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TCL ELECTRONICS HOLDINGS LIMITED

TCL 電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

RESULTS ANNOUNCEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Board is pleased to announce the consolidated results and financial position of the Group for the year ended 31 December 2025 with comparative figures for the corresponding period of the preceding financial year.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2025	2024	Change
	HK\$ Million	HK\$ Million	
Revenue	114,583	99,322	15.4%
Gross profit	17,900	15,554	15.1%
Profit after tax	2,527	1,849	36.7%
Profit attributable to owners of the parent	2,495	1,759	41.8%
Non-HKFRS measure:			
Adjusted profit attributable to owners of the parent	2,512	1,606	56.5%
Proposed final dividend per share (HK cents)	49.80	31.80	56.6%

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

1. Overview

Significant trends towards mid-to-high-end and large-screen products in the global TV industry, with innovative smart hardware and consumer-grade clean energy becoming new growth drivers

In 2025, the global economy maintained resilient growth amid a volatile trade environment, with emerging economies leading in growth rates. The global TV industry saw stable demand with further improvement in brand concentration, while the importance of consumers' emotional value and entertainment experience became particularly prominent, with smart, mid-to-high-end and large-screen products being highly favoured. Global TV shipment in 2025 reached approximately 209 million sets, of which shipment of large-screen TVs of 65 inches and above recorded a year-on-year increase of 5.3%¹. Mini LED display technology developed rapidly, and with its advantages of high contrast, high brightness and low power consumption, it has become the mainstream solution in the high-end display segment. The global penetration rate of Mini LED TV shipment in 2025 doubled year-on-year, increasing by 3.0 percentage points from 3.1% in 2024 to 6.1%². According to Omdia's forecast, driven by multiple factors including the tailwinds from the 2026 FIFA World Cup in the United States, Canada and Mexico, the iteration of high-end display technologies, and the empowerment of AI technologies, global TV shipment is expected to be stable in 2026. Among them, shipment of Mini LED TVs will see robust growth, and the industry trends toward premiumisation and larger screen will continue to strengthen.

¹ Source: Global brand TV shipment of 2025 from Omdia.

² Source: Global brand Mini LED TV shipment of 2025 from Omdia.

Meanwhile, generative AI technology experienced explosive development in 2025, with computing power, algorithms and end-user devices undergoing coordinated upgrades, driving the rapid proliferation of capabilities such as multimodal interaction, content generation and smart assistants, and became the core engine for digital economy and smart hardware upgrades. The application scenarios of generative AI continued to expand, with the most inclusive and widely adopted applications concentrated in various consumer electronic products such as TVs, smart glasses and smart robots, which are highly aligned with the Group's core business layout. In smart TV and other large-screen scenarios, generative AI enables precise content recommendation, natural voice interaction, and generation of family entertainment and educational content, creating immersive and personalised smart living-room experiences. In terms of smart glasses and other new wearable devices, generative AI combines AR vision and voice interaction to provide capabilities such as real-scene navigation, instant translation and information prompts, building a next-generation human-machine interaction portal that frees hands and offers a what-you-see-is-what-you-get experience. With respect to smart companion robots, it provides smart and warmer companionship and interactive experiences for families, the elderly and children through emotional understanding, conversational interaction and scenario-based companionship.

In terms of consumer-grade clean energy, the global photovoltaic industry maintained strong growth in 2025. According to preliminary statistics, the global newly installed photovoltaic capacity in 2025 was approximately 607GW, setting a new historical record³. As at the end of 2025, the global cumulative installed photovoltaic capacity exceeded 2,800GW, with the position of photovoltaic power generation in the global energy mix becoming increasingly consolidated. As the world's largest photovoltaic market, the PRC continued to lead industry development in 2025. According to official data from the National Energy Administration of the PRC, the PRC's newly added grid-connected photovoltaic capacity reached 317GW in 2025, of which distributed photovoltaics accounted for 153GW, representing nearly half of the total and demonstrating enormous potential of distributed photovoltaics in the PRC market⁴. As at the end of 2025, the PRC's cumulative installed photovoltaic capacity reached 1,200GW.

³ Source: Internal report of the Group based on photovoltaic installation data for 2025.

⁴ Source: Photovoltaic installation data for 2025 from National Energy Administration of the PRC.

Firmly adhering to the dual-drive strategy of “Globalisation” and “Mid-to-High-End”, with significant enhancement in operational quality and commercial value

The Group seized industry development opportunities by leveraging the dual-drive strategy of “Globalisation” and “Mid-to-High-End” and adhering to technological innovation as the core driving force, thus continuously achieving breakthroughs in product competitiveness whilst vigorously advancing synergistic development across all categories to build a more competitive product matrix. Moreover, through actively expanding global channels and premium resources, continuously expanding channel coverage, accelerating store penetration rate and consolidating the foundation for globalised markets, the Group has achieved quality growth in global business and continuously strengthened overall profitability.

In 2025, the Group achieved revenue of HK\$114,583 million, representing a year-on-year increase of 15.4%, and its gross profit reached HK\$17,900 million, representing a year-on-year increase of 15.1%. The Group continued to strengthen the building of various core capabilities, strictly controlling costs and expenses, refining operational management, and comprehensively enhancing operational efficiency, with the overall expense ratio⁵ decreasing by 0.7 percentage points year-on-year to 11.1%. In 2025, the Group continued to make breakthroughs in product mix, technological leadership and quality enhancement, achieving healthy growth in business scale. Coupled with continuous improvement in internal operational efficiency, the Group’s overall profitability continued to be optimised. In 2025, the Group’s profit after tax increased by 36.7% year-on-year to HK\$2,527 million, and adjusted profit attributable to owners of the parent reached HK\$2,512 million, representing an increase of 56.5% compared with HK\$1,606 million in the corresponding period of the previous year.

The Group’s financial position remained robust, with the net gearing ratio⁶ maintained at a healthy level of 0.0%, and cash and cash equivalents increased by 54.2% year-on-year to HK\$13,522 million, providing ample financial support for business development and strategic investments. To reward Shareholders for their long-term support, the Group has maintained a high dividend payout policy since 2017. The Board proposed a final cash dividend of HK49.80 cents per share for 2025, with a dividend payout ratio of approximately 50% of adjusted profit attributable to owners of the parent, demonstrating the Group’s sincerity in sharing development results with Shareholders.

⁵ Overall expenses include selling and distribution expenses and administrative expenses.

⁶ Gearing ratio (net) is calculated as net debt (i.e. total interest-bearing bank and other borrowings and lease liabilities less cash and cash equivalents, and restricted cash and pledged deposits) divided by equity attributable to owners of the parent.

Display business maintaining global leadership, internet business sustaining high profitability, and innovative business achieving continuous scale expansion

Benefitting from effective enhancement of brand influence, efficient expansion of global channels and continuous optimisation of product mix, the Group's display business revenue in 2025 increased by 9.2% year-on-year to HK\$75,797 million, gross profit increased by 16.4% year-on-year to HK\$12,476 million, and gross profit margin increased by 1.1 percentage points year-on-year to 16.5%. Among these, the gross profit margin of the large-sized display business increased by 1.3 percentage points year-on-year to 16.8%. In 2025, TCL TV's ranking consistently remained at the second position among global branded TVs⁷; TCL Mini LED TV global shipment surged by 118.0% year-on-year, with its shipment scale consistently ranking first globally⁸. The Group continued to expand its channel layout and deepen the development of key channels, driving TCL TV to rank among the top three in retail sales volume in over 20 countries worldwide⁹.

The internet business seized new opportunities arising from AI technology development and deeply cultivated the global home internet sector, achieving simultaneous improvement in business scale and earnings quality. In the international market, the Group continued to deepen strategic cooperation with international giants such as Google, Roku and Netflix, with flagship models pioneering the industry to integrate Google Gemini, and upgraded the AI interactive experience, whilst completing a comprehensive upgrade of its content aggregation application, TCL Channel. The proportion of high-quality content in Europe, Latin America and other regions doubled, driving a year-on-year doubling of local average daily total usage duration. By the end of 2025, cumulative users exceeded 45.70 million, with commercialisation and monetisation capabilities significantly strengthened. In the domestic market, leveraging its proprietary OTT smart device operating platform, the Group focused on AI content generation and interactive experience upgrades, established a proprietary copyright "Content Factory" through AIGC, and enhanced the efficiency of AI-powered comic drama creation through a self-developed tool Agent. The AI hardware product Amby Uni was successfully launched to the market, continuously optimising the business structure and consolidating the Group's leading position in the global home internet sector. In 2025, internet business revenue increased by 18.3% year-on-year to HK\$3,109 million, with gross profit margin increasing by 0.2 percentage points year-on-year to 56.4%.

⁷ Source: Global brand TV shipment of 2025 from Omdia.

⁸ Source: Global brand Mini LED TV shipment of 2025 from Omdia.

⁹ Source: Internal report of the Group based on TV retail sales volume of 2025.

The innovative business continued to expand in scale, with revenue in 2025 surging by 31.9% year-on-year to HK\$35,628 million. Among these, the photovoltaic business adhered to an asset-light operating model, flexibly adapting to market changes, and building a solid foundation for high-quality development. During the year, the Group focused on building market-based power trading capabilities, effectively balancing scale expansion and operational quality through deepening channel synergy and financial support. Benefitting from this, the newly installed capacity of domestic residential distributed photovoltaics reached new highs, with market share significantly increasing, and operational efficiency and competitive advantages further consolidated. Meanwhile, the Group steadily advanced its globalisation layout, with the European market achieving tangible business expansion. In 2025, photovoltaic business revenue increased by 63.6% year-on-year to HK\$21,063 million, and gross profit increased by 47.5% year-on-year to HK\$1,815 million, demonstrating outstanding market competitiveness and development resilience.

Technology leadership driving core breakthroughs in premiumisation, distributed production capacity efficiently meeting global delivery, and precision brand communication achieving value enhancement

The Group continued to increase investment in R&D, focusing on core areas such as AI technology, display technology, smart hardware and home energy management, comprehensively driving upgrades in products, services and operational efficiency. In 2025, the Group's R&D costs increased by 8.5% year-on-year to HK\$2,532 million. In terms of product and service innovation, the Group comprehensively introduced AI applications to optimise user experience. On the TV OS front, the Group was among the first in overseas markets to integrate Gemini, strengthening smart interaction and content monetisation potential. In the domestic market, the Fuxi AI Large-Language Model was integrated to enhance human-machine interactive experience, and a self-developed AI creation platform was established, driving the children-related business to achieve dual growth in reputation and performance and effectively enhancing user loyalty. In the display technology field, the Group focused on Mini LED and launched in September 2025 the world's first flagship product TCL X11L TV equipped with SQD-Mini LED display technology, relying on three core technologies of Super Backlight, Super QLED and Super Screen, achieving five core advantages of all-screen wide colour gamut, zero colour crosstalk, more dimming zones, higher brightness and a thinner overall body, and winning the 2026 CES Display Gold Award. Meanwhile, the Group launched NXTPAPER 4.0 technology during the year, achieving full-scenario eye protection and productivity enhancement and ushering in a new revolution in eye care for office work. In terms of smart hardware and emerging technologies, mass production of full-colour Micro-LED for AR glasses was achieved, making breakthroughs in AR optical technology.

At the same time, the Group also broadly applied AI technology to innovative smart products. In 2025, the Group launched TCL AiMe, the world's first modular smart home companion robot featuring an adorable bionic appearance design paired with a movable space capsule base. This robot is not only capable of multimodal natural interaction, but can also continuously learn and adapt to the behavioural habits of family members through daily interactions, providing personalised interactive experiences for each family member, thus showcasing the Group's innovative capabilities in the convergence of "AI x IoT x robotics".

In terms of operating efficiency, the Group has fully introduced AI applications across the entire value chain including R&D, manufacturing, supply chain and sales. Among these, in R&D, the Group has significantly improved R&D efficiency and gross profit per capita through AI automated testing, assisted coding and intelligent search for research and production. In manufacturing, the Group has enhanced production efficiency and on-time order delivery rate through the application of AI visual inspection, quality prediction analysis and intelligent knowledge bases. In the supply chain, the Group has achieved cost reduction of materials through multi-dimensional demand forecasting, AI cost reduction analysis and production capacity planning. In terms of sales, the Group has driven growth in store sales through AI-enhanced marketing content efficiency, sales simulation training and store performance empowerment. Meanwhile, the Group has continuously optimised its operating processes, achieved cost reduction and efficiency enhancement through digital intelligence, and strengthened its core competitiveness.

In terms of production capacity and supply chain, amid the wave of de-globalisation, the global landscape has shifted to a model emphasising “efficiency + security”, driving the restructuring of global supply chains towards “regionalisation and localisation”. The Group possesses vertically integrated supply chain advantages and continues to deepen its globalised production capacity layout, responding to the complex and volatile global market environment with a flexible and efficient operating system. The Group has a global TV production capacity exceeding 30 million sets, with production bases in the PRC, Vietnam, Poland, Mexico, Brazil, Pakistan and other locations. Such distributed layout has supported flexible allocation of supply priorities to promptly meet changes in global market demand.

In brand marketing and channel management, the Group adhered to a strategy combining globalisation, regionalisation and localisation, formulating differentiated precision marketing tactics tailored to the characteristics and consumer preferences of different markets. In 2025, TCL leveraged the opportunity of becoming a Worldwide Olympic Partner, whilst utilising regional marketing, new media communication, as well as major exhibitions and product launch events, to comprehensively enhance TCL’s global brand influence and value. TCL has been selected as the “Google x Kantar BrandZ Top 50 Chinese Global Brand Builders” for nine consecutive years, moving up one spot from the previous year to No.10, with brand power surging by 20%. Meanwhile, the Group managed the global markets under six major marketing and sales regional functions, namely the PRC, North America, Europe, Latin America, Asia-Pacific and Middle East and Africa, gained all-category channel insights and realised refined channel management, with the coverage rate of top 50 channels currently exceeding 95%.

2. Display Business

2.1 Large-Sized Display

TCL TV global shipment consistently ranking second, TCL Mini LED TV market share ranking solid first globally, with product mix optimisation driving profitability enhancement

In 2025, the Group's large-sized display business achieved a rapid growth surpassing the industry, leveraging outstanding product competitiveness and global channel advantages, with product mix optimisation delivering remarkable results and overall gross profit margin steadily improving. The large-sized display business achieved revenue of HK\$64,708 million during the year, representing a year-on-year increase of 7.7% gross profit reached HK\$10,896 million, representing a year-on-year increase of 17.2%. According to Omdia data¹⁰, TCL TV's global shipment market share reached 14.7%, representing a year-on-year increase of 0.8 percentage points and consistently ranking second globally; global sales revenue market share reached 13.1%, representing a year-on-year increase of 0.7 percentage points and ranking among the top three globally.

Product mix continued to be optimised, with shipment of 65-inch and above TCL TVs increasing by 22.7% and its proportion increasing by 4.5 percentage points year-on-year to 30.5%; shipment of 75-inch and above TCL TVs increased by 21.7%, with its proportion increasing by 2.2 percentage points year-on-year to 15.4%; global average shipment screen size reached 54.2 inches, representing a year-on-year increase of 1.6 inches. TCL Mini LED TV global shipment surged by 118.0% year-on-year, with its proportion increasing by 6.8 percentage points year-on-year to 13.0%, and shipment market share reaching 31.1%, ranking firmly at the first position globally¹¹, which demonstrated the Group's technological leadership and market competitiveness in the high-end display segment.

¹⁰ Source: Global brand TV shipment of 2025 from Omdia.

¹¹ Source: Global brand Mini LED TV shipment of 2025 from Omdia.

International Market

The international market is the core growth driver of the Group's large-sized display business. In 2025, revenue of TCL TV reached HK\$47,504 million, representing a year-on-year increase of 15.7%, with gross profit increasing by 29.4% year-on-year to HK\$7,165 million. The large-screen trend in the international market continued to accelerate, with shipment of 65-inch and above and 75-inch and above TCL TVs surging by 50.0% and 68.2% year-on-year and their proportions increasing by 6.7 and 3.6 percentage points year-on-year to 24.2% and 10.0%, respectively. Shipment of TCL Mini LED TV surged by as much as 228.0% year-on-year, with its proportion increasing by 7.1 percentage points to 10.6%. Benefitting from the optimisation of product mix, the gross profit margin from international market increased by 1.6 percentage points year-on-year to 15.1%, with the premiumisation strategy delivering remarkable results.

- **European Market:** In 2025, the Group achieved full coverage of key channels, driving revenue up by 13.9% year-on-year. The mid-to-high-end product matrix was further refined, with product mix continuing to upgrade towards higher value and higher gross profit margin, demonstrating strong structural growth momentum. Shipment of 65-inch and above and 75-inch and above TCL TVs increased significantly by 74.5% and 120.1% year-on-year, with their proportions increasing by 8.6 percentage points and 4.7 percentage points to 24.7% and 9.6%, respectively. Brand influence and channel coverage were further enhanced, with market share in key countries achieving breakthroughs. TCL TV ranked second in retail sales volume in France, Sweden and Poland, and ranked third in Spain, Greece, Belgium and the Czech Republic¹². In the future, the Group plans to continue expanding store coverage and developing more small-and-medium-sized channels.

¹² Source: Internal report of the Group, based on TV retail sales volume of 2025.

- **North American Market:** The Group continued to optimise its channel mix, actively increasing the proportion of sales through mid-to-high-end channels, driving growth in the proportion of mid-to-high-end products, and achieving dual improvement in revenue and ASP. In 2025, the revenue increased by 11.2% year-on-year. Shipment of 65-inch and above TCL TVs increased by 35.1% year-on-year, with its proportion increasing by 10.7 percentage points to 33.9%. Shipment of 75-inch and above TCL TVs increased by 45.7% year-on-year, with its proportion increasing by 5.9 percentage points to 16.1%. The effective implementation of the mid-to-high-end strategy in the North American market, combined with outstanding picture quality, innovative experience and a wider variety of product portfolio, drove an over 20% year-on-year increase in ASP. In 2025, TCL TV's retail sales volume market share in both the United States and Canada consistently ranked third¹³.
- **Emerging Market:** The Group actively expanded coverage of key channels and continued to advance the dual-track strategy of synergistic development between offline channels and e-commerce platforms, effectively unleashing the potential for scale growth and driving a 19.8% year-on-year increase in TCL TV revenue in 2025. Among these, shipment of 65-inch and above TCL TVs surged by 53.7% year-on-year, and shipment of 75-inch and above TCL TVs increased by 76.3% year-on-year, with the large-screen trend accelerating. TCL TV ranked first in retail sales volume in Australia, the Philippines and Argentina, second in Brazil, Saudi Arabia, Russia, Pakistan and Myanmar, and third in Thailand, Vietnam, South Korea and other countries¹⁴, with market influence continuing to expand.

¹³ Source: Circana, US retail market survey report, based on TV retail sales volume of 2025.

¹⁴ Source: Internal report of the Group, based on TV retail sales volume of 2025.

The PRC Market

In terms of the PRC market, affected by the gradual withdrawal of “trade-in” subsidy policies and weak consumer demand, the overall industry shipment declined by 9.8%¹⁵ year-on-year. Amid the challenging industry downturn, the Group has firmly advanced its mid-to-high end strategy and effectively capitalised on the large-screen and mid-to-high end trend. In 2025, TCL TV’s market share in terms of retail sales volume and revenue rose by 0.9 percentage points and 1.1 percentage points to 22.2% and 24.2%¹⁶ respectively, demonstrating strong operational resilience.

In 2025, the Group’s TV shipment outperformed the industry, while its product mix continued to improve, with core high-end products delivering outstanding performance. Among them, TCL Mini LED TV shipment increased by 33.6% year-on-year, with its proportion increasing by 7.2 percentage points year-on-year to 22.5%; TCL QLED TV shipment increased by 29.6% year-on-year, with its proportion increasing by 6.4 percentage points year-on-year to 21.2%. The high-end product portfolio continued to expand. Product mix upgrades further deepened the large-screen and mid-to-high end trends, effectively driving the overall gross profit margin to increase by 1.9 percentage points year-on-year to 21.7%, with significant improvement in profitability and steady enhancement in operational quality. Due to contraction of the overall industry scale, TCL’s TV business achieved revenue of HK\$17,204 million in 2025, representing a year-on-year decrease of 9.7%. However, by focusing on product mix optimisation and quality and efficiency improvement, the Group has continued to build long-term development momentum. During the 2025 “Double 11” shopping festival, the Group’s TV products ranked first¹⁷ in the industry in terms of online channel sales revenue market share, further consolidating its leading market position. The achievements of its mid-to-high end transformation have been highly recognised by the market.

¹⁵ Source: The PRC market brand TV shipment of 2025 from Omdia.

¹⁶ Source: CMM’s omni-channel data, based on TV retail sales volume of 2025.

¹⁷ Source: CMM’s weekly online monitoring data, from 6 October 2025 to 16 November 2025.

2.2 Small-and-Medium-Sized Display

Deeply cultivating tier-one carrier channels in Europe and North America, with NXTPAPER eye-care technology undergoing continuous iteration

In 2025, the global smartphone market saw a moderate recovery trend, with global smartphone shipment in 2025 growing by approximately 2% to 1.26 billion sets, the highest level in nearly 4 years. The global tablet market also maintained growth, with global shipment in 2025 reaching approximately 152 million sets, representing a year-on-year increase of 5.0%, and maintaining growth for two consecutive years¹⁸. Against this backdrop, the Group's small-and-medium-sized display business adhered to the strategy of "prioritising efficiency and focusing on key markets", deeply cultivated tier-one network carrier channels in Europe and North America, and consolidated strategic relationships with core partners, achieving steady development. In 2025, the Group's small-and-medium-sized display business revenue increased by 17.8% year-on-year to HK\$9,968 million, with gross profit increasing by 10.4% year-on-year to HK\$1,437 million.

In terms of products, the Group continued to lead the innovative iteration of NXTPAPER eye-care display technology. On the mobile phone front, the Group launched the flagship smartphones TCL NXTPAPER 60 Ultra and TCL NXTPAPER 70 Pro, equipped with the industry-leading NXTPAPER 4.0 Colour Ink Eye Protection Display Technology, integrating circular polarised light, nano-level etching and full-chain low blue light technology. The upgraded "Super Reading Mode", supported by low power consumption technology, enables up to 10 days of immersive reading, perfectly combining flagship performance with e-reader advantages. On the tablet front, the Group launched the flagship TCL NXTPAPER 11 Plus, featuring an 11.5-inch NXTPAPER 4.0 eye-care large screen, with softer anti-glare properties, clearer and more refined images, and a comfortable and natural paper-like visual experience. Combined with smart and personalised eye-care modes, it meets users' different usage scenarios and preferences, ensuring the screen always presents the optimal visual effect. Meanwhile, as the first NXTPAPER tablet equipped with AI functions, it enables AI-assisted writing, text selection and drag, AI translation, AI subtitles, smart voice memo, and circle-to-search functions, efficiently handling various text and voice tasks to enhance learning and work efficiency. The above new products have been widely acclaimed in the market since their launch in 2025, attributable to their outstanding differentiated experience.

¹⁸ Source: Global shipment of brand mobile phones and brand tablets of 2025 from IDC.

In 2026, the Group unveiled two new products equipped with NXTPAPER display technology at CES 2026, namely the smartphone NXTPAPER 70 Pro and the electronic handwriting notebook Note A1 NXTPAPER. NXTPAPER 70 Pro features a 6.9-inch NXTPAPER 4.0 screen with a matte texture similar to e-ink displays, and reintroduces the “Max Ink Mode” function, combined with Focus Mode and Quick Launcher, which are designed to eliminate distraction and maximise users’ focus on the content itself. Note A1 NXTPAPER, as a productivity tool integrating “true paper-feel display”, “all-round AI assistant” and “professional-grade writing”, aims to revolutionise users’ learning, creation and information processing experience. The Group will continue to deepen the innovative application of NXTPAPER eye-care technology, bringing consumers a healthier and more comfortable living experience.

2.3 Smart Commercial Display

Focusing on structural optimisation domestically, expanding high-end clients overseas

The Group’s smart commercial display business leveraged the globally leading resource advantages of its TV business, and focused on four major scenarios of office, retail, catering business and exhibition, thus continuously enhancing product competitiveness. In 2025, the Group’s smart commercial display business revenue increased by 28.4% year-on-year to HK\$1,121 million, with gross profit increasing by 24.0% year-on-year to HK\$143 million.

The Group has launched over 20 new products centred around commercial display scenarios and user experiences, including the V66N interactive conference panel, the 115-inch large-screen conference TV, the X66N smart interactive panel, and the P30 commercial smart display. Among them, the TCL V66N series conference panel is equipped with a 50-megapixel AI ultra-sensitive camera, integrating functions such as AI panoramic split screen, identifying and centring speakers in the frame and gesture tracking, which can be activated in different scenarios, greatly enhancing conference convenience. During the “618” Shopping Festival in 2025, the Group’s commercial display products achieved the second-highest brand transaction value in the JD.com conference TV category¹⁹, and during the “Double 11” Shopping Festival, it ranked first in terms of brand GMV in the JD.com commercial display category²⁰, further strengthening its market position. In the digital signage category, it has maintained the top position in the PRC’s indoor digital signage shipment for four consecutive quarters²¹.

¹⁹ Source: JD.com’s Black Appliances & Commercial Display Category 618 Report, from 13 May 2025 to 19 June 2025.

²⁰ Source: JD.com’s Black Appliances & Commercial Display Category “Double 11” Full-Cycle Report 2025, from 9 October 2025 to 14 November 2025.

²¹ Source: Discien, China’s Indoor & Outdoor DS Market Research Report.

3. Internet Business

The Group has continued to develop its home internet business globally, remains user-centric and is committed to the continuous enhancement of user experience. In 2025, the Group's internet business achieved revenue of HK\$3,109 million, representing a year-on-year increase of 18.3%; gross profit reached HK\$1,753 million, representing a year-on-year increase of 18.8%, with a gross profit margin as high as 56.4%, demonstrating strong profitability.

3.1 International Market: Deepening cooperation with international giants and strengthening AI & content ecosystems

In terms of the international market, the Group continued to deepen strategic cooperation with top global internet enterprises such as Google, Roku and Netflix, whilst seizing the wave of AI technology development and continuously strengthening its globalised content ecosystem and smart interaction advantages. Flagship models of the Group were among the first in the industry to integrate Google Gemini, enabling multi-scenario AI interactive experiences, driving user loyalty and product competitiveness through technological differentiation advantages, and injecting new momentum for long-term growth. At the same time, the Group completed a comprehensive upgrade of the content integration platform TCL Channel, continuously expanding the quantity of local premium content in key countries such as Europe and Latin America, with the proportion of local premium content doubling, driving a significant 150% year-on-year increase in average daily total platform usage duration. As at the end of 2025, TCL Channel's global cumulative user base exceeded 45.70 million, with content attractiveness and commercialisation and monetisation capabilities significantly strengthened, further consolidating the leading advantages of the globalised home internet business.

3.2 The PRC Market: Upgrading AI-Driven content and experience, building differentiated advantages in home internet

In the PRC market, the Group leveraged its proprietary OTT smart device operating platform, seized new market opportunities brought by AI technology development, and focused on continuous upgrades in content generation and interactive experience to build differentiated competitive barriers.

At the same time, the Group utilised AI technology to create a proprietary copyright “Content Factory”, achieving a large-scale application of AI-generated content in the children’s segment, with a cumulative total of 26 self-produced AI-generated animation albums targeted at children launched online, with premium content accounting for as high as 70%, effectively enhancing family user retention and activity. The Group also significantly improved AI comic drama creation efficiency through a self-developed tool Agent, driving the comprehensive rollout of self-produced content. We also successfully launched the AI hardware product Amby Uni, further enriching smart interaction scenarios and expanding ecosystem value and revenue streams. Looking ahead to 2026, the Group will continue to build AI-generated content production capabilities centred around children’s companionship and new scenarios of comic drama, incubating proprietary content platforms and mature distribution channels, creating industry-benchmark AIGC for TVs, continuously optimising the business structure, and consolidating its leading position in the global home internet sector.

4. Innovative Business

4.1 Photovoltaic Business

Adhering to an asset-light approach, expanding installation and energy operation services, achieving high-quality growth

The photovoltaic business, based on the development trends of various segments along the industry chain and its own capacities, has adhered to an asset-light positioning, continuously enhanced core capabilities in finance, channels and engineering, and achieved high-quality growth. In terms of residential photovoltaics, the Group rapid scale expansion through optimising business development structure, strengthening ability to directly reach channel partners, whilst expanding new business channels such as photovoltaic products for villas and balcony as well as power-selling customer development. In terms of industrial and commercial photovoltaics, the Group achieved improvement in scale and profitability through industry-focused, cost-effective, efficient and high-quality operations. Meanwhile, in overseas markets, the Group focuses on key European countries, fully leveraging the brand influence of SunPower and TCL’s channel resources to enhance brand synergy and market competitiveness. Proactively embracing the global energy transition trend, the Group has accelerated product layout and business expansion of integrated energy solutions for photovoltaics, energy storage and heating, upgraded system capabilities, and provided strong support for the high-quality development of its global photovoltaic business.

In 2025, the Group’s photovoltaic business achieved revenue of HK\$21,063 million, representing a year-on-year increase of 63.6%; gross profit reached HK\$1,815 million, representing a year-on-year increase of 47.5%. As at 31 December 2025, the Group had cumulatively contracted over 340 industrial and commercial projects, with cumulative dealer channels exceeding 2,500 and rural households under contract exceeding 360,000.

4.2 All-Category Marketing

Achieving stable development of air conditioner, refrigerator and washing machine businesses, with ongoing optimisation of product mix

Leveraging mature globalised channel resources, localised operating systems and strong brand influence, the Group has distributed its branded smart products globally, including air conditioners, refrigerators, and washing machines. This enables rapid market penetration and coverage across all product categories, driving synergistic growth across multiple categories. In 2025, the Group’s all-category marketing business achieved revenue of HK\$12,645 million, representing a year-on-year increase of 1.6%, with business structure remaining stable. The all-category marketing business effectively broadened revenue streams, optimised the product mix, and provided new momentum for the Group’s long-term steady growth in revenue and profit.

In 2025, TCL air-conditioning products adhered to the core value of “Smart Health”, defined the next generation of air conditioners with AI technology, and launched multiple flagship products including the AI Sleep Series and AI Comfort Series under the TCL FreshIN AI Health concept, which were well received by consumers. During the year, the full range of air-conditioning products was showcased at global HVAC industry events including the MCE Exhibition in Milan, the Interclima Exhibition in France and the IFA Exhibition in Germany, with TCL FreshIN 3.0 Air Conditioner winning the “AI Energy-Saving Technology Gold Award” at IFA. In terms of TCL refrigerator products, with freshness preservation as the core theme, the Group launched the TCL Dual Magnetic Freshness Pro Refrigerator, with “-40°C Freezing Magnetic Freshness” and “Refrigeration Molecular Magnetic Freshness” as TCL’s original Dual Magnetic Freshness Preservation technology, which provided dual freshness-preserving solutions for both food freezing and refrigeration. For TCL washing machines, centred around the proprietary Super Drum core technology, the Group launched the TCL Stain-Free Super Drum Washer-Dryer Combo P9 Ultra, integrating three major design features of 540mm large drum diameter, 6D lifter and wave-pattern inner drum, achieving thorough and even cleaning whilst protecting fabric, shape and colour.

4.3 Smart Connection and Smart Home

AI + IoT drives innovation and diversified layout, building long-term competitive advantages

The smart connection and smart home business achieved steady growth in 2025. In 2025, business revenue reached HK\$1,920 million, representing a year-on-year increase of 13.7%, with gross profit increasing by 23.0% year-on-year to HK\$472 million, and gross profit margin increasing by 1.9 percentage points year-on-year to 24.6%.

In the domestic market, the Group's door lock products sustained steady growth in offline home appliance channels. Among them, new dual-screen AI smart locks were launched across all channels in the fourth quarter of 2025, consolidating the Group's market position in the price segment above RMB1,500 through enhanced product competitiveness. In 2026, the Group will focus on establishing a leading industry position for dual-screen AI smart locks in the domestic market. In overseas markets, with "technological leadership + emotional appeal + AI intelligence" as its core strategy, the Group will build a mid-to-high-end brand image for door lock products and the palm vein lock is targeted to rank among the industry leaders in Amazon's online self-operated channel.

In the smart connection product sector, as a leading overseas manufacturer of mobile routers and children's smart watches, the Group has successively launched a series of industry-leading products, including the industry's first flagship AI 5G CPE products, the first overseas children's smart watch with dual-frequency positioning capacity, and TCL TBOT, the Group's first AI children's companion ecosystem product. The Group remains committed to innovation-driven development and continuously enhancing its industry influence.

In the AR/XR sector, RayNeo, incubated by the Group, continued to maintain its industry-leading position. In 2025, RayNeo held a 32% market share in the PRC AI/AR glasses market, ranking first²² with an absolute advantage; in the PRC AR glasses online market in 2025, RayNeo held a 35.4% sales volume share, maintaining rapid growth amid intensifying market competition, and ranking first in the PRC online omni-channel market for four consecutive years²³. In terms of product innovation, the Group launched in October 2025 the world's first HDR glasses, RayNeo Air 4, integrating seven major technological highlights and leading the industry in technology development.

²² Source: CINNO Research, sales volume data of consumer-grade AI/AR market in China for 2025.

²³ Source: RUNTO, brand sales volume share data of the online AR glasses market in China for 2025.

Furthermore, the Group continued to increase its R&D and innovation efforts, actively seizing market opportunities arising from the convergence of AI and IoT. At CES 2025, we launched TCL AiMe, the world's first detachable AI companion robot, perfectly integrating AI technology, IoT control and home companionship functions, which marked a major breakthrough by the Group in the convergence of "AI x IoT x robotics" domain. As the smart home ecosystem matures, innovative products such as TCL AiMe are expected to become widely seen in future homes, demonstrating enormous market potential.

5. Outlook

Driving industrial upgrade through AI innovation, strengthening the core business and expanding new businesses, focusing on dual enhancement of profitability and scale, achieving high-quality development and continuously creating long-term value for Shareholders

Looking ahead, the Group will continue to uphold the business philosophy of "Strategy Guidance, Innovation Driven, Advanced Manufacturing and Global Operation", and centre around two core directions of enhancing profitability in the core business, and expanding global scale in new business segments, with AI innovation and digital intelligence empowerment as key drivers, and synergistically advance Globalisation 3.0, brand upgrade and ESG strategy. The Group will adhere to long-term operational objectives and pursue quality growth to achieve high-quality sustainable development.

At the core business level, the Group will leverage high-end display technologies in large-sized display to consolidate its industry-leading position, expand high-end market share, and actively explore AI innovative applications. The small-and-medium-sized display business will focus on core markets, strengthen operational efficiency through resource synergy and enhance profitability. The internet business will drive steady growth in domestic business through AI innovation, and expand overseas markets through model innovation, with such dual engines driving overall profit enhancement.

At the new business expansion level, the Group will adhere to a profitable scale expansion strategy for the photovoltaic business. While further expanding its presence in the distributed market in China, the Group will focus on accelerating scale expansion in the European market, and is committed to becoming a global leading integrated solution provider of renewable energy. The Group will build competitive advantages through ecosystem partnership, energy operation services and system product and deliver development synergic effect through digital intelligence, financial capabilities, organisational support and risk management to drive sustained business growth. In terms of the all-category marketing business, the Group will continue to optimise its product portfolio, leverage brand, supply chain and channel synergy advantages to support high-quality growth in global business and enhance market share. In terms of AI deployment, the Group will increase investment in smart robots, AR/XR and other fields, deliver upgraded user experience through technological innovation, and optimise decision-making efficiency through digital intelligence to drive the Group's long-term development.

In terms of the Globalisation 3.0 strategy, the Group will continue to strengthen the resilience of global resource allocation and enhance localised operational capabilities in key overseas regions; in terms of brand building, the Group will leverage the Olympic Games and regional sports marketing to drive simultaneous enhancement of brand value and global influence; in terms of ESG strategy, the Group will focus on R&D and application of eco-friendly technologies, be committed to energy conservation and emission reduction and energy transition targets, and steadily advance the carbon peaking process.

In terms of shareholder return, the Group attaches great importance to the long-term value of Shareholders. The Group successively granted certain share awards in 2024 and 2025 to deeply align the interests of senior management and core employees with the Group's business growth. The performance targets at the Company level corresponding to both of the above grants have been exceeded, fully reflecting the strong binding and driving effect of the incentive mechanism on performance growth. The Group will continue to use the growth rate of adjusted profit attributable to owners of the parent as its core performance indicator for the period from 2026 to 2027. Going forward, while maintaining sound business growth, the Group will continuously optimise its capital structure and deliver tangible results, committing to creating sustainable, high-quality and long-term returns for Shareholders.

Comparison between the Year of 2025 and the Year of 2024

The table below lists and compares the figures of the year of 2025 and the year of 2024:

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
REVENUE	114,582,832	99,322,325
Cost of sales	(96,682,644)	(83,768,340)
Gross profit	17,900,188	15,553,985
Other income and gains	1,387,072	1,959,846
Selling and distribution expenses	(7,995,377)	(7,504,064)
Administrative expenses	(4,677,249)	(4,145,105)
Research and development costs	(2,532,381)	(2,335,052)
Other operating expenses	(97,364)	(294,382)
Impairment losses on financial and contract assets, net	(46,014)	(47,666)
	3,938,875	3,187,562
Finance costs	(790,452)	(786,914)
Shares of profits and losses of:		
– Joint ventures	–	5,886
– Associates	155,873	107,989
Profit before tax	3,304,296	2,514,523
Income tax	(777,316)	(666,012)
Profit for the year	2,526,980	1,848,511
Profit attributable to owners of the parent	2,495,131	1,759,366
Non-HKFRS measure:		
Adjusted profit attributable to owners of the parent	2,512,389	1,605,828

Revenue

The Group’s revenue increased by 15.4% year-on-year from HK\$99,322 million in 2024 to HK\$114,583 million in 2025. The following table shows the Group’s revenue by business segment for the years ended 31 December 2025 and 31 December 2024:

	For the year ended 31 December			
	2025	2024	2025	2024
	HK\$ Million	Proportion of the total revenue	HK\$ Million	Proportion of the total revenue
Display Business²⁴	75,797	66.2%	69,440	69.9%
Large-Sized Display	64,708	56.5%	60,108	60.5%
– The PRC Market	17,204	15.0%	19,046	19.2%
– International Market	47,504	41.5%	41,062	41.3%
Small-and-Medium-Sized Display	9,968	8.7%	8,459	8.5%
Smart Commercial Display	1,121	1.0%	873	0.9%
Internet Business²⁵	3,109	2.7%	2,627	2.6%
Innovative Business²⁶	35,628	31.1%	27,009	27.2%
Photovoltaic Business	21,063	18.4%	12,874	13.0%
All-Category Marketing	12,645	11.0%	12,446	12.5%
Smart Connection and Smart Home	1,920	1.7%	1,689	1.7%
Others	49	0.0%	246	0.3%
Total Revenue	114,583	100.0%	99,322	100.0%

²⁴ “Display business” (including large-sized display (i.e. TV business), small-and-medium-sized display and smart commercial display) corresponds to both (i) the “TV” segment; and (ii) the display business in both “Smart mobile, connective devices and services” segment and “Smart commercial display, smart home and other businesses” segment as set out in the operating segment information of the notes to the financial statements.

²⁵ “Internet business” refers to “Internet business” as set out in the operating segment information of the notes to the financial statements.

²⁶ “Innovative business” (including photovoltaic business, all-category marketing, smart connection and smart home business) corresponds to (i) “Photovoltaic business” segment; (ii) “All-category marketing” segment; and (iii) the remaining business after excluding the display business and other businesses in the “Smart mobile, connective devices and services” segment and the “Smart commercial display, smart home and other businesses” segment as set out in the operating segment information of notes to the financial statements.

Display Business

Revenue from the display business increased by 9.2% year-on-year from HK\$69,440 million in 2024 to HK\$75,797 million in 2025, primarily benefitting from the Group's proactive expansion in the global market and the effective enhancement of its brand influence. In 2025, the product mix of TCL TV global shipment improved significantly, with revenue from the large-sized display business growing by 7.7% year-on-year to HK\$64,708 million. The small-and-medium-sized display business, benefitting from the ongoing recovery of the industry, recorded a revenue increase of 17.8% year-on-year to HK\$9,968 million. Meanwhile, the smart commercial display business focused on key breakthroughs in business development, with revenue growing by 28.4% year-on-year to HK\$1,121 million.

Internet Business

Revenue from the internet business increased by 18.3% year-on-year from HK\$2,627 million in 2024 to HK\$3,109 million in 2025, primarily driven by continuous breakthroughs in the monetisation of overseas internet business models, alongside substantial improvements in content development, product experience and commercialisation capabilities, showcasing markedly strengthened monetisation effectiveness.

Innovative Business

Revenue from the innovative business increased by 31.9% year-on-year from HK\$27,009 million in 2024 to HK\$35,628 million in 2025, primarily attributable to the continuous enhancement of the photovoltaic business's market-oriented power trading capabilities, agile adjustment of marketing strategy, expanded regional presence and deepened channel partnerships during the year, and the Group's diversified design offerings tailored to various housing types precisely matched market demands, driving a rapid 63.6% year-on-year increase in photovoltaic revenue scale.

Gross Profit and Gross Profit Margin

The Group's overall gross profit increased by 15.1% year-on-year from HK\$15,554 million in 2024 to HK\$17,900 million in 2025. The year-on-year growth in gross profit was primarily driven by the Group's commitment to advancing its mid-to-high-end business transformation strategy, improvements in TV product mix, and growth in photovoltaic business scale coupled with effective cost control measures, which collectively contributed to steady growth in overall gross profit. The gross profit margin for 2025 was 15.6%, representing a slight decrease of 0.1 percentage points year-on-year, primarily due to the increased revenue contribution from the innovative business, which has a relatively low gross profit margin, whilst the product mix of the large-sized display business continued to be optimised with an increased sales proportion of mid-to-high-end products, and the revenue expansion of the internet business with a high gross profit margin, resulting in a combined effect.

Display Business

The gross profit margin for the display business in 2025 was 16.5%, representing a year-on-year increase of 1.1 percentage points, primarily driven by the Group's continued implementation of its mid-to-high-end strategy and effective improvement of the product mix, with the gross profit margin of the large-sized display business increasing by 1.3 percentage points year-on-year.

Internet Business

The gross profit margin for the internet business in 2025 was 56.4%, representing a year-on-year increase of 0.2 percentage points, primarily driven by the further expansion of the scale of overseas internet revenue, which has a relatively high gross profit margin.

Innovative Business

The gross profit margin for the innovative business in 2025 was 10.3%, representing a year-on-year decrease of 2.1 percentage points, primarily due to the increased revenue contribution from the photovoltaic business, which has a relatively low gross profit margin, and the decrease in the gross profit margin of the Group's all-category marketing business as a result of the change in product mix.

Other Income and Gains

Other income and gains decreased by 29.2% year-on-year from HK\$1,960 million in 2024 to HK\$1,387 million in 2025, primarily due to the decrease in interest income resulting from the reduction in the Group's wealth management scale, as well as losses arising from realised gains and losses on the settlement of derivative financial instruments and changes in the fair value of foreign exchange derivatives (compared with gains in 2024).

Selling and Distribution Expenses

Selling and distribution expenses increased by 6.5% year-on-year from HK\$7,504 million in 2024 to HK\$7,995 million in 2025, primarily driven by the Group's strategic investment in brand marketing and product promotion activities, coupled with an increase in bonus provisions for sales personnel driven by strong performance.

Administrative Expenses

Administrative expenses increased by 12.8% year-on-year from HK\$4,145 million in 2024 to HK\$4,677 million in 2025, primarily due to realised losses on the settlement of derivative financial instruments by the Group in 2025, an increase in related platform fees driven by enhancement of digital capabilities, and an increase in awarded share expenses, among other combined effects.

R&D Costs

R&D costs increased by 8.5% year-on-year from HK\$2,335 million in 2024 to HK\$2,532 million in 2025, primarily driven by the Group's continued investment in high-end display technology and AI.

Other Operating Expenses

Other operating expenses significantly decreased by 66.9% year-on-year from HK\$294 million in 2024 to HK\$97.36 million in 2025, primarily due to the goodwill impairment provision made by the Group in 2024. For further details, please refer to the 2024 annual report of the Company.

Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets, net decreased by 3.5% year-on-year from HK\$47.67 million in 2024 to HK\$46.01 million in 2025, primarily due to a decrease in bad debt provision for other receivables.

Finance Costs

Finance costs increased marginally by 0.4% year-on-year from HK\$787 million in 2024 to HK\$790 million in 2025.

Share of Profits and Losses – Joint Ventures and Associates

The share of profits increased by 36.9% year-on-year from HK\$114 million in 2024 to HK\$156 million in 2025, primarily attributable to improved performance and profit growth of the Group's associates.

Profit before Tax

Profit before tax increased by 31.4% year-on-year from HK\$2,515 million in 2024 to HK\$3,304 million in 2025, primarily driven by significant improvements in the operational quality of multiple business lines, including the display business, internet business and innovative business during the reporting period, coupled with economies of scale and quality and efficiency enhancements, as well as an effective reduction in the overall expense ratio.

Income Tax

Income tax increased by 16.7% year-on-year from HK\$666 million in 2024 to HK\$777 million in 2025, primarily due to the rise in profit before tax of certain subsidiaries of the Company during the reporting period.

Profit for the Year and Profit Attributable to Owners of the Parent

Profit for the year increased by 36.7% year-on-year from HK\$1,849 million in 2024 to HK\$2,527 million in 2025. Profit attributable to owners of the parent rose by 41.8% year-on-year from HK\$1,759 million in 2024 to HK\$2,495 million in 2025. The increase was primarily driven by the Group's proactive expansion in global markets, continuous optimisation of product mix, effective expansion of revenue scale, coupled with increased investment in high-end display technology and AI R&D, active deployment of global supply chain and channels, and continuous optimisation of the expense structure, which collectively drove significant enhancement in operational quality and profitability.

Non-HKFRS Measure: Adjusted Profit Attributable to Owners of the Parent

Adjusted profit attributable to owners of the parent increased by 56.5% year-on-year from HK\$1,606 million in 2024 to HK\$2,512 million in 2025, primarily driven by significant operational performance enhancements across multiple business lines including display, internet and innovative businesses during the reporting period, coupled with effective reduction in overall expense ratio through economies of scale and quality and efficiency improvements, resulting in sustained enhancement of operational efficiency.

To supplement the Group's consolidated results prepared and presented in accordance with HKFRS Accounting Standards issued by the HKICPA, the Group uses adjusted profit attributable to owners of the parent as an additional financial measure. The Group defines adjusted profit attributable to owners of the parent as profit attributable to owners of the parent after adding back the following adjustments: (i) (gain)/loss from investment companies, net; (ii) (gain)/loss on disposal and liquidation of subsidiaries, net; (iii) (gain)/loss related to call options and put options, net; (iv) (gain)/loss on disposal of non-current assets, net; and (v) related income tax effect.

Whilst adjusted profit attributable to owners of the parent is not required by or presented in accordance with HKFRS Accounting Standards, the management of the Group believes that such non-HKFRS financial measure provides useful supplementary information to investors in assessing the results of the Group's core businesses by excluding the impact of certain non-cash items, investments and non-current assets transactions. However, such unaudited non-HKFRS financial measure should be regarded as supplement to, and not substitute for, the Group's financial results prepared in accordance with HKFRS Accounting Standards. In addition, the definition of such non-HKFRS financial measure does not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies, and may differ from similar terminology used by other companies. Accordingly, the use of such non-HKFRS measure has limitation as an analytical tool, and investors should not consider it in isolation form, or as a substitute for analysis of our results of operations or financial conditions as reported under HKFRS Accounting Standards.

The following tables set forth reconciliations of the Group's adjusted profit attributable to owners of the parent to the nearest comparable financial measure (profit attributable to owners of the parent) prepared and presented in accordance with HKFRS Accounting Standards.

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Profit attributable to owners of the parent, as reported	2,495,131	1,759,366
(Gain)/loss from investment companies, net ²⁷	(12,136)	(69,389)
(Gain)/loss on disposal and liquidation of subsidiaries, net ²⁸	(9,133)	(64,709)
(Gain)/loss related to call options and put options, net ²⁹	49,265	(20,749)
(Gain)/loss on disposal of non-current assets, net ³⁰	(17,334)	1,933
Related income tax effect ³¹	6,596	(624)
	<hr/>	<hr/>
Non-HKFRS measure:		
Adjusted profit attributable to owners of the parent	<u>2,512,389</u>	<u>1,605,828</u>

²⁷ (Gain)/loss from investment companies, net includes net (gains)/losses on deemed disposals, disposals, liquidations, and deemed partial purchases/ disposals of investment companies.

²⁸ (Gain)/loss on disposal and liquidation of subsidiaries, net includes gains on bargain purchase, and net (gains)/ losses on deemed disposals, disposals and liquidation of subsidiaries.

²⁹ (Gain)/loss related to call options and put options, net includes changes in fair value of call options and put options, net (gains)/losses related to put option and net (gains)/losses on settlement of expired call options.

³⁰ (Gain)/loss on disposal of non-current assets, net includes net (gains)/losses on disposal of fixed assets, other intangible assets, right-of-use assets and other assets.

³¹ Related income tax effect refers to the income tax effect of non-HKFRS adjustments.

FINANCIAL REVIEW

Significant Investments, Acquisitions and Disposals

The Group had no significant investment held as at 31 December 2025, and did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

Liquidity and Financial Resources

The Group's principal financial instruments to manage liquidity risk comprise bank loans, factorings, cash and short-term deposits. The main objective for the use of these financial instruments is to maintain a continuity of funding and flexibility at the lowest cost possible.

The cash and cash equivalents of the Group as at 31 December 2025 amounted to approximately HK\$13,522,134,000, increasing by 54.2% year-on-year, of which 53.1% was in U.S. dollars, 28.1% was in Renminbi, 7.5% was in Euros, 0.4% was in Hong Kong dollars and 10.9% was in other currencies for overseas operations.

For the purpose of day-to-day liquidity management and future expansion, the Group has access to bank and other borrowings. The bank and other borrowings of the Group as at 31 December 2025 were approximately HK\$6,074,072,000, which were interest-bearing at fixed and floating rates ranging from 1.75% to 5.30% and denominated in U.S. dollars, Renminbi, Euros and Vietnamese Dong. The maturity profile of borrowings was on demand to within fourteen years. It is the intention of the Group to maintain a mix of equity and debt to ensure an efficient capital structure and in view of the reasonable interest rate. There was no material change in available credit facilities when compared with the year ended 31 December 2024 and there was no asset held under finance lease as at 31 December 2025.

As at 31 December 2025, the Group's gearing ratio was 0% since the Group's cash and cash equivalents, and restricted cash and pledged deposits of approximately HK\$14,028,459,000 were higher than the total interest-bearing bank and other borrowings and lease liabilities of approximately HK\$6,536,698,000. Gearing ratio was calculated by net borrowings (i.e. total interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents, and restricted cash and pledged deposits), divided by equity attributable to owner. The maturity profile of such borrowings ranged from on demand to within twenty four years.

Pledge of Assets

As at 31 December 2025, the Group had restricted cash and pledged deposits balance of approximately HK\$506,325,000 (2024: HK\$669,910,000), debt investments at amortised cost of approximately HK\$169,130,000 (2024: HK\$107,637,000), other receivables of approximately HK\$68,086,000 (2024: HK\$4,428,000), trade receivables of approximately HK\$1,676,000 (2024: Nil) and no bills receivable (2024: HK\$192,282,000) and no inventories (2024: HK\$400,087,000) were pledged as the balance of performance and quality guarantees, financial assets and banking facilities for the Group.

Capital Commitments and Contingent Liabilities

As at 31 December 2025, the Group had the following capital commitments:

	2025	2024
	HK\$'000	HK\$'000
Contracted, but not provided for	<u>170,264</u>	<u>539,899</u>

As at 31 December 2025, the Group had the following contingent liabilities which have not been provided for in the financial statements:

TCL SEMP Eletroeletronicos is currently a respondent in a tax assessment dispute in Brazil with Brazil tax authority for alleged improper application of tax credits for the financial years of 2012 and 2013. As at 31 December 2025, the tax assessment dispute was still ongoing. The information usually required by HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that such disclosure can be expected to prejudice seriously the outcome. The Group has not made any provision as the Group, based on the advice from its legal counsel, believes that TCL SEMP Eletroeletronicos has a valid defence against the allegation.

Pending Litigation

Save as disclosed above, the Group was not involved in any material litigation as at 31 December 2025.

Foreign Exchange Exposure

Due to its international presence and operation, the Group is facing foreign exchange exposure including transaction exposure and translation exposure.

It is the Group's policy to centralise foreign currency management to monitor its total foreign currency exposure, to net off affiliate positions and to consolidate hedging transactions with banks. The Group emphasises the importance of trading, investing and borrowing in functional currency to achieve natural hedging. In addition, in line with the aim of prudent financial management, the Group does not engage in any high risk derivative trading or leveraged foreign exchange contracts.

Employee and Remuneration Policy

As at 31 December 2025, the Group had a total of 37,859 dynamic and talented employees. During the year ended 31 December 2025, the total staff costs amounted to approximately HK\$6,962,187,000. The employees of the Group were all dedicated to contributing to the growth and development of the Group. The Group promotes individuals based on their performance in the positions held and development potential. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual employees' performance. In addition, training and development programmes are provided on an on-going basis throughout the Group. The remuneration policy of the Group was reviewed regularly, making reference to current legislation, market condition and both the performance of individual employees and the Group.

In order to align the interests of staff with those of Shareholders, share options can be granted to relevant grantees, including employees of the Group, under the Share Option Scheme. No share option has been granted under the Share Option Scheme since its adoption on 3 November 2023 to 31 December 2025.

The 2023 Share Award Scheme was adopted by the Company on 3 November 2023 in view of the expiry of the 2008 Share Award Scheme on 5 February 2023. Pursuant to the 2023 Share Award Scheme, existing Shares may be purchased from the market or new Shares may be subscribed for by the designated trustee out of cash contributed by the Company, and would be held on trust by the designated trustee for the relevant selected persons until such shares are vested with the relevant selected persons in accordance with the rules of the 2023 Share Award Scheme. Awarded shares granted and subsisting under the 2008 Share Award Scheme prior to its expiry shall continue to be in full force and effect in accordance with the 2008 Share Award Scheme and their terms of grant. On 9 April 2025, 91,497,900 awarded Shares (all to be satisfied in the form of existing shares) were granted under the 2023 Share Award Scheme. There were a total of 135,206,800 awarded Shares granted under the 2023 Share Award Scheme which remained outstanding as at 31 December 2025.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the year ended	
		31 December	
		2025	2024
		HK\$'000	HK\$'000
REVENUE	5	114,582,832	99,322,325
Cost of sales		<u>(96,682,644)</u>	<u>(83,768,340)</u>
Gross profit		17,900,188	15,553,985
Other income and gains		1,387,072	1,959,846
Selling and distribution expenses		(7,995,377)	(7,504,064)
Administrative expenses		(4,677,249)	(4,145,105)
Research and development costs		(2,532,381)	(2,335,052)
Other operating expenses		(97,364)	(294,382)
Impairment losses on financial and contract assets, net		<u>(46,014)</u>	<u>(47,666)</u>
		3,938,875	3,187,562
Finance costs	6	(790,452)	(786,914)
Share of profits and losses of:			
Joint ventures		–	5,886
Associates		<u>155,873</u>	<u>107,989</u>
PROFIT BEFORE TAX	7	3,304,296	2,514,523
Income tax	8	<u>(777,316)</u>	<u>(666,012)</u>
PROFIT FOR THE YEAR		<u>2,526,980</u>	<u>1,848,511</u>

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of the hedging instruments arising during the year	(641,489)	(8,940)
Reclassification adjustments for losses included in consolidated statement of profit or loss	548,394	116,748
Income tax effect	(1,149)	1,215
	<u>(94,244)</u>	<u>109,023</u>
Exchange differences:		
Exchange differences on translation of foreign operations	735,350	(1,013,899)
Reclassification adjustments for foreign operations disposed of or liquidated during the year	(8,951)	(583)
Reclassification adjustments for associates deemed partial disposed, disposed of or liquidated during the year	(80)	107
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary during the year	7,374	–
Reclassification adjustments for a joint venture liquidated during the year	–	3,381
	<u>733,693</u>	<u>(1,010,994)</u>
Financial assets at fair value through other comprehensive income:		
Changes in fair value of bills receivable, net of income tax	9,479	(2,063)
Share of other comprehensive income of associates and a joint venture	4,879	8,764
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary during the year	(1,918)	–
Reclassification adjustments for a joint venture disposed of during the year	–	1,312
Reclassification adjustments for an associate disposed of during the year	–	(5,781)
	<u>651,889</u>	<u>(899,739)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>651,889</u>	<u>(899,739)</u>

	<i>Note</i>	For the year ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of income tax		21,905	15,981
Share of other comprehensive loss of associates		<u>–</u>	<u>(498)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		<u>21,905</u>	<u>15,483</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>673,794</u>	<u>(884,256)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,200,774</u>	<u>964,255</u>
Profit attributable to:			
Owners of the parent		2,495,131	1,759,366
Non-controlling interests		<u>31,849</u>	<u>89,145</u>
		<u>2,526,980</u>	<u>1,848,511</u>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		3,098,387	1,032,075
Non-controlling interests		<u>102,387</u>	<u>(67,820)</u>
		<u>3,200,774</u>	<u>964,255</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		<u>HK103.41 cents</u>	<u>HK72.39 cents</u>
Diluted		<u>HK98.24 cents</u>	<u>HK69.72 cents</u>

Details of the dividends for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	31 December 2025 HK\$'000	31 December 2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,775,689	2,439,532
Investment properties		405,299	413,818
Right-of-use assets		925,871	827,107
Goodwill	11	3,177,559	2,947,380
Other intangible assets		1,941,060	1,499,256
Investments in joint ventures		4,441	4,331
Investments in associates		1,559,854	1,437,839
Equity investments designated at fair value through other comprehensive income		370,884	366,098
Financial assets at fair value through profit or loss		42,549	37,656
Debt investments at amortised cost		169,130	198,757
Deferred tax assets		759,989	471,530
Contract assets		58,915	365,201
Other receivables		792,714	–
Other deferred assets		982,292	818,931
Derivative financial instruments		6,946	6,041
		13,973,192	11,833,477
CURRENT ASSETS			
Inventories		23,088,359	15,288,555
Trade receivables	12	23,957,524	22,332,884
Bills receivable		3,418,264	4,436,662
Contract assets		4,592	22,470
Prepayments, other receivables and other assets		10,491,238	9,451,215
Tax recoverable		220,105	147,255
Financial assets at fair value through profit or loss		2,358,397	2,861,035
Derivative financial instruments		193,840	552,250
Restricted cash and pledged deposits		506,325	669,910
Cash and cash equivalents		13,522,134	8,771,691
		77,760,778	64,533,927
Total current assets		77,760,778	64,533,927

	<i>Notes</i>	31 December 2025 HK\$'000	31 December 2024 HK\$'000
CURRENT LIABILITIES			
Trade payables	13	32,466,512	26,646,451
Bills payable		12,449,066	5,839,326
Other payables and accruals		17,001,229	18,521,480
Interest-bearing bank and other borrowings	14	5,850,136	4,172,399
Lease liabilities		126,628	137,367
Tax payable		472,089	332,855
Derivative financial instruments		148,533	353,309
Provisions		1,480,998	1,125,749
		<hr/>	<hr/>
Total current liabilities		69,995,191	57,128,936
		<hr/>	<hr/>
NET CURRENT ASSETS		7,765,587	7,404,991
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,738,779	19,238,468
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	14	223,936	437,660
Lease liabilities		335,998	220,045
Deferred tax liabilities		322,158	324,803
Other long-term payables		141,947	94,568
Other non-current liabilities		605,747	296,308
Financial liability associated with put option		214,218	188,666
		<hr/>	<hr/>
Total non-current liabilities		1,844,004	1,562,050
		<hr/>	<hr/>
Net assets		19,894,775	17,676,418
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	2,520,935	2,520,935
Reserves		16,676,820	14,683,433
		<hr/>	<hr/>
		19,197,755	17,204,368
Non-controlling interests		697,020	472,050
		<hr/>	<hr/>
Total equity		19,894,775	17,676,418
		<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, HKASs and Interpretations) as issued by the 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 and certain financial assets and equity investments which have been measured at fair value. These financial statements are presented in HK\$ 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 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, directly or indirectly, 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) and liabilities, 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 significant impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

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 or IFRS 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.

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 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 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 is organised into business units based on their geographical TV segments and other product types and has six reportable operating segments as follows:

- TV segment – manufacture and sale of TV in:
 - TCL TV – the PRC market; and
 - TCL TV – the international market;
- Internet business segment – membership cards, video-on-demand, advertising, vertical application and other new businesses;
- Smart mobile, connective devices and services segment – manufacture and sale of mobile phones, smart connective products and smart mobile display and service;
- All-category marketing segment – distribution of TCL branded air conditioners, refrigerators, washing machines and other household appliances;
- Photovoltaic business segment – sale of photovoltaic power generation equipment and systems, provision of construction, operation and maintenance services and other new energy technology businesses; and
- Smart commercial display, smart home and other businesses segment.

The management of the Group monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on segment revenue and gross profit of each operating segment.

Information regarding these reportable segments, together with their related comparative information, is presented below.

	TV		Internet business		Smart mobile, connective devices and services		All-category marketing		Photovoltaic business		Smart commercial display, smart home and other businesses		Total		Eliminations		Consolidated			
	TCL TV - the PRC market		TCL TV - international market		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000		
Segment revenue:																				
Sales to external customers	17,204,223	19,046,463	47,503,923	41,061,903	3,108,588	2,627,155	11,315,413	9,580,059	12,644,694	12,446,654	21,062,705	12,873,481	1,743,286	1,678,810	114,592,832	99,322,325	-	-	114,592,832	99,322,325
Innersegment sales	3,670,571	3,912,606	150,773	352,190	28,606	24,695	107	4,360	7,425	25,141	33	48,780	127	165,006	3,857,642	4,532,778	(3,857,642)	(4,532,778)	-	-
Total	20,874,794	22,959,069	47,654,696	41,414,093	3,137,194	2,651,850	11,315,520	9,592,419	12,652,119	12,471,595	21,062,738	12,922,261	1,743,413	1,843,816	118,440,474	103,855,103	(3,857,642)	(4,532,778)	114,592,832	99,322,325
Gross profit	3,731,093	3,762,689	7,165,147	5,556,260	1,752,896	1,476,050	1,810,977	1,585,967	1,383,438	1,732,084	1,814,683	1,230,252	241,954	229,883	17,900,188	15,553,985	-	-	17,900,188	15,553,985

5. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	<u>114,582,832</u>	<u>99,322,325</u>

Disaggregated revenue information for revenue from contracts with customers

For the year ended 31 December 2025

Segments	TV and others* HK\$'000	Internet business HK\$'000	Total HK\$'000
Types of goods or services			
Sale of goods	110,290,204	186,925	110,477,129
Construction services	1,184,040	–	1,184,040
Video-on-demand services	–	597,235	597,235
Advertising, vertical application and other new businesses	–	2,324,428	2,324,428
Total revenue from contracts with customers	<u>111,474,244</u>	<u>3,108,588</u>	<u>114,582,832</u>
Geographical markets			
Chinese mainland	45,589,763	1,803,268	47,393,031
Europe	15,816,653	184,756	16,001,409
North America	19,042,716	442,703	19,485,419
Emerging Market	31,025,112	677,861	31,702,973
Total revenue from contracts with customers	<u>111,474,244</u>	<u>3,108,588</u>	<u>114,582,832</u>
Timing of revenue recognition			
Goods transferred at a point in time	110,290,204	186,925	110,477,129
Services transferred over time	1,184,040	597,235	1,781,275
Services transferred at a point in time	–	2,324,428	2,324,428
Total revenue from contracts with customers	<u>111,474,244</u>	<u>3,108,588</u>	<u>114,582,832</u>

For the year ended 31 December 2024

Segments	TV and others* HK\$'000	Internet business HK\$'000	Total HK\$'000
Types of goods or services			
Sale of goods	95,891,517	109,789	96,001,306
Construction services	803,653	–	803,653
Video-on-demand services	–	499,072	499,072
Advertising, vertical application and other new businesses	–	2,018,294	2,018,294
	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>
Geographical markets			
Chinese mainland	39,669,040	1,807,388	41,476,428
Europe	12,999,936	119,487	13,119,423
North America	16,953,820	363,667	17,317,487
Emerging Market	27,072,374	336,613	27,408,987
	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>
Timing of revenue recognition			
Goods transferred at a point in time	95,891,517	109,789	96,001,306
Services transferred over time	803,653	499,072	1,302,725
Services transferred at a point in time	–	2,018,294	2,018,294
	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>

* TV and others including all other five operating segments except internet business segment.

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on:		
Bank/factoring loans and discounted bills	762,168	743,851
Interest expense on lease liabilities	18,440	19,794
Deposits and loans from companies controlled by TCL Industries Holdings	9,772	23,269
Deposits from affiliates of TCL Industries Holdings	72	–
	<u>790,452</u>	<u>786,914</u>
Total finance costs for the year	<u>790,452</u>	<u>786,914</u>

7. PROFIT BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold and services provided	96,682,644	83,768,340
Depreciation of property, plant and equipment	418,310	382,840
Depreciation of investment properties	11,915	14,679
Depreciation of right-of-use assets	193,662	202,672
Amortisation of other deferred assets	154,445	36,530
Research and development costs	2,532,381	2,335,052
Amortisation of other intangible assets	595,544	518,603
Lease payments not included in the measurement of lease liabilities of lease liabilities	198,784	112,101
Auditor's remuneration	11,512	11,512
Employee benefits expenses (including directors' remuneration):		
Wages and salaries	6,064,305	5,786,943
Employee share-based compensation benefits under the Share Award Schemes	263,009	82,531
Defined contribution expenses	634,873	516,026
	<u>6,962,187</u>	<u>6,385,500</u>
Foreign exchange differences, net***	(127,734)	160,368
Impairment of goodwill**	–	127,910
Impairment of financial and contract assets, net:		
Impairment of trade receivables	40,896	33,290
Impairment of other receivables	8	14,240
Impairment of contract assets	5,110	136
	<u>46,014</u>	<u>47,666</u>
Impairment of items of property, plant and equipment**	1,867	2,084
Impairment of items of other intangible assets**	109	30,179
Write-down of inventories to net realisable value	102,717	145,784
Rental income, net	(40,362)	(34,469)
Interest income	(432,246)	(773,444)
Government grants*:		
Credited to other revenue and gains	(460,450)	(405,971)
Deducted from cost of sales and relevant expenses	(18,081)	(77,359)
	<u>(478,531)</u>	<u>(483,330)</u>

	2025 HK\$'000	2024 HK\$'000
Fair value (gains)/losses, net:		
Derivative financial instruments – transactions not qualifying as hedges***	2,439	(92,266)
Financial assets at fair value through profit or loss – trust products and financial products	(61,738)	(35,358)
Financial assets at fair value through profit or loss – equity investment	(3,882)	(5,332)
Call options and put options**	48,423	44,445
Realised (gain)/loss on settlement, net:		
Derivative financial instruments***	395,091	(221,136)
Financial assets at fair value through profit or loss	(30,693)	(21,590)
(Gain)/loss related to put option**	842	(65,194)
Ineffectiveness of fair value hedges	28,922	17,442
(Gain)/loss on disposal of items of property, plant and equipment, net**	(14,754)	10,127
(Gain)/loss on disposal of items of other intangible assets, net**	(3,081)	3,672
(Gain)/loss on disposal of items of right-of-use assets, net**	489	(11,623)
(Gain)/loss on disposal of items of other deferred assets, net**	12	(243)
(Gain)/loss on liquidation of subsidiaries**	(8,623)	221
Gain on disposal of subsidiaries	(510)	(52,807)
Gain on disposal of associates	(3,235)	(8,035)
Deemed gain on partial disposal of an associate	(4,846)	(217)
Gain on remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	(172)	–
Gain on liquidation of an associate	(1)	–
Gain on disposal of a joint venture	–	(59,186)
Gain on bargain purchase of a subsidiary	–	(12,123)
Loss on liquidation of a joint venture**	–	3,381

Notes:

* Certain government grants have been received related to the Group's day-to-day activities. Government grants including VAT refund and national patent subsidies are recorded in "Other revenue and gains" in the consolidated statement of the profit and loss and other comprehensive income. There are no unfulfilled conditions or contingencies relating to these grants.

** Loss of these items are included in "Other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

*** Loss of these items are included in "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

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 countries/jurisdictions in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current – Hong Kong profits tax		
Charge for the year	71,703	115,987
Overprovision in prior years	(958)	(552)
Current – Elsewhere – income taxes (excluding Pillar Two income taxes)		
Charge for the year	880,295	564,256
Underprovision in prior years	82,189	38,348
Pillar Two income taxes – current tax	9,109	4,309
Deferred	<u>(265,022)</u>	<u>(56,336)</u>
Total tax charge for the year	<u><u>777,316</u></u>	<u><u>666,012</u></u>

9. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Proposed final dividend – HK49.80 cents (2024: HK31.80 cents) per ordinary share	<u>1,255,426</u>	<u>801,657</u>
	<u><u>1,255,426</u></u>	<u><u>801,657</u></u>

The above amount of proposed final dividend for the year ended 31 December 2025 was calculated based on the number of shares of the Company as at 31 December 2025 for illustration. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming AGM. These consolidated financial statements do not reflect this dividend payable.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,412,913,575 (2024: 2,430,547,191) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	2025	2024
	HK\$'000	HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations:	<u><u>2,495,131</u></u>	<u><u>1,759,366</u></u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue less shares held for Share Award Schemes during the year used in the basic earnings per share calculation	2,412,913,575	2,430,547,191
Effect of dilution – weighted average number of ordinary shares:		
Awarded shares	<u>126,959,040</u>	<u>92,857,117</u>
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	<u><u>2,539,872,615</u></u>	<u><u>2,523,404,308</u></u>

11. GOODWILL

	HK\$'000
At 1 January 2025:	
Cost	3,138,322
Accumulated impairment	<u>(190,942)</u>
Net carrying amount	<u>2,947,380</u>
Cost at 1 January 2025, net of accumulated impairment	2,947,380
Acquisition of subsidiaries	167,348
Exchange realignment	<u>62,831</u>
Cost and net carrying amount at 31 December 2025	<u>3,177,559</u>
At 31 December 2025:	
Cost	3,317,518
Accumulated impairment	<u>(139,959)</u>
Net carrying amount	<u><u>3,177,559</u></u>

12. TRADE RECEIVABLES

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Due from third parties		<u>18,464,217</u>	<u>15,504,528</u>
Due from related parties:			
Companies controlled by TCL Industries			
Holdings	(a)	2,634,455	4,127,684
Affiliates of TCL Industries Holdings	(a)	275,702	147,794
Companies controlled by TCL Technology	(a)	1,594,965	1,128,966
Joint ventures	(a)	618,080	547,733
Associates	(a)	<u>680,853</u>	<u>1,143,130</u>
		<u>5,804,055</u>	<u>7,095,307</u>
Impairment allowance		<u>(310,748)</u>	<u>(266,951)</u>
		<u><u>23,957,524</u></u>	<u><u>22,332,884</u></u>

Note:

- (a) As at 31 December 2025 and 2024, the amounts were interest-free, unsecured and repayable within one year.

The majority of the Group's sales in Chinese mainland were mainly made on the cash-on-delivery basis or on commercial bills guaranteed by banks within credit periods ranging from 30 to 90 days. For overseas sales, the Group usually requires settlement by letters of credit with tenures ranging from 90 to 180 days. Sales to certain long-term strategic customers were made on the open-account basis with credit terms of no more than 180 days.

Save for those amounts due from the related parties, in view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group holds a commercial property from a group of customers as collaterals for trade receivables with a gross carrying amount of HK\$77,614,000 (2024: HK\$171,323,000). The Group held certain government bonds from a group of customers as collaterals for trade receivables with a gross carrying amount of HK\$104,213,000 as at 31 December 2024, and the balance with collaterals had been fully settled as at 31 December 2025. The Group does not hold any collaterals or other credit enhancements over its remaining trade receivables. The remaining trade receivables are non-interest-bearing.

As at 31 December 2025, trade receivables of approximately HK\$1,676,000 (2024: Nil) were pledged for bank loans for the Group.

Included in the Group's trade receivables are (i) receivables to be factored of HK\$1,924,550,000 (2024: HK\$1,649,838,000), as well as (ii) the assets and the associated liabilities representing the extent of the Group's continuing involvement in the factored trade receivables of which the Group neither retained nor transferred substantially all of the risks and rewards, amounting to HK\$2,919,000 (2024: HK\$11,927,000). The above receivables are classified as financial assets at fair value through profit or loss. The remaining trade receivables with a gross carrying amount of HK\$22,340,803,000 (2024: HK\$20,938,070,000) are measured at amortised cost.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Current to 90 days	17,803,918	16,595,138
91 to 180 days	3,696,100	2,857,168
181 to 365 days	1,792,087	2,059,204
Over 365 days	976,167	1,088,325
	24,268,272	22,599,835
Impairment allowance	(310,748)	(266,951)
	23,957,524	22,332,884

13. TRADE PAYABLES

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Due to third parties		<u>17,683,842</u>	<u>14,926,811</u>
Due to related parties:			
Companies controlled by TCL Industries Holdings	(a)	5,559,615	4,049,782
Affiliates of TCL Industries Holdings	(a)	390,140	363,220
Companies controlled by TCL Technology	(a)	7,248,152	5,815,891
Joint ventures and associates	(a)	<u>1,584,763</u>	<u>1,490,747</u>
		<u>14,782,670</u>	<u>11,719,640</u>
		<u>32,466,512</u>	<u>26,646,451</u>

Note:

- (a) As at 31 December 2025 and 2024, the amounts were interest-free, unsecured and repayable within one year.

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

	2025 HK\$'000	2024 HK\$'000
Current to 90 days	26,904,878	21,779,822
91 to 180 days	4,285,646	3,852,823
181 to 365 days	680,375	860,845
Over 365 days	<u>595,613</u>	<u>152,961</u>
	<u>32,466,512</u>	<u>26,646,451</u>

The trade payables are non-interest-bearing and are normally settled within credit periods ranging from 30 to 180 days.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Current		
Bank loans – unsecured	5,711,458	3,755,295
Bank loans – secured	111,000	400,318
Advances from banks as consideration for factored trade receivables	2,919	11,927
Loans from a company controlled by TCL Industries Holdings	24,759	4,859
	<u>5,850,136</u>	<u>4,172,399</u>
Non-current		
Bank loans – unsecured	220,855	434,423
Bank loans – secured	3,081	3,237
	<u>223,936</u>	<u>437,660</u>
	<u>6,074,072</u>	<u>4,610,059</u>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	5,825,377	4,167,540
In the second year	221,092	219,283
In the third to fifth years, inclusive	712	216,066
After fifth years	2,132	2,311
	<u>6,049,313</u>	<u>4,605,200</u>
Analysed into:		
Other loans repayable:		
Within one year or on demand	24,759	4,859
	<u>24,759</u>	<u>4,859</u>
	<u>6,074,072</u>	<u>4,610,059</u>

Notes:

- (a) As at 31 December 2025 and 2024, the carrying amounts of the Group's bank and other borrowings were approximated to their fair values.
- (b) TCL Industries Holdings has individually guaranteed certain of the Group's bank loans of up to HK\$2,605,979,000 (2024: HK\$1,838,914,000) as at the end of the reporting period.
- (c) As at 31 December 2025, the Group's bank loans amounting to HK\$114,081,000 (2024: HK\$403,555,000) are secured by the pledge of certain of the Group's debt investments at amortised cost amounting to HK\$110,760,000 (2024: Nil), trade receivables amounting to HK\$1,676,000 (2024: Nil), restricted cash and pledged deposits amounting to HK\$1,690,000 (2024: Nil), inventories amounting to nil (2024: HK\$400,087,000) and future receivables amounting to nil (2024: HK\$3,468,000).

15. SHARE CAPITAL

	2025	2024
	HK\$'000	HK\$'000
Authorised:		
3,000,000,000 (2024: 3,000,000,000) shares of HK\$1.00 each	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
2,520,935,155 (2024: 2,520,935,155) shares of HK\$1.00 each	<u>2,520,935</u>	<u>2,520,935</u>

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company (including sale of treasury shares) during the year ended 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2026 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “MOU”) with Sony Corporation (“Sony”) in relation to, among others, (i) the possible formation of a joint venture (the “Joint Venture”) which would assume Sony’s home entertainment business, handling the full process from product development and design to manufacturing, sales, logistics, and customer service for products including televisions and home audio equipment globally, with the Group holding 51% and Sony holding 49% of the shares of the Joint Venture, and (ii) the future licensing arrangements on patents, know-how and brand between the Joint Venture and Sony and those between the Joint Venture and the Group. The parties will negotiate in good faith, aiming to finalise the terms of the definitive agreements as soon as practicably possible within the period commencing from the date of the MOU until 31 March 2026.

FINAL DIVIDEND

The Board has proposed a final dividend of HK49.80 cents (2024: HK31.80 cents) in cash per Share for the year ended 31 December 2025. Subject to approval at the forthcoming AGM to be held on 22 June 2026, Monday, the said final dividend will be payable on or about 30 July 2026, Thursday to Shareholders whose names appear on the register of members of the Company on 26 June 2026, Friday.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlements to attend and vote at the forthcoming AGM, Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 15 June 2026, Monday for registration. Shareholders whose names are recorded in the register of members of the Company at the close of business on 15 June 2026, Monday are entitled to attend and vote at the forthcoming AGM.

The Hong Kong register of members of the Company will be closed on 26 June 2026, Friday, for the purposes of determining the entitlements of the Shareholders to the proposed final dividend for the year ended 31 December 2025 upon the passing of relevant resolution. No transfer of the shares of the Company may be registered on the said date. The record date for determining the entitlements of the Shareholders to the proposed final dividend is 26 June 2026, Friday. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 25 June 2026, Thursday.

AGM

The AGM of the Company will be held on 22 June 2026, Monday. The notice of AGM will be published on the websites of the Company and the Hong Kong Stock Exchange and disseminated to the Shareholders in due course.

CORPORATE GOVERNANCE

The Company has established and will continue to optimise its risk management and internal control system. The management reports to the Board and the subordinated Audit Committee the governance situation and the improvement progress of the Company regularly to strengthen the collaboration on corporate governance between the Board and the management continuously, and fulfill their respective responsibilities in terms of corporate governance.

Throughout the year ended 31 December 2025, the Company has complied with the Code Provisions set out in Part 2 of the CG Code and adopted recommended best practices set out in the CG Code where appropriate, except for the deviation from the Code Provision F.1.3 of the CG Code.

Under Code Provision F.1.3 of the CG Code, the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.

Due to other pre-arranged business commitments which must be attended to, Ms. DU Juan, being the chairperson of the Board and an executive Director, was not present at the 2025 AGM. However, Dr. TSENG Shieng-chang Carter, being the then chairperson of the Remuneration Committee and an independent non-executive Director, Professor WANG Yijiang, being the chairperson of the Nomination Committee and an independent non-executive Director, and Mr. LAU Siu Ki, being the chairperson of the Audit Committee and an independent non-executive Director, were present at the 2025 AGM to maintain an ongoing dialogue and communicate with the Shareholders and encourage their participation.

SCOPE OF WORK OF THE COMPANY'S AUDITOR EY

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by EY to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY 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 HKICPA and consequently no assurance has been expressed by EY on this announcement.

AUDIT COMMITTEE

The 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 three members, namely Mr. LAU Siu Ki (chairperson), Professor WANG Yijiang and Mr. HUI Chi Kin Max, all being independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code. Specific enquiries have been made with all Directors and all of them have confirmed that they have complied with the required 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.

COMPLIANCE WITH DEED OF NON-COMPETITION

The Company has received a written confirmation from TCL Industries Holdings and T.C.L. Industries (H.K.) confirming that for the period from 1 January 2025 to 31 December 2025 (both dates inclusive), they had fully complied with the Deed of Non-competition (2020) executed by them in favour of the Company dated 29 June 2020.

The Company has received a written confirmation from TCL Technology confirming that for the period from 1 January 2025 to 31 December 2025 (both dates inclusive), it had fully complied with the Deed of Termination (2020) executed by and among TCL Technology, T.C.L. Industries (H.K.) and the Company dated 29 June 2020.

The independent non-executive Directors have reviewed the relevant confirmations on Deed of Non-Competition (2020) and Deed of Termination (2020), and all of them are satisfied that the non-competition undertakings under the Deed of Non-Competition (2020) and the Deed of Termination (2020) have been complied with during the period from 1 January 2025 to 31 December 2025 (both dates inclusive).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“2008 Share Award Scheme”	the restricted share award scheme adopted by the Company on 6 February 2008 (as amended or modified from time to time), which expired on 5 February 2023;
“2023 Share Award Scheme”	the share award scheme adopted by the Company on 3 November 2023;
“AGM”	annual general meeting of the Company;
“AI”	artificial intelligence;
“AIGC”	artificial intelligence generated content;
“AR”	augmented reality;
“ASP”	average selling price;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“CES”	Consumer Electronics Show;
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“CINNO Research”	CINNO Research, a third-party consulting firm specialising in the pan-semiconductor industry chain encompassing display, semiconductor, consumer electronics, intelligent manufacturing and key components;
“Circana”	Circana Group, a market research company that provides global data, industry expertise and analysis from a variety of perspectives. It is formed through the merger of NPD Group L.P. and Information Resources Corporation;
“CMM”	China Market Monitor Co., Ltd., a research institute focusing on consumer goods and the retail home appliance market in the PRC;

“Code Provision(s)”	the code provision(s) contained in Part 2 of the Corporate Governance Code;
“Company”	TCL Electronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01070);
“Deed of Non-Competition (2020)”	the deed executed by TCL Industries Holdings, T.C.L. Industries (H.K.) and the Company on 29 June 2020 in favour of the Company whereby each of TCL Industries Holdings and T.C.L. Industries (H.K.) has undertaken not to (save for the exception as defined on page 39 of the announcement of the Company dated 29 June 2020), directly or indirectly, carry on or be engaged or interested in the manufacture and assembly of TCL brand TV sets and smart phones;
“Deed of Termination (2020)”	the deed executed by TCL Technology, T.C.L. Industries (H.K.) and the Company on 29 June 2020 pursuant to which the parties agreed to terminate the Deed of Non-Competition (1999) (as defined on page 48 of the announcement of the Company dated 29 June 2020) as amended from time to time and TCL Technology has undertaken not to (save for the Exception as defined on page 39 of the announcement of the Company dated 29 June 2020), directly or indirectly, carry on or be engaged or interested in the manufacture and assembly of TV sets bearing TCL brand;
“Director(s)”	the director(s) of the Company;
“Discien”	a professional consulting firm focusing on the display and semiconductor industry chain;
“Emerging Market”	regions including Asia-Pacific (excluding the PRC), Latin America, Middle East and Africa;
“GMV”	gross merchandise volume;
“Group”	the Company and its subsidiaries collectively;
“GW”	gigawatt, equivalent to one billion watts, a unit of power;

“HDR”	High Dynamic Range;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKAS(s)”	Hong Kong Accounting Standard(s);
“HKFRS(s)”	HKFRS Accounting Standards;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“IDC”	International Data Corporation, a global provider of market information and consulting services related to the information technology, telecommunications and consumer technology markets;
“IFRS”	International Financial Reporting Standards;
“IoT”	Internet of Things;
“LED”	light emitting diode;
“Listing Rules”	the rules governing the listing of securities on the Hong Kong Stock Exchange;
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules;
“Omdia”	a global technology research organisation formed through the merger of research divisions (Ovum/Heavy Reading and Tractica) and the acquisition of IHS Markit International;
“OTT”	Over The Top, an acronym for a variety of media services provided directly to viewers via the internet;

“PRC” or “China”	the People’s Republic of China; for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” and “China” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan, China;
“QLED”	quantum dot display technology;
“R&D”	research and development;
“RayNeo”	RayNeo Co., Ltd., a company established under the laws of the PRC with limited liability, which primarily operates the Group’s smart glasses business and of which the Group held 10.10% equity interest as of the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“RUNTO”	Beijing Runto Technology Co., Ltd., a third-party institution in the PRC that provides data products and research and advisory services;
“Share(s)”	share(s) of the Company;
“Share Award Schemes”	collectively the 2008 Share Award Scheme and the 2023 Share Award Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 3 November 2023;
“Shareholder(s)”	shareholder(s) of the Company;
“subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
“TCL Industries Holdings”	TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司), formerly known as TCL Industries Holdings (Guangdong) Inc.* (TCL實業控股(廣東)股份有限公司), a joint stock limited company established under the laws of the PRC;

“T.C.L. Industries (H.K.)”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, an immediate controlling Shareholder, and a wholly-owned subsidiary of TCL Industries Holdings;
“TCL SEMP Eletroeletronicos”	TCL SEMP Eletroeletronicos Ltda. (formerly known as SEMP TCL Mobilidade Ltda.), a company incorporated under the laws of Brazil with limited liability, an indirect subsidiary of the Company;
“TCL Technology”	TCL Technology Group Corporation* (TCL科技集團股份有限公司), formerly known as TCL Corporation* (TCL集團股份有限公司), a joint stock limited company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100.SZ);
“TV(s)”	television(s);
“XR”	extended reality; and
“%”	per cent.

On behalf of the Board
TCL Electronics Holdings Limited
DU Juan
Chairperson

Hong Kong, 27 March 2026

The English translation of Chinese names or words 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 names or words.*

As at the date of this announcement, the Board comprises Ms. DU Juan, Mr. ZHANG Shaoyong, Mr. PENG Pan and Mr. SUN Li as executive Directors and Professor WANG Yijiang, Mr. LAU Siu Ki and Mr. HUI Chi Kin Max as independent non-executive Directors.