personalized learning



Always-On
Low-Power

AI-Powered
Updates



E-Paper Hardware Wallet



Industry-Leading OTFT Flexible Displays

- Global pioneer in mass-produced flexible OTFT e-paper display modules
- 180° bendable design with ultra-low power consumption, lightweight durability and exceptional readability



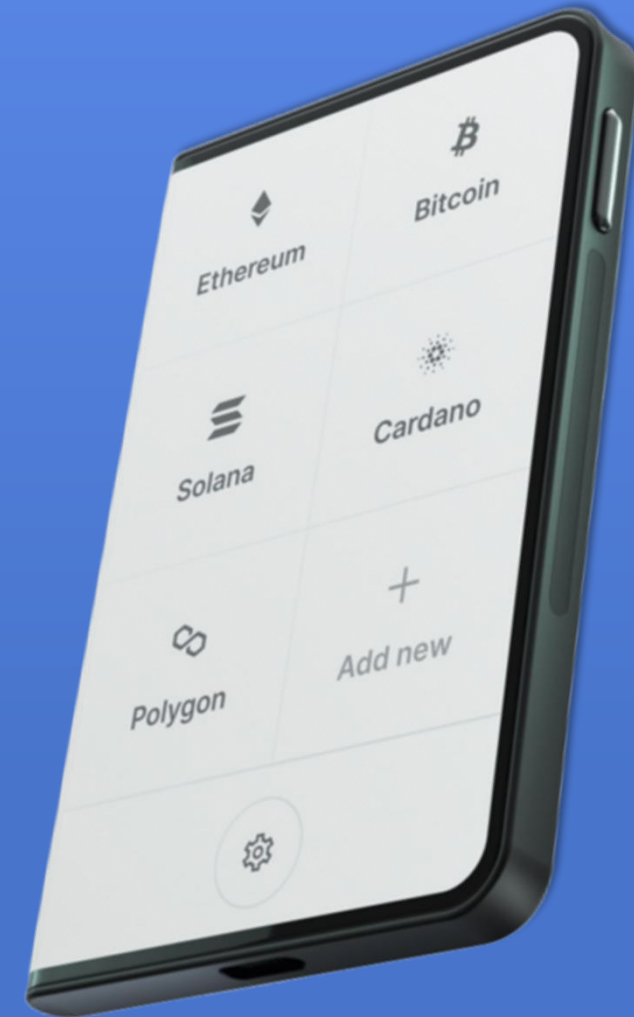
Growing Digital Asset Opportunities

- Rising adoption of cryptocurrencies and stablecoins drives demand for secure hardware wallets
- Expanding applications in cross-border payments, asset custody and identity authentication



Strategic Partnerships Expand Our Ecosystem

- Partnering with Ant Digital Technologies on digital wallets and trusted hardware devices
- Combining flexible displays and blockchain technology to unlock new digital asset applications





AI-Powered E-Paper Learning Tablet



Digital Textbook Upgrade

- Replacing printed textbooks with e-paper devices
- Accelerate the digitalization of educational content
- Eye-friendly, lightweight and energy-efficient



AI-Powered Personalised Learning

- Personalised instruction based on learning data
- Data insights enable targeted teaching



Strategic Value Chain Expansion

- Partnering with TCL CSOT and establishing Xingyong to expand into the educational device market
- Integrating core components and finished devices to capture opportunities in a fast-growing market

Green and Digital Demand Opens a New E-Paper Growth Cycle

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Global Green and Low-Carbon Policies Continue to Expand



- Paris Agreement
- UN Sustainable Development Goals (SDGs)



- China's "Dual Carbon" Goals
- Electronic Information Manufacturing Growth Action Plan (2023–2024)

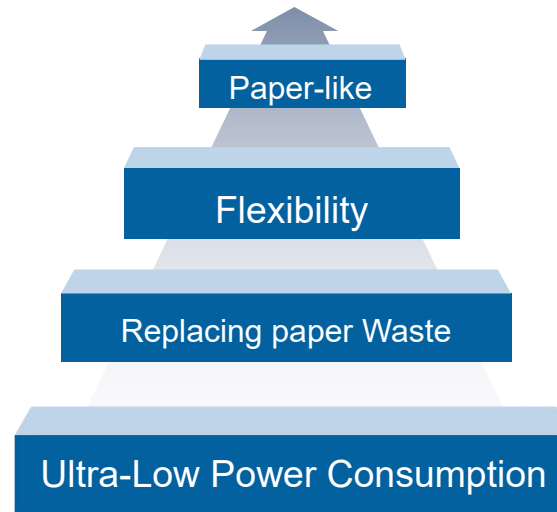


- Extended Producer Responsibility (EPR)



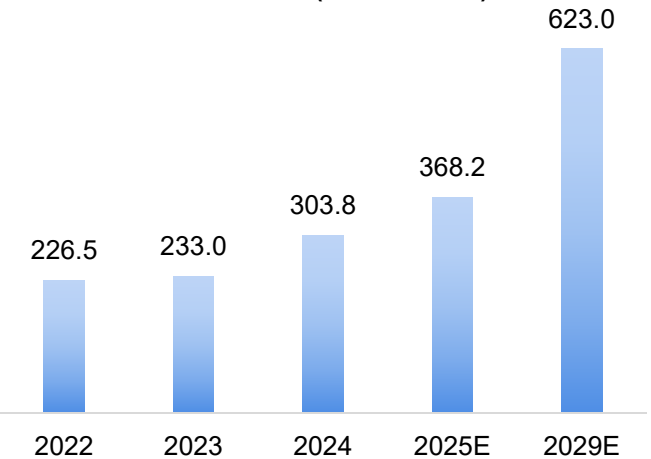
- Electronic Product Environmental Assessment Tool (EPEAT)

E-Paper as a Preferred Low-Carbon Display Solution



E-Paper Display Solutions Are Scaling Rapidly

Global Smart IoT E-Paper Display Solutions
Annual Sales Volume (million units)



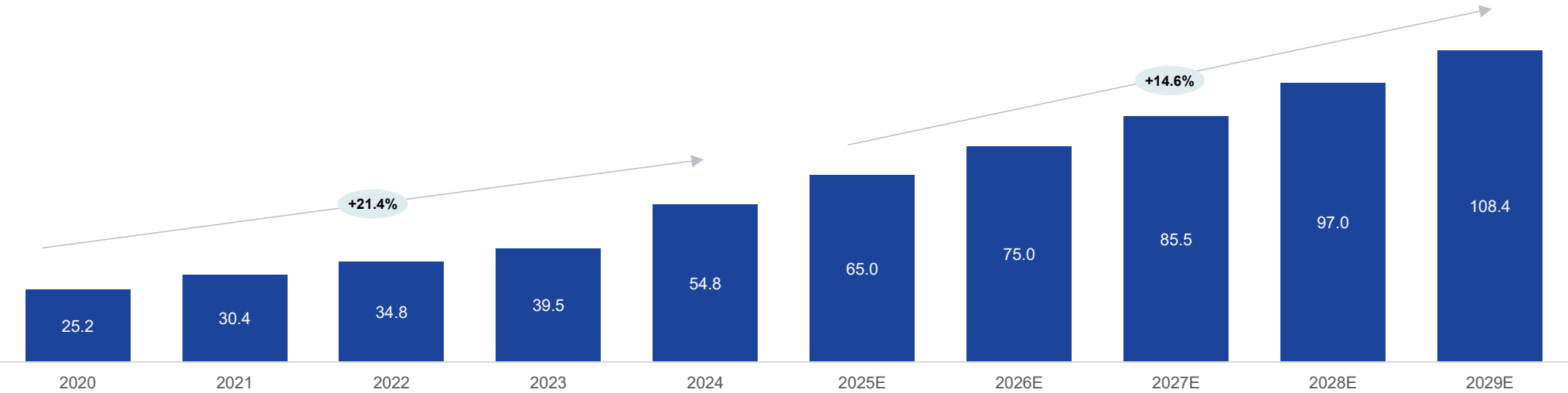
- GHG emission, purchased electricity use and water intensity below peer average
- Outstanding resource efficiency



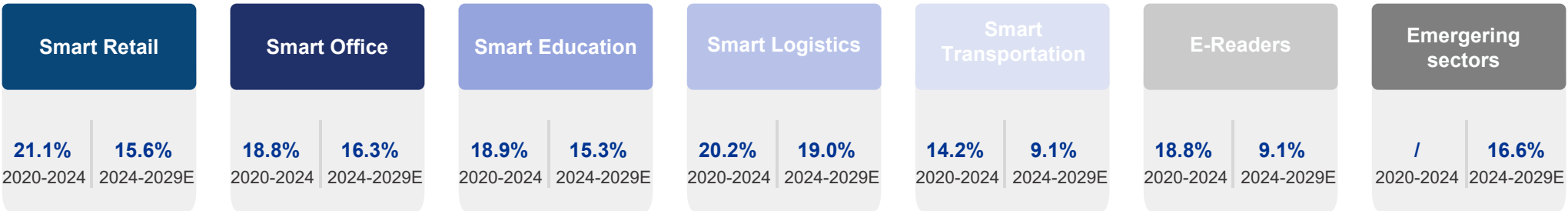
- Enhanced ESG Management
- Awarded EcoVadis Bronze
- Strengthened International Recognition

- Promoting Energy-Efficient E-Paper Products
- Aligning Business Growth with Environmental Responsibility

Smart IoT E-Paper Solutions Market Size and Outlook (2020–2029E, RMB bn)

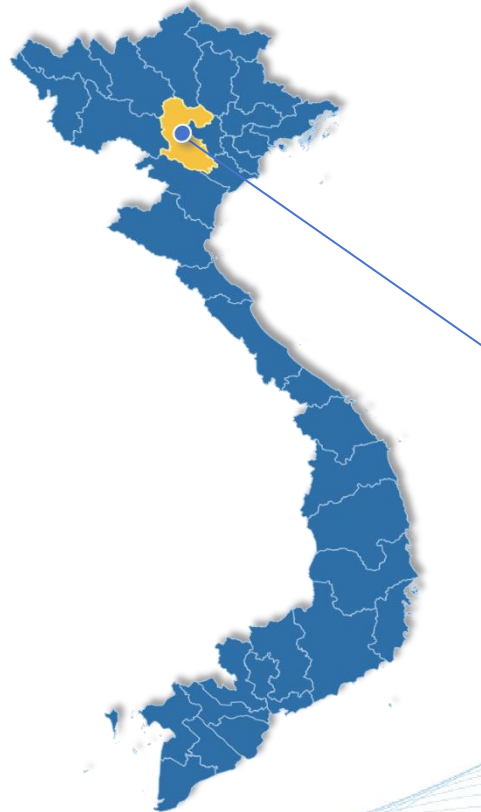
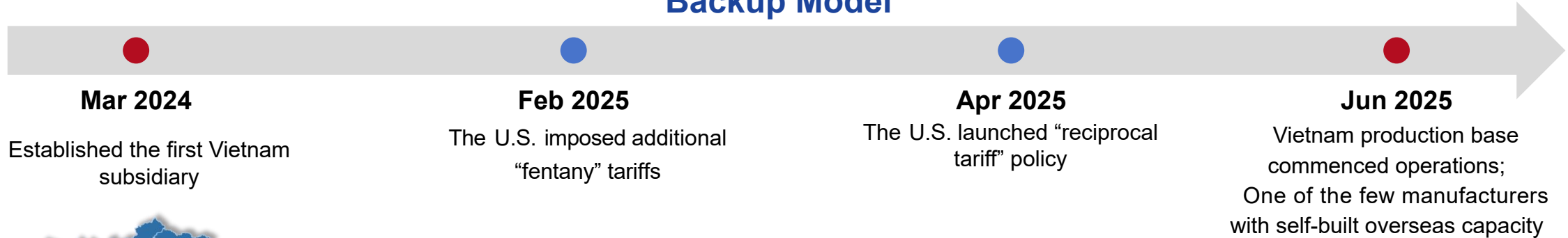


CAGR by Downstream Application for Smart IoT E-Paper Display Solutions (2020–2029E)



Global Capacity Strengthens Delivery Resilience

Global Capacity Footprint with a “China+1” Backup Model



➤ Total building area: 24,800 m²

➤ Automated SMT lines, precision assembly, AOI inspection and a fully integrated MES

➤ Building on a global production footprint



➤ Backup capacity in key overseas markets strengthens delivery resilience

➤ Mitigates geopolitical risk



➤ Capacity continues to ramp

04 Appendix



Consolidated Statement of Profit or Loss



	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Revenue	1,010,785	795,671
Cost of sales	-870,025	-670,060
Gross profit	140,760	125,611
General and administrative expenses	-46,555	-32,951
Selling and marketing expenses	-11,363	-10,521
Research and development expenses	-28,908	-25,994
Operating profit	47,509	52,109
Finance costs, net	-6,414	-3,383
Profit before income tax	41,095	48,726
Income tax expense	-6,305	-5,690
Profit for the period	34,790	43,036
Attributable to:		
— Owners of the Company	35,446	43,036
— Non-controlling interests	-656	—
	34,790	43,036

Consolidated Statement of Financial Position

	30 June 2026 RMB'000	31 December 2025 RMB'000		30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current assets			Non-current liabilities		
Property, plant and equipment	539,252	540,063	Borrowings	153,971	93,273
Right-of-use assets	50,346	53,193	Deferred income	35,596	37,394
Investments in associates	5,336	-	Total non-current liabilities	193,416	137,341
Other financial assets at FVOCI	20,139	20,783	Current liabilities		
Other non-current assets	18,920	2,915	Borrowings	305,685	323,289
Total non-current assets	643,470	627,442	Trade and bills payables	482,290	266,229
			Accruals and other payables	110,269	117,414
Current assets			Total current liabilities	915,267	738,589
Inventories	653,091	525,322	Net current assets	447,382	367,709
Prepayments and other receivables	16,198	5,755	Total liabilities	1,108,683	875,930
Trade and bills receivables	336,379	382,064	Equity		
Other financial assets at FVOCI	66,859	28,753	Equity attributable to owners of the Company		
Cash and cash equivalents	261,455	143,796	— Share capital	46,067	46,067
Time deposits and restricted cash	1,300	8,070	— Other reserves	416,148	410,998
Other current assets	27,367	12,538	— Retained earnings	435,221	399,775
Total current assets	1,362,649	1,106,298	Total equity	897,436	857,810
Total assets	2,006,119	1,733,740	Total liabilities and equity	2,006,119	1,733,740

Consolidated Statement of Cash Flows



	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Cash flows from operating activities		
Profit before income tax for the period	41,095	48,726
Adjustments for:		
Interest income	-295	-801
Finance costs	6,709	4,184
Depreciation and amortization of non-current assets	27,841	16,039
Net loss on disposal of PP&E and other non-current assets	272	537
Impairment losses on financial assets	400	2,590
Provision for inventory impairment	218	8,350
Gain on disposal of financial assets	-	-85
Net foreign exchange losses	7,095	2,376
Share-based compensation expenses	7,467	-866
Others	-1,798	-1,777
Changes in working capital:		
Increase in receivables	-16,693	-109,925
Increase in payables	179,064	85,255
Increase in inventories	-127,989	-167,635
Cash generated from/(used in) operations	123,386	-113,032
Interest received	295	801
Income tax paid	-	-10,875
Net cash generated from/(used in) operating activities	123,681	-123,106

Thank You!



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