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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 SIX MONTHS ENDED 30 JUNE 2025**

The Board is pleased to announce the unaudited consolidated results and financial position of the Group for the six months ended 30 June 2025 with comparative figures for the corresponding period in 2024.

<b>FINANCIAL HIGHLIGHTS</b>	<b>Six months ended 30 June</b>		<b>Change</b>
	<b>2025</b> <b>(unaudited)</b> <b>HK\$ Million</b>	<b>2024</b> <b>(unaudited)</b> <b>HK\$ Million</b> <i>(Restated)</i>	
Revenue	<b>54,777</b>	45,494	20.4%
Gross profit <sup>1</sup>	<b>8,366</b>	7,213	16.0%
Profit after tax	<b>1,048</b>	653	60.5%
Profit attributable to owners of the parent	<b>1,090</b>	650	67.8%
Non-HKFRS measure:			
adjusted profit attributable to owners of the parent	<b>1,060</b>	654	62.0%

<sup>1</sup> To provide investors with more comparable data with peers, the Group voluntarily adopted the requirements in the *Interpretation No. 18 of Accounting Standards for Business Enterprises* of the Chinese Accounting Standards for Business Enterprises, making corresponding changes to the originally adopted accounting policies, to reclassify the guarantee-type quality assurance costs from selling and distribution expenses to cost of sales, which is effective from 1 January 2024, and restated the comparative figures for the first half of 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

### 1. Overview

#### **Structural Upgrading of End-Market Consumption: Large-Sized and Mini LED Premiumisation Trends Accelerate, AI Empowers New Sectors to Unlock Growth Potential**

Throughout the first half of 2025, global markets continued to navigate a complex and uncertain economic environment, though notable positive indicators were emerging. While escalating geopolitical tensions and volatile trade protectionist policies presented ongoing challenges to global economic expansion, certain regions and industries have demonstrated remarkable resilience and adaptability, reinforcing market confidence. The global TV market demand has shown signs of stabilisation, with global shipment of TV industry increasing slightly by 0.1% year-on-year in the first half of 2025. Meanwhile, consumers' appetite for premium audio-visual experiences and stronger demand for larger displays and superior picture quality have been driving the structural growth trends of large-screen and premium TV. The high-end TV segment, particularly those featuring Mini LED technology, is experiencing exceptional expansion. Global shipment of Mini LED TV within the industry surged by 149.6% year-on-year to 4.80 million sets in the first half of 2025, whilst the global shipment of 75-inch and above TVs grew by 20.5% year-on-year to 11.49 million sets<sup>2</sup>.

In the PRC market, the government's "trade-in" policy has effectively stimulated replacement demand, driving steady revenue growth in TV market. During the first half of 2025, the rising penetration rates of large-screen and Mini LED TVs propelled the industry to achieve a double-digit growth of 10.9%<sup>3</sup> in retail sales revenue. Furthermore, the end-market of China's photovoltaic sector exhibited robust growth momentum, with newly installed grid-connected capacity surging by 106.5% year-on-year to 212GW<sup>4</sup> in the first half of 2025, of which 113GW was contributed by distributed photovoltaic installations, representing a 113.3% year-on-year increase and signaling strong and continued expansion in the renewable energy sector.

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<sup>2</sup> Source: Global brand TV shipment in the first half of 2025 from Omdia.

<sup>3</sup> Source: Brand TV retail sales revenue in the first half of 2025 in the PRC market from CMM's omni-channel data.

<sup>4</sup> Source: National Energy Administration of the PRC.

Concurrently, the rapid advancement in AI technology is reshaping the landscape of consumer electronics and other industries. Companion robots are poised for remarkable growth, driven by advancements in multimodal large-scale models. These robots can now “read” facial expressions, “understand” voice commands and “remember” user preferences, enabling increasingly natural, emotionally intelligent interactions. Global trends such as aging population and rise in solitary living have heightened the need for meaningful connection and companionship. Driven by such an array of factors, companion robots are expected to rise from a niche product to a mainstream trend and unlock unprecedented market opportunities. Additionally, AI-powered smart glasses are progressively delivering more practical functions encompassing translation, photography, and voice assistant capabilities. Global shipment of AI-powered smart glasses is forecasted to reach 5.5 million sets in 2025 and expand to 22.0 million sets by 2027, with a compound annual growth rate of approximately 100.0%<sup>5</sup>, signaling substantial market potential ahead.

### **Overall Business Grows with Quality: Mid-to-High-End Strategies Yield Tangible Results with Sustained Profitability Enhancement**

Navigating a market environment characterised by both opportunities and challenges, the Group remains steadfastly committed to its core strategies of “Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, Thrive on Global Vitality”, while advancing its “Globalisation” and “Mid-to-High-End” development. The Group has continued to increase R&D investments in advanced display technologies including Mini LED and QLED, alongside AI capabilities, with an aim to strengthen its product competitiveness and accelerate the implementation of its global mid-to-high-end strategy. Concurrently, by leveraging its industry-leading global supply chain and channel advantages, the Group has enhanced its agility in managing global operational risks whilst bolstering business resilience and continuously improved global marketing efficiency and brand value. Through leading strategic deployment across the globe, the Group has maintained steady growth in operational quality amidst market headwinds and delivered robust performance in the first half of 2025.

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<sup>5</sup> Source: Wellsenn.

For the six months ended 30 June 2025, the Group's core business achieved growth with quality, complemented by significant optimisation of product and channel mix and coupled with rapid expansion of innovative business. This resulted in a 20.4% year-on-year increase in overall revenue to HK\$54,777 million and a 16.0% year-on-year increase in gross profit to HK\$8,366 million. The Group has continued to strengthen its competitive advantages in cost management and operational efficiency. Through proactive digital transformation initiatives, automation and intelligentisation upgrades, the Group has enhanced operational efficiency across production, manufacturing, logistics, and warehousing. Combined with continuous implementation of precision marketing tactics, the Group's overall expense<sup>6</sup> ratio in the first half of 2025 decreased by 1.0 percentage point year-on-year to 11.5%. Driven by scale advantages and successful mid-to-high-end strategy execution, the Group's profitability improved significantly. In the first half of 2025, profit after tax of the Group increased by 60.5% year-on-year to HK\$1,048 million, whilst profit attributable to owners of the parent grew by 67.8% year-on-year to HK\$1,090 million, and adjusted profit attributable to owners of the parent rose by 62.0% year-on-year to HK\$1,060 million.

As at 30 June 2025, the Group maintained a net gearing ratio<sup>7</sup> of 0.0%, with cash and cash equivalents increasing by 30.4% year-on-year to HK\$11,442 million, demonstrating a sound financial structure that provides a solid foundation for sustainable future development. In recognition of Shareholders' long-term support, the Group has maintained a generous dividend policy since 2017 by distributing a final cash dividend of HK31.80 cents per share of the Company in respect of the year ended 31 December 2024, which amounts to a dividend payout ratio of approximately 50% of adjusted profit attributable to owner of the parent, demonstrating the Group's commitment to sharing development results with Shareholders.

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<sup>6</sup> Overall expenses include selling and distribution expenses and administrative expenses.

<sup>7</sup> 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.

## **Breakthroughs in All Segments: Display Business Realises Quality-Driven Growth, Internet Business Maintains High Profitability, Innovative Business Achieves Continuous Rapid Advancement**

Leveraging effective enhancement of brand influence, proactive global channel expansion, and continuous product mix optimisation, the Group's display business revenue increased by 10.9% year-on-year to HK\$33,419 million in the first half of 2025, with gross profit rising by 11.4% year-on-year to HK\$5,197 million. The gross profit margin of the large-sized display business improved by 0.5 percentage points year-on-year to 15.9%. In the first half of 2025, the global shipment of TCL TV grew by 7.6% year-on-year to 13.46 million sets, maintaining its position amongst the world's top two<sup>8</sup> TV brands. The global shipment of TCL Mini LED TV soared by 176.1% year-on-year to 1.37 million sets, firmly securing TCL's position as the global No.1<sup>9</sup>. The Group's sustained efforts to expand channels and deepen key channel development have propelled TCL TV to rank among the top three<sup>10</sup> in terms of retail sales volume in nearly 20 countries worldwide.

The internet business ecosystem continued to mature, driving both scale growth and high profitability. The Group remains deeply committed to global home internet business, dedicated to building a multi-screen interactive and all-scenario intelligent ecosystem. The Group continued strengthening strategic partnerships with internet giants such as Google, Roku and Netflix, whilst comprehensively upgrading its integrated content application, TCL Channel. With content development, product experience, and commercialisation capabilities all improved significantly, the monetisation capability of the Group has been notably enhanced. In the PRC market, it focused on enhancing user experience, aiming to create industry-leading scenarios that fundamentally transform user perceptions. In the first half of 2025, internet business revenue increased by 20.3% year-on-year to HK\$1,458 million, with gross profit margin improved by 0.5 percentage points to 54.4%.

Innovative business segment maintained robust growth, with revenue for the first half of 2025 increasing by 42.4% year-on-year to HK\$19,875 million, and gross profit growing by 25.7% year-on-year to HK\$2,374 million. Amongst these, photovoltaic business's revenue and gross profit achieved a year-on-year increase of 111.3% and 98.5% respectively, reaching HK\$11,136 million and HK\$1,073 million respectively. Adhering to its "Relatively Light Asset" model, the Group's photovoltaic business advanced its market-based power trading capabilities in the first half of 2025. By deepening channel cooperation while balancing scale with quality, the Group has thereby continuously enhanced its operational efficiency and relative competitiveness. Additionally, the Group made steady progress in expanding into overseas photovoltaic markets, successfully entering the European market with its products and services.

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<sup>8</sup> Source: Global brand TV shipment in the first half of 2025 from Omdia.

<sup>9</sup> Source: Global brand Mini LED TV shipment in the first half of 2025 from Omdia.

<sup>10</sup> Source: Internal report of the Group based on TV retail sales volume in the first half of 2025.

## **Continuous Increase in R&D Investment, Outstanding Achievements in Advanced AI Technologies, Brand Value on the Rise**

Building on its core display business strengths and in alignment with industry trends, the Group has adopted a forward-looking approach to investing in innovative differentiated technologies with growth potential. In the first half of 2025, the Group continued increasing R&D investment, with R&D costs growing by 5.6% year-on-year to HK\$1,154 million. The Group focuses on developing cutting-edge display technologies including Mini LED and QLED to continuously enhance its product competitiveness. In the first half of 2025, the Group introduced the industry's first fourth generation LED TV, featuring innovative “Virtually ZeroBorder” design with 100% screen display and delivering an exceptional immersive audio-visual experience for users. The flagship Mini LED TV series incorporates pioneering technologies such as the CrystGlow WHVA Panel and All-domain Halo Control Technology, with ultra-high contrast, low reflection, and an ultra-wide viewing angle, while eliminating black borders. These innovations establish new benchmarks for picture detail and colour precision, significantly optimising the visual experience and earning acclaim from users worldwide.

At the same time, the Group actively develops innovative products including AR/XR smart glasses and companion robots, injecting new momentum into sustainable future development. During the reporting period, the Group achieved multiple ground-breaking breakthroughs in core technologies including display, AI, and IoT. At the CES 2025, the Group unveiled the world's first modular AI companion robot, TCL AiMe, demonstrating the Group's leading capabilities in the smart home arena. In terms of the AR/XR glasses, the Group successfully launched a trio of blockbuster new products in the first half of 2025 through collaborative IP partnerships, including the Air 3s Pro XR glasses, a portable lightweight private cinema, the V3 Slim AI shooting glasses, an intelligent assistant for capturing life moments anytime and anywhere, and the X3 Pro AI glasses, a personal information terminal featuring full-colour AR+AI integration. RayNeo smart glasses secured No.1<sup>11</sup> in online sales market share during the 618 Shopping Festival in 2025, powered by its strong product competitiveness.

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<sup>11</sup> Sources: JD Business Intelligence, Tmall Business Advisor, RUNTO, CINNO Research, data from 14 May 2025 to 18 June 2025.

In addition, the Group's brand value and international influence continue ascending through comprehensive upgrades in its global brand building and marketing system, fuelling rapid business expansion. Anchored by an Olympic-themed sports marketing strategy, supported by product-centric engagement in major trade exhibitions and diverse regional IP sponsorships and reinforced by an efficient global customer management mechanism, the Group has significantly enhanced both its marketing efficiency and brand competitiveness. In February 2025, TCL officially became a Worldwide Olympic Partner at the highest tier, signifying global recognition of TCL's brand strength at the highest international level and creating boundless opportunities for future global market expansion. In the first half of 2025, the global brand index of TCL TV increased by 1.7% year-on-year to 93<sup>12</sup>.

## 2. Display Business

### 2.1 *Large-Sized Display*

#### **Top 2 in Global Shipment Scale, Notable Trends towards Mid-to-High-End and Large-Screen Products, Business Growth with Quality Driven by Optimised Product Portfolio**

Despite prevailing growth pressures across the global TV industry, the Group has remained committed to its “Globalisation” and “Mid-to-High-End” strategies. In the first half of 2025, the global shipment of TCL TV reached 13.46 million sets, representing a 7.6% year-on-year increase. According to Omdia's data<sup>13</sup>, global market share in terms of TCL TV shipment increased by 0.9 percentage points year-on-year to 14.2% in the first half of 2025, cementing its position as one of the top two global brands. The market share in terms of sales revenue increased by 1.1 percentage points year-on-year to 13.2%, ranking among the global top three while recording the highest year-on-year market share increase among the top ten global brands, fully demonstrating the Group's product competitiveness and strategic effectiveness.

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<sup>12</sup> The brand index is calculated by dividing the market share of global brand TV sales revenue by the market share of global brand TV shipment of the first half of 2025 from Omdia.

<sup>13</sup> Source: Global TV brand shipment data in the first half of 2025 from Omdia.



During the first half of 2025, the Group's global structural advantages became increasingly prominent, with shipments of Mini LED and large-sized products experiencing rapid growth. This momentum drove revenue up by 9.4% year-on-year to HK\$28,352 million and increased gross profit by 12.9% year-on-year to HK\$4,514 million. The global average size of TCL TV shipped increased by 1.5 inches year-on-year to 53.4 inches. The global shipment of mid-to-high-end products such as TCL QLED TV and Mini LED TV rose by 73.7% and 176.1% year-on-year, respectively. In the first half of 2025, the global shipment market share of TCL Mini LED TV increased by 4.1 percentage points year-on-year to 28.7%, securing its position as the global No.1<sup>14</sup>.

### ***The PRC Market***

According to CMM's omni-channel data, retail sales volume in the TV industry edged up slightly by 0.9% year-on-year to 15.27 million sets in the first half of 2025. Leveraging its effective "Mid-to-High-End" strategy and benefitting from the PRC's "trade-in" policy that released strong demand in this segment, the Group achieved steady growth in shipment and continuous product mix optimisation, outperforming the industry average. In the first half of 2025, the shipment of TCL TV increased by 3.5% year-on-year, with the shipment of TCL-branded TV achieving 10.2% year-on-year growth, ranking among the top two<sup>15</sup> in terms of both retail sales volume and retail sales revenue. Financially, the Group's revenue in the PRC market increased by 4.4% year-on-year to HK\$8,720 million, with gross profit growing significantly by 14.0% to HK\$1,690 million and gross profit margin improved by 1.7 percentage points year-on-year to 19.4%.

During the reporting period, the Group further solidified its breakthroughs in the mid-to-high-end market, with the shipment proportion of large-screen TV expanding notably. The average screen size of TCL TV shipment in the PRC market reached 63.5 inches, up by 1.8 inches year-on-year. Benefitting from the "trade-in" policy, consumers' enthusiasm has been further stimulated. Shipment of TCL Mini LED TV surged by 154.2% year-on-year, with its shipment proportion climbing 12.6 percentage points to 21.2%. During the 618 Shopping Festival in 2025, the Group's Mini LED TV retail sales volume surpassed 270,000 sets, ranking first<sup>16</sup> in the industry.

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<sup>14</sup> Source: Global Mini LED TV brand shipment data in the first half of 2025 from Omdia.

<sup>15</sup> Source: Retail sales volume of TCL-branded TV and Falcon-branded TV in the first half of 2025 in the PRC market from CMM's omni-channel data.

<sup>16</sup> Source: Retail sales volume for weeks 20 to 25 of 2025 from CMM's omni-channel data.



## ***International Market***

To effectively address market risks and ensure agile responsiveness to diverse global market demand, the Group has proactively engineered a global layout for its TV operations and established a distributed network of production bases in key locations including China, Vietnam, Mexico, Brazil, Poland and Pakistan. Such supply chain layout enables flexible reallocation of production focus, supported by a total annual capacity exceeding 30 million sets. By capitalising on the distinct competitive advantages of its global supply and distribution channels, the Group continues to intensify its global brand marketing strategies to fully unleash the core value of the brand. This approach not only propels the Group's TV business to achieve market-leading growth on a global scale, but also demonstrates the powerful and accelerating development trends in Mini LED technology applications and large-screen products.

In the first half of 2025, the shipment of TCL TV grew by 8.7% year-to-year, with revenue growing by 11.8% year-on-year to HK\$19,632 million. Gross profit increased by 12.3% year-on-year to HK\$2,824 million, with the gross profit margin improving by 0.1 percentage points year-on-year to 14.4%. Notably, TCL Mini LED TV has garnered strong preference among overseas consumers, with its global shipment soaring by 196.8% year-on-year, and its shipment proportion expanding by 4.9 percentage points to 7.7%.

In terms of marketing, the Group leveraged high-impact platforms such as international top-tier sporting events, exhibitions, eSports tournaments, and film collaborations to enhance its global brand influence. Meanwhile, the Group continued to expand and deepen key channel coverage across multiple regions, including North America, Europe, and Emerging Market, driving TCL TV to maintain a top-three<sup>17</sup> ranking in nearly 20 countries internationally.

- **North American Market:** The Group leveraged sports marketing to integrate the TCL brand deeply into local culture, effectively enhancing brand affinity, awareness and reputation. Concurrently, the Group has maintained a strong focus on optimising key channel coverage and product mix to better meet the diverse needs of local consumers. In the first half of 2025, while overall TCL TV shipment in the region declined by 7.3% year-on-year, notable improvements in product mix were achieved, with the brand index of TCL TV increasing by 17.8%<sup>18</sup> year-on-year. Shipment of 65-inch and above TCL TV grew by an impressive 60.5% year-on-year, with its shipment proportion rising by 13.0 percentage points. Meanwhile, the shipment of TCL Mini LED TV posted exceptional performance, with shipment in North America

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<sup>17</sup> Source: Internal report of the Group based on TV retail sales volume in the first half of 2025.

<sup>18</sup> The brand index is calculated by dividing the North American market share of brand TV sales revenue by the North American market share of brand TV shipment of the first half of 2025 from Omdia.

surging by 349.6% year-on-year, and its shipment proportion expanded by 6.0 percentage points year-on-year. For the first half of 2025, TCL ranked among the top two in terms of market share of retail sales volume in the U.S.<sup>19</sup>.

- **European Market:** The Group executed a precision-driven, country-specific strategy to meticulously develop its regional channel network, achieving significant breakthroughs in key markets such as the United Kingdom and Germany and driving sustained operational expansion. In the first half of 2025, the shipment of TCL-branded TV in Europe rose by 13.3% year-on-year. Notably, shipment of 65-inch and above TCL TV increased by 29.6% while the shipment of TCL Mini LED TV surged by 91.0% year-on-year. TCL TV secured a solid top two in retail sales volume in France and Poland, and consistently ranked among top three across Sweden, Spain, Greece, and the Czech Republic<sup>20</sup>.
- **Emerging Market:** For regions such as Asia-Pacific (excluding the PRC), Latin America, Middle East and Africa, the Group has further refined its sports marketing matrix and strengthened retail channels. As a result, the shipment of TCL TV grew by 17.9% year-on-year in the first half of 2025. Notably, shipment of 65-inch and above TCL TV increased by 45.8% year-on-year. TCL TV ranked first in retail sales volume in the Philippines, Australia, Saudi Arabia, Argentina and Pakistan, second in Brazil, Thailand and Myanmar, and third in Vietnam and South Korea<sup>21</sup>.

## **2.2 *Small-and-Medium-Sized Display***

### **Prioritise Efficiency, Focus on Key Markets, and Expand Business Steadily**

According to IDC's data<sup>22</sup>, the industry shipments of mobile phones and tablets in the global market in the first half of 2025 saw a marginal year-on-year decrease of 1.2% and a growth of 12.4%, respectively. Guided by the strategy of "Prioritise Efficiency, Focus on Key Markets, and Steadily Expand Business", the Group's small-and-medium-sized display business achieved steady growth by focusing on key markets by deepening its penetration of first-tier telecom operators in Europe and North America and further consolidating strategic partnerships with core partners.

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<sup>19</sup> Source: Circana's U.S. Retail Market Survey Report, based on TV retail sales volume in the first half of 2025.

<sup>20</sup> Source: Internal report of the Group based on TV retail sales volume in the first half of 2025.

<sup>21</sup> Source: Internal report of the Group based on TV retail sales volume in the first half of 2025.

<sup>22</sup> Source: Global shipments of mobile phones and tablets in the first half of 2025 from IDC.

On the product side, the Group launched the TCL 60 series smartphone. Among these, the NXTPAPER models are powered by the industry-leading NXTPAPER 3.0 Colour Ink Eye Protection Display Technology, equipped with nanoscale etching, multi-layer hardware-level blue light filtering, DC dimming, and flicker-free technology, and offer three display modes: standard, colour ink and super reading. In super reading mode, the device can support up to 7 days of immersive reading. Combining the advantages of a smartphone and an e-book reader, it has been highly favoured by consumers. In the tablet segment, the Group introduced the flagship model, TCL NXTPAPER 11 Plus, which features an 11.5-inch eye-protecting display and adopts the newly upgraded NXTPAPER 4.0 eye-protecting display technology, offering smart and personalised eye-protection modes. The screen-making process has also been optimised to enhance the paper-like display effect. For the first time, the tablet is equipped with an AI toolbox, integrating advanced eye-care display technology with AI productivity tools. This combination creates a new generation of tablets that offer both eye-care comfort and efficient experience. Since its launch, the tablet has been highly favoured by consumers and has received widespread praise.

In the first half of 2025, the Group's small-and-medium-sized display business revenue increased by 21.3% year-on-year to HK\$4,563 million, with gross profit increasing by 2.7% year-on-year to HK\$627 million.

### **2.3 Smart Commercial Display**

#### **Enhancing Domestic Product Mix, Forging Partnerships with Overseas High-End Clients**

In the first half of 2025, the Group's domestic market maintained steady growth in scale while focusing on the optimisation of product and channel mix at the same time. Notably, significant breakthroughs were achieved in the digital signage area, successfully expanding partnerships with major clients such as Starbucks, Luckin Coffee, Mixue Group, and Li Auto. Driven by superior product quality, domestic shipment volume of digital signage rose to the top position in the industry<sup>23</sup>. In overseas markets, the Group leveraged its industry-leading display technology and supply chain advantages to deepen its presence in the education sector. By significantly enhancing product competitiveness and actively expanding and optimising its customer base, the Group achieved meaningful breakthroughs in the high-end markets of key European and North American countries and has further strengthened its influence in overseas markets.

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<sup>23</sup> Source: Data in the first quarter of 2025 from Discien.

In the first half of 2025, the Group launched its flagship office smart screen product for office work, the 98E60, featuring an oversized screen equipped with future paper display technology and core technologies such as professional display, audio-visual systems, conferencing systems, and AI algorithms. While providing multiple eye-protection features, it also supports one-click quick meeting access and one-click 4K driverless wireless screen projection, among other efficient office functions. This product empowers digital office solutions and offers superior meeting experiences for enterprise-level users, facilitating digital transformation.

Benefitting from its strategy of “Focus on Business Expansion, Improve Quality in Operation”, the Group’s revenue from smart commercial display business increased by 9.4% year-on-year to HK\$504 million in the first half of 2025, with gross profit reaching HK\$56 million. During the 618 Shopping Festival in 2025, the Group achieved the second-best<sup>24</sup> performance in terms of brand turnover in the industry in the commercial TV category on JD e-commerce platform, further solidifying its leading position in the market.

### **3. Internet Business**

#### **User Experience at the Core, Elevating TV AI Interaction, Vigorously Expanding Overseas Markets, Powering Sustainable Growth**

The Group remains committed to expanding the global presence of its home internet business, prioritising user needs and continuously enhancing user experience. For the six months ended 30 June 2025, the Group’s global internet business revenue reached HK\$1,458 million, representing a year-on-year increase of 20.3%. Gross profit increased by 21.5% year-on-year to HK\$794 million, while gross profit margin improved by 0.5 percentage points year-on-year to 54.4%, demonstrating strong profitability.

#### **3.1 The PRC Market**

In the first half of 2025, the Group continued to prioritise user experience, with particular emphasis on advancing AI technology and interactive TV capabilities. The objective was to deliver exceptional desktop and viewing experiences whilst reinforcing user recognition of the Group’s industry leadership. In product innovation, as a pioneer in the OTT field, the Group completed the significant upgrade of “TCL LINGKONG UI 3.0” during the reporting period, which achieved streamlined desktop optimisation. Besides, by fully leveraging Mini LED display technology advantages, superior viewing experiences were delivered. UHD services were also deployed across TV devices, offering over 30,000 hours of UHD content and providing users with unparalleled immersive audio-visual experiences.

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<sup>24</sup> Source: JD.com’s Commercial Display Category 618 Report, from 13 May 2025 to 19 June 2025.

### **3.2 *The International Market***

In the international market, the Group continued strengthening close partnerships with internet giants such as Google, Roku and Netflix, driving continuous breakthroughs in overseas business models. The fully upgraded TCL Channel features a refreshed user interface, significantly improving content distribution efficiency and delivering first-class experiences in both FAST and AVOD. In countries like the U.S., Brazil, France and Spain, content localisation has been accompanied by a substantial increase in the share of high-quality content. Furthermore, the average consumption time of our proprietary content products has seen a twofold increase. As of 30 June 2025, TCL Channel achieved global overseas market coverage with over 39.30 million cumulative users, effectively fuelling sustained growth in international internet business.

## **4. Innovative Business**

### **4.1 *Photovoltaic Business***

#### **Photovoltaic Business Diversified with Continuous Improvement in Operational Efficiency and Relative Competitiveness and Steady Advancement of the Overseas Operation**

The Group has been focusing on the downstream distributed photovoltaic end market. In the first half of 2025, the Group enhanced competitive advantages in the market-based power trading, continuously deepened channel cooperation, accelerated the implementation of innovative application scenarios and product innovation iterations steadily, and continuously strengthened operational efficiency to ensure healthy business development. During the period, the Group significantly enhanced channel stickiness through mutual empowerment and refined operations, deepened cooperation with capital partners capable of engaging in market-based power trading, and co-created green financial solutions with financial institutions to achieve quality development of ecological collaboration. Meanwhile, the Group continuously explored new scenarios, including zero-carbon parks, photovoltaic storage and charging solutions, and high-end villas, adapting to the ever-changing market demands through product and technological innovations. In addition, the Group continued to strengthen product competitiveness through technological transformations. In overseas markets, the Group steadily advanced its overseas business development, actively explored integrated photovoltaic and energy storage businesses, and achieved product and business deployment in Europe.

In the first half of 2025, the Group's photovoltaic business revenue increased by 111.3% year-on-year to HK\$11,136 million, with gross profit rising by 98.5% year-on-year to HK\$1,073 million. As of 30 June 2025, the Group's photovoltaic business has accumulated over 290 industrial and commercial contracted projects and more than 2,380 distribution channels, benefitting over 280,000 contracted rural residents in the PRC market. Looking ahead, the Group is strategically positioned to capitalise on the historic opportunities presented by the global energy transition and carbon-neutral development, striving to become an integrated global new energy solution provider, and contributing to a greener world.

#### **4.2 All-Category Marketing**

##### **Brand and Channel Synergies Facilitate Solid Expansion in All-Category Distribution Scale**

Leveraging the Group's long-established global brand influence in the display business and its extensive cross-regional channel network, the global distribution business scale of smart products, such as air conditioner, refrigerator and washing machine, has continued to expand its global scale. Product innovation advanced in parallel, with a range of new products launched during the reporting period, including TCL Minions AI Super Drum Washer & Dryer Pair, TCL FreshIN Fresh Air Conditioner and TCL "Ice Kylin" Refrigerator. In the first half of 2025, the revenue of all-category marketing business saw a year-on-year increase of 1.2% to HK\$7,842 million, with air conditioner revenue accounting for 82.2%, and refrigerator and washing machine revenue contributing 17.8%.

#### **4.3 Smart Connection and Smart Home**

##### **Empowering Smart Lifestyle through AI, Elevating Product Competitiveness via Technological Innovation and Propelling Sustainable Long-Term Growth**

In the first half of 2025, the Group's smart connection and smart home business expanded steadily through channel development to achieve quality growth, with revenue reaching HK\$897 million. Gross profit and gross profit margin increased by 13.2% and 3.5 percentage points year-on-year to HK\$211 million and 23.6% respectively, demonstrating significantly enhanced profitability.



In the smart connection business, the Group continued deepening its presence by strengthening partnerships with telecom operators and actively expanding its 4G and 5G product portfolio. In the smart home business, the Group launched innovative smart door lock products including the K7G MAX series in the first half of 2025, while expanding the overseas market presence of the D2 series. These efforts have effectively enhanced international competitiveness of the Group's products.

The Group achieved ground-breaking breakthroughs in the field of AR/XR smart glasses. In the first half of 2025, RayNeo, a company internally incubated by the Group, launched a series of three blockbuster new products through collaborative IP branding, including the portable lightweight Air 3s Pro XR private cinema glasses, the V3 Slim AI shooting glasses for capturing moments anytime and anywhere, and the X3 Pro AI glasses, a personal information terminal featuring full-colour AR and AI integration. During the 618 Shopping Festival in 2025, RayNeo's domestic market share in terms of sales volume exceeded 52%, representing a 2.4-fold<sup>25</sup> increase in sales volume year-on-year. RayNeo Smart Glasses secured sales volume championship in the XR category on both JD and Tmall platforms, demonstrating strong consumer recognition.

To capitalise on emerging opportunities arising from AI and IoT convergence, the Group continued increasing its investment in R&D innovation. Earlier this year at the CES, the Group unveiled the world's first modular AI companion robot, the TCL AiMe. Integrating AI, IoT control hub capabilities, and home companion robot functionalities, this product presents a significant breakthrough in engineering technology. The launch of the TCL AiMe marked a pivotal step in the Group's advancement within the AI + IoT + robotics domain, while underscoring its leadership in the integration and application of AI and IoT technologies. As the home IoT ecosystem continues to mature and consumer awareness deepens, such intelligent devices are poised to become widely accessible in future households, demonstrating substantial market potential.

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<sup>25</sup> Source: JD Business Intelligence, Tmall Business Advisor, RUNTO, and CINNO Research, data from 14 May 2025 to 18 June 2025.



## 5. Outlook

### **Pursue “Mid-to-High-End + Globalisation” Strategy, Drive High-Quality Growth Through Technological Innovation**

Looking ahead, although the global economy continues to face a range of uncertainties, including trade protectionist policies, geopolitical tensions, and exchange rate volatility, there still remain high-potential growth opportunities for the Group arising from the continued iteration and implementation of emerging technologies such as AI and IoT, robust demand from the new energy market, advancements in high-end display technologies, and the distinct competitive advantages held by leading enterprises within the home appliance industry.

Regarding core business, the global TV demand is expected to remain relatively stable, while the global trend towards large-screen and high-end products is anticipated to become more pronounced. Large-screen and mid-to-high-end TV products such as 75-inch and above TV and Mini LED TV are expected to maintain rapid growth. The Group will continue to deepen its dual-drive strategy of “Mid-to-High-End + Globalisation”. On the one hand, the Group will increase investment in core technologies to build technological barriers, establishing a competitive moat in the mid-to-high-end segment, and driving sustained, high-quality growth. In the display business sector, the Group will capitalise on the opportunities arising from the large-scale development of cutting-edge display technologies such as Mini LED, continuously expanding its mid-to-high-end product portfolio, while leveraging precise marketing tactics to further enhance brand awareness and reputation, ultimately growing TCL’s global market share and influence. On the other hand, the Group will fully harness its vertically integrated industrial chain advantage and global channel network to promote high-quality development across its business portfolio, including small-and-medium-sized display, photovoltaic and all-category marketing businesses.

While consolidating its core business, the Group will actively seize new market opportunities brought by AI, and increase its investment in AI-related R&D. On the operational front, the Group will introduce more AI systems and applications, and vigorously drive digital transformation to enhance operational efficiency. On the business development front, the Group will maximise the use of AI technology to elevate product performance and service quality, thereby further enhancing user experience. Concurrently, the Group will expedite R&D as well as the commercialisation of AR/XR smart glasses and companion robots, empowering the Group’s long-term second growth curve and forging a new strategic growth engine.

## **Continuously Upgrade Core Strengths and Pursue High-Quality Growth to Become a Leading Intelligent Device Enterprise with Global Operation**

The Group will adhere to the business philosophy of “Strategy Guidance, Innovation Drive, Advanced Manufacturing and Global Operation”, with a sharp focus on building core competitiveness. In brand development, the Group will continuously enhance TCL’s global brand momentum to solidify its strategic advantages in the mid-to-high-end market. In technology, the Group will intensify R&D investments to spearhead industry innovation. In operation, the Group will further optimise its global supply chain, logistics, and service systems to enhance operational efficiency. In marketing, it will advance precision marketing tactics to drive synergistic growth in marketing efficiency and brand value. For organisational development, the Group will refine its globalised governance framework and actively cultivate an international talent pool. Through multidimensional and systematic capacity-building, the Group aims to continuously strengthen its global competitive moat.

Looking ahead, the Group will rigorously adhere to its long-term operational goal of “net profit growth rate> gross profit growth rate> revenue growth rate> sales volume growth rate”, while continuously deepening industrial footprint, so as to drive revenue diversification and achieve sustainable, high-quality business growth. Simultaneously, the Group will remain steadfast in its commitment to sustainable development, centred around the twin priorities of “Deepen Global Operations and Achieve Optimal Operational Efficiency”. The Group is unwavering in its pursuit of high-quality development, dedicated to creating value for customers, building a platform for employees, delivering returns for Shareholders, and fulfilling social responsibilities, as it forges ahead relentlessly toward its vision of becoming a world-leading smart device enterprise.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Comparison between the First Half of 2025 and the First Half of 2024

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

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Restated)
<b>REVENUE</b>	<b>54,777,049</b>	45,493,620
Cost of sales	<b>(46,411,098)</b>	(38,280,761)
Gross profit	<b>8,365,951</b>	7,212,859
Other income and gains	<b>894,483</b>	1,094,792
Selling and distribution expenses	<b>(4,011,576)</b>	(3,832,293)
Administrative expenses	<b>(2,312,964)</b>	(1,860,323)
Research and development costs	<b>(1,154,499)</b>	(1,092,783)
Other operating expenses	<b>(17,875)</b>	(171,529)
Impairment losses of financial and contract assets, net	<b>(18,325)</b>	(10,053)
	<b>1,745,195</b>	1,340,670
Finance costs	<b>(392,234)</b>	(521,358)
Shares of profits and losses of:		
Joint ventures	–	16,039
Associates	<b>67,885</b>	46,445
Profit before tax	<b>1,420,846</b>	881,796
Income tax	<b>(373,196)</b>	(228,882)
Profit for the period	<b>1,047,650</b>	652,914
<b>Profit attributable to owners of the parent</b>	<b>1,090,419</b>	649,920
<b>Non-HKFRS measure:</b>		
<b>adjusted profit attributable to owners of the parent</b>	<b>1,059,892</b>	654,211

## Revenue

The Group's revenue increased by 20.4% year-on-year from HK\$45,494 million in the first half of 2024 to HK\$54,777 million in the first half of 2025. The following table shows the Group's revenue by business segment for the six months ended 30 June 2025 and 30 June 2024:

	Six months ended 30 June			
	2025		2024	
	HK\$ Million	Proportion of the total revenue	HK\$ Million	Proportion of the total revenue
<b>Display Business<sup>26</sup></b>	<b>33,419</b>	<b>61.0%</b>	30,135	66.3%
Large-Sized Display	28,352	51.8%	25,914	57.0%
– The PRC Market	8,720	15.9%	8,353	18.4%
– International Market	19,632	35.9%	17,561	38.6%
Small-and-Medium-Sized Display	4,563	8.3%	3,761	8.3%
Smart Commercial Display	504	0.9%	460	1.0%
<b>Internet Business<sup>27</sup></b>	<b>1,458</b>	<b>2.7%</b>	1,212	2.7%
<b>Innovative Business<sup>28</sup></b>	<b>19,875</b>	<b>36.3%</b>	13,953	30.6%
Photovoltaic Business	11,136	20.4%	5,269	11.6%
All-Category Marketing	7,842	14.3%	7,753	17.0%
Smart Connection and Smart Home	897	1.6%	931	2.0%
<b>Others</b>	<b>25</b>	<b>0.0%</b>	194	0.4%
<b>Total Revenue</b>	<b>54,777</b>	<b>100.0%</b>	45,494	100.0%

<sup>26</sup> “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.

<sup>27</sup> “Internet business” refers to “Internet business” as set out in the operating segment information of the notes to the financial statements.

<sup>28</sup> “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 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 10.9% year-on-year, rising from HK\$30,135 million in the first half of 2024 to HK\$33,419 million in the first half of 2025. This growth was primarily driven by the Group's proactive expansion in global market and the effective enhancement of its brand influence. In the first half of 2025, the global shipment of TCL TV recorded a year-on-year increase, coupled with significant improvements in product mix. Revenue from large-sized display business grew by 9.4% year-on-year to HK\$28,352 million. Meanwhile, revenue from small-and-medium-sized display business rose by 21.3% year-on-year to HK\$4,563 million benefitting from the ongoing recovery of the industry, while the smart commercial display business focused on key breakthroughs, with revenue growing by 9.4% year-on-year to HK\$504 million.

### ***Internet Business***

Revenue from the internet business increased by 20.3% year-on-year, rising from HK\$1,212 million in the first half of 2024 to HK\$1,458 million in the first half of 2025. This growth was 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 went up by 42.4% year-on-year from HK\$13,953 million in the first half of 2024 to HK\$19,875 million in the first half of 2025. This growth was primarily attributable to the photovoltaic business's continuous enhancement of market-based power trading capabilities, agile adjustment of marketing strategy, expanded regional presence and deepened channel partnerships during the reporting period. Additionally, the Group's diversified design offerings tailored to various housing types precisely matched market demands, contributing to the 111.3% year-on-year increase in revenue scale to HK\$11,137 million.

### **Gross Profit and Gross Profit Margin**

The Group's overall gross profit increased by 16.0% year-on-year from HK\$7,213 million in the first half of 2024 to HK\$8,366 million in the first half of 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 product mix, and effective cost control measures, which collectively contributed to steady growth in overall gross profit. The gross profit margin for the first half of 2025 was 15.3%, representing a year-on-year decrease of 0.6 percentage points compared with the first half of 2024. This decline was mainly due to the increased revenue contribution from the photovoltaic business, which has a relatively low gross profit.

### ***Display Business***

The gross profit margin for the display business in the first half of 2025 was 15.6%, representing a year-on-year increase of 0.1 percentage points. This improvement was primarily driven by the Group's continued implementation of its mid-to-high-end strategy and effective optimisation of the product mix. Additionally, the gross profit margin for the large-sized display business increased by 0.5 percentage points year-on-year to 15.9%.

### ***Internet Business***

The gross profit margin for the internet business in the first half of 2025 was 54.4%, representing a year-on-year increase of 0.5 percentage points. This growth was primarily driven by the Group's enhanced overseas internet commercialisation capabilities, which boosted monetisation efficiency. Additionally, the scale of high-margin overseas internet revenue further expanded.

### ***Innovative Business***

The gross profit margin for the innovative business in the first half of 2025 was 11.9%, representing a year-on-year decrease of 1.6 percentage points. This decline was mainly due to the increased revenue contribution from the photovoltaic business, which has a relatively low gross profit.

### **Other Income and Gains**

Other income and gains decreased by 18.3% year-on-year from HK\$1,095 million in the first half of 2024 to HK\$894 million in the first half of 2025. This decline was primarily due to a reduction in the Group's financial investment scale, which led to a decrease in interest income.

### **Selling and Distribution Expenses**

Selling and distribution expenses increased by 4.7% year-on-year from HK\$3,832 million in the first half of 2024 to HK\$4,012 million in the first half of 2025. This increase was primarily driven by the Group's strategic investment in brand marketing and product promotion activities.

### **Administrative Expenses**

Administrative expenses increased by 24.3% year-on-year from HK\$1,860 million in the first half of 2024 to HK\$2,313 million in the first half of 2025. This increase was primarily due to higher realised losses on settlement of derivative financial instruments and the increase in bonus provisions resulting from the Group's strong performance in the first half of 2025.

## **R&D Costs**

R&D costs increased by 5.6% year-on-year from HK\$1,093 million in the first half of 2024 to HK\$1,154 million in the first half of 2025. This growth was primarily driven by the Group's continued investment in high-end display technology and AI development.

## **Other Operating Expenses**

Other operating expenses significantly decreased by 89.6% year-on-year from HK\$172 million in the first half of 2024 to HK\$17.88 million in the first half of 2025. This sharp decline was primarily due to the goodwill impairment provision made by the Group in the first half of 2024. For further details, please refer to the 2024 interim report of the Company.

## **Impairment Losses on Financial and Contract Assets, Net**

The impairment losses on financial and contract assets, net surged by 82.3% year-on-year from HK\$10.05 million in the first half of 2024 to HK\$18.33 million in the first half of 2025, mainly caused by the increase in bad debt provision for trade receivables.

## **Finance Expenses**

The finance expenses decreased by 24.8% year-on-year, falling from HK\$521 million in the first half of 2024 to HK\$392 million in the first half of 2025. The reduction was primarily attributable to lower interest expenses related to bills discounting and factoring of trade receivables during the reporting period.

## **Share of Profits and Losses – Joint Ventures and Associates**

The share of profits increased by 8.6% year-on-year, from HK\$62.48 million in the first half of 2024 to HK\$67.89 million in the first half of 2025. This growth was mainly attributable to improved performance and profit growth of the Group's associates.

## **Profit before Tax**

Profit before tax increased from HK\$882 million in the first half of 2024 to HK\$1,421 million in the first half of 2025, representing a year-on-year growth of 61.1%. This growth was 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. Additionally, the Group benefitted from economies of scale, quality and efficiency enhancements, and an effective reduction in overall expense ratio.

## **Income Tax**

Income tax increased by 63.1% year-on-year, from HK\$229 million in the first half of 2024 to HK\$373 million in the first half of 2025. This increase was primarily due to the rise in profit before tax of certain subsidiaries of the Company during the reporting period. The effective tax rate of the Group increased by 0.3 percentage points from 26.0% in the first half of 2024 to 26.3% in the first half of 2025 .



### **Profit for the Period and Profit Attributable to Owners of the Parent**

Profit for the period increased by 60.5% year-on-year, from HK\$653 million in the first half of 2024 to HK\$1,048 million in the first half of 2025. Profit attributable to owners of the parent rose by 67.8%, from HK\$650 million in the first half of 2024 to HK\$1,090 million in the first half of 2025. This growth was mainly driven by the Group's continued R&D investment in high-end display technologies and AI, proactive global supply chain and channel expansion, and ongoing optimisation of the expense structure, which collectively enhanced operational quality and strengthened profitability.

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

Adjusted profit attributable to owners of parent increased by 62.0% year-on-year from HK\$654 million in the first half of 2024 to HK\$1,060 million in the first half of 2025. This substantial improvement was 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 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, 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. In addition, the definition of such non-HKFRS financial measure does not have a standardised meaning prescribed by HKFRS 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.

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.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit attributable to owners of the parent, as reported	<b>1,090,419</b>	649,920
(Gain)/loss from investment companies, net <sup>29</sup>	<b>(5,181)</b>	253
(Gain)/loss on disposal and liquidation of subsidiaries, net <sup>30</sup>	<b>(745)</b>	—
(Gain)/loss related to call options and put options, net <sup>31</sup>	<b>(18,425)</b>	449
(Gain)/loss on disposal of non-current assets, net <sup>32</sup>	<b>(8,643)</b>	4,764
Related income tax effect <sup>33</sup>	<b>2,467</b>	(1,175)
Non-HKFRS measure:		
adjusted profit attributable to owners of the parent	<b>1,059,892</b>	654,211

<sup>29</sup> (Gain)/loss from investment companies, net includes net (gains)/losses on deemed disposals, disposals, liquidations, deemed partial purchases/disposals of investment companies.

<sup>30</sup> (Gain)/loss on disposal and liquidation of subsidiaries, net includes gains on bargain purchase, net (gains)/losses on deemed disposals, disposals and liquidation of subsidiaries.

<sup>31</sup> (Gain)/loss related to call options and put options, net includes changes in fair value of call options and put options, imputed interests on a financial liability arising from a put option and net (gains)/losses on settlement of expired call options.

<sup>32</sup> (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.

<sup>33</sup> 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 30 June 2025, and did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2025.

### **Future Plans on Material Investments or Capital Assets**

Save as disclosed in this announcement, the Group does not have any current concrete plan for material investments or capital assets.

### **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 30 June 2025 amounted to approximately HK\$11,441,935,000, increasing by 30.4% compared with that as at 31 December 2024, of which 46.0% was in U.S. dollars, 39.4% was in Renminbi, 2.5% was in Euros, 1.7% was in Hong Kong dollars and 10.4% 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 30 June 2025 were approximately HK\$5,804,724,000 which were interest-bearing at fixed and floating rates from 1.80% to 5.17% and denominated in U.S. dollars, Renminbi, Euros and Vietnamese Dong. The maturity profile of borrowings ranged from on demand to within fifteen 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 30 June 2025.

As at 30 June 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\$11,985,114,000 were higher than the total interest-bearing bank and other borrowings and lease liabilities of approximately HK\$6,220,240,000. 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 owners of the parent. The maturity profile of such borrowings ranged from on demand to within twenty five years.

### **Pledge of Assets**

As at 30 June 2025, the Group had restricted cash and pledged deposits balance of approximately HK\$543,179,000 (31 December 2024: HK\$669,910,000), debt investments at amortised cost of approximately HK\$161,821,000 (31 December 2024: HK\$107,637,000), bills receivable of approximately HK\$116,124,000 (31 December 2024: HK\$192,282,000), inventories of approximately HK\$99,577,000 (31 December 2024: HK\$400,087,000), other receivables of approximately HK\$57,121,000 (31 December 2024: HK\$4,428,000) and trade receivables of approximately HK\$548,000 (31 December 2024: Nil) pledged as the balance of performance and quality guarantees, financial assets and banking facilities for the Group.

### **Capital Commitments and Contingent Liabilities**

As at 30 June 2025, the Group had capital commitments which were contracted but not provided for of approximately HK\$533,007,000 (31 December 2024: HK\$539,899,000) and no capital commitments which were authorised but not contracted for (31 December 2024: Nil).

As at 30 June 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 30 June 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**

Saved as disclosed above, the Group was not involved in any material litigation as at 30 June 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 30 June 2025, the Group had a total of 32,603 dynamic and talented employees. During the six months ended 30 June 2025, the total staff costs amounted to approximately HK\$3,342,430,000. 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 were granted to relevant grantees, including employees of the Group, under the TCL Share Option Schemes. No share option has been granted by the Company under the 2023 Share Option Scheme since its adoption on 3 November 2023 up to 30 June 2025.

The 2023 Share Award Scheme was also 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 rules of 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 rules of 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. As at 30 June 2025, a total of 137,558,200 awarded Shares granted under the 2023 Share Award Scheme remained outstanding.

## FINANCIAL INFORMATION

The following condensed consolidated interim financial statements have not been audited, but have been reviewed by the Audit Committee.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Six months ended 30 June	
		2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000 (Restated)
REVENUE	5	54,777,049	45,493,620
Cost of sales		(46,411,098)	(38,280,761)
Gross profit		8,365,951	7,212,859
Other income and gains		894,483	1,094,792
Selling and distribution expenses		(4,011,576)	(3,832,293)
Administrative expenses		(2,312,964)	(1,860,323)
Research and development costs		(1,154,499)	(1,092,783)
Other operating expenses		(17,875)	(171,529)
Impairment losses on financial and contract assets, net		(18,325)	(10,053)
Finance costs	6	1,745,195 (392,234)	1,340,670 (521,358)
Share of profits and losses of:			
Joint ventures		–	16,039
Associates		67,885	46,445
<b>PROFIT BEFORE TAX</b>	7	<b>1,420,846</b>	881,796
Income tax	8	(373,196)	(228,882)
<b>PROFIT FOR THE PERIOD</b>		<b>1,047,650</b>	652,914

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
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 period	<b>(350,586)</b>	38,995
Reclassification adjustments for (gains)/losses included in consolidated statement of profit or loss	<b>(166,033)</b>	38,766
Income tax effect	<b>(983)</b>	649
	<b>(517,602)</b>	78,410
Exchange differences:		
Exchange differences on translation of foreign operations	<b>557,663</b>	(441,667)
Reclassification adjustments for foreign operations liquidated during the period	<b>(417)</b>	–
Reclassification adjustments for associates deemed partial disposed or liquidated during the period	<b>1</b>	84
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	<b>7,374</b>	–
	<b>564,621</b>	(441,583)
Financial assets at fair value through other comprehensive income:		
Changes in fair value of bills receivable, net of income tax	<b>9,890</b>	9,818
Share of other comprehensive income of associates and a joint venture	<b>21</b>	14,333
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	<b>(1,918)</b>	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>55,012</b>	(339,022)



		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<i>Note</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
	Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
	An equity investment designated at fair value through other comprehensive income:		
	Changes in fair value, net of income tax	(2,115)	–
	Share of other comprehensive loss of an associate	–	(14)
		<u>          </u>	<u>          </u>
	Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(2,115)	(14)
		<u>          </u>	<u>          </u>
	<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>52,897</b>	<b>(339,036)</b>
		<u>          </u>	<u>          </u>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,100,547</b>	<b>313,878</b>
		<u>          </u>	<u>          </u>
	Profit/(loss) attributable to:		
	Owners of the parent	1,090,419	649,920
	Non-controlling interests	(42,769)	2,994
		<u>          </u>	<u>          </u>
		<b>1,047,650</b>	<b>652,914</b>
		<u>          </u>	<u>          </u>
	Total comprehensive income/(loss) attributable to:		
	Owners of the parent	1,068,432	393,670
	Non-controlling interests	32,115	(79,792)
		<u>          </u>	<u>          </u>
		<b>1,100,547</b>	<b>313,878</b>
		<u>          </u>	<u>          </u>
	<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
	Basic	<b>HK45.14 cents</b>	<b>HK26.69 cents</b>
		<u>          </u>	<u>          </u>
	Diluted	<b>HK43.04 cents</b>	<b>HK25.62 cents</b>
		<u>          </u>	<u>          </u>

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2025 (unaudited) HK\$'000</b>	31 December 2024 (audited) HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,658,073</b>	2,439,532
Investment properties		<b>410,364</b>	413,818
Right-of-use assets		<b>879,628</b>	827,107
Goodwill	11	<b>3,167,046</b>	2,947,380
Other intangible assets		<b>1,778,662</b>	1,499,256
Investments in joint ventures		<b>4,399</b>	4,331
Investments in associates		<b>1,507,762</b>	1,437,839
Equity investments designated at fair value through other comprehensive income		<b>369,535</b>	366,098
Financial assets at fair value through profit or loss		<b>38,231</b>	37,656
Debt investments at amortised cost		<b>161,821</b>	198,757
Deferred tax assets		<b>645,441</b>	471,530
Contract assets		<b>56,181</b>	365,201
Other receivables		<b>643,357</b>	—
Other deferred assets		<b>909,237</b>	818,931
Derivative financial instruments		<b>6,907</b>	6,041
		<hr/>	<hr/>
Total non-current assets		<b>13,236,644</b>	11,833,477
<b>CURRENT ASSETS</b>			
Inventories		<b>20,012,987</b>	15,288,555
Trade receivables	12	<b>21,826,741</b>	22,332,884
Bills receivable		<b>4,198,375</b>	4,436,662
Contract assets		<b>21,737</b>	22,470
Prepayments, other receivables and other assets		<b>9,352,157</b>	9,451,215
Tax recoverable		<b>241,037</b>	147,255
Financial assets at fair value through profit or loss		<b>1,550,253</b>	2,861,035
Derivative financial instruments		<b>254,083</b>	552,250
Restricted cash and pledged deposits		<b>543,179</b>	669,910
Cash and cash equivalents		<b>11,441,935</b>	8,771,691
		<hr/>	<hr/>
Total current assets		<b>69,442,484</b>	64,533,927

		<b>30 June 2025 (unaudited) HK\$'000</b>	<b>31 December 2024 (audited) HK\$'000</b>
	<i>Notes</i>		
<b>CURRENT LIABILITIES</b>			
Trade payables	13	<b>31,075,322</b>	26,646,451
Bills payable		<b>7,689,545</b>	5,839,326
Other payables and accruals		<b>16,349,835</b>	18,521,480
Interest-bearing bank and other borrowings	14	<b>5,582,785</b>	4,172,399
Lease liabilities		<b>142,935</b>	137,367
Tax payable		<b>447,810</b>	332,855
Derivative financial instruments		<b>597,662</b>	353,309
Provisions		<b>1,450,776</b>	1,125,749
		<hr/>	<hr/>
Total current liabilities		<b>63,336,670</b>	57,128,936
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>6,105,814</b>	7,404,991
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>19,342,458</b>	19,238,468
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	14	<b>221,939</b>	437,660
Lease liabilities		<b>272,581</b>	220,045
Deferred tax liabilities		<b>321,535</b>	324,803
Other long-term payables		<b>145,049</b>	94,568
Other non-current liabilities		<b>459,574</b>	296,308
Financial liability associated with put option		<b>195,960</b>	188,666
		<hr/>	<hr/>
Total non-current liabilities		<b>1,616,638</b>	1,562,050
		<hr/>	<hr/>
Net assets		<b>17,725,820</b>	17,676,418
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	15	<b>2,520,935</b>	2,520,935
Reserves		<b>14,696,125</b>	14,683,433
		<hr/>	<hr/>
		<b>17,217,060</b>	17,204,368
<b>Non-controlling interests</b>		<b>508,760</b>	472,050
		<hr/>	<hr/>
Total equity		<b>17,725,820</b>	17,676,418
		<hr/>	<hr/>

*Notes:*

## **1. BASIS OF PREPARATION**

These unaudited interim condensed consolidated financial statements have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the HKICPA and the disclosure requirements of Appendix D2 of the Listing Rules.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRS Accounting Standards as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, certain financial assets and equity investments which are measured at fair value. These unaudited interim condensed consolidated financial statements are presented in HK\$ and all values are rounded to the nearest thousand except when otherwise indicated.

## **2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard that is applicable to the Group is described below:

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. The amendments did not have any significant impact on the interim condensed consolidated financial information.

### 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 unaudited interim condensed consolidated financial statements.

HKFRS 18	<i>Presentation and Disclosure in Financial Statement</i> <sup>2</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

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

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application.

### 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:

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

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

Six months ended 30 June																
	TV		Internet business		Smart mobile, connective devices and services		All-category marketing		Photovoltaic business		Smart commercial display, smart home and other businesses		Consolidated			
	TCL TV -		TCL TV -													
	the PRC market	international market														
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024		
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)		
Sales to external customers	8,720,454	8,353,344	19,631,732	17,560,766	1,457,871	1,212,056	5,170,279	4,410,323	7,842,078	7,752,507	11,136,594	5,269,368	818,041	935,256	54,777,049	45,493,620
Gross profit	1,689,451	1,482,275	2,824,399	2,515,916	793,226	653,093	790,447	756,258	1,089,555	1,161,976	1,073,390	540,859	105,483	102,482	8,365,951	7,212,859

## 5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers	<b>54,777,049</b>	45,493,620

### Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

Segments	TV and others* (unaudited) HK\$'000	Internet business (unaudited) HK\$'000	Total (unaudited) HK\$'000
<b>Types of goods or services</b>			
Sale of goods	52,664,558	92,953	52,757,511
Construction services	654,620	–	654,620
Video-on-demand services	–	301,099	301,099
Advertising, vertical application and other new businesses	–	1,063,819	1,063,819
Total revenue from contracts with customers	<b>53,319,178</b>	<b>1,457,871</b>	<b>54,777,049</b>
<b>Geographical markets</b>			
Chinese mainland	24,171,944	957,223	25,129,167
Europe	6,691,562	77,395	6,768,957
North America	8,459,101	211,355	8,670,456
Emerging Market	13,996,571	211,898	14,208,469
Total revenue from contracts with customers	<b>53,319,178</b>	<b>1,457,871</b>	<b>54,777,049</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	52,664,558	92,953	52,757,511
Services transferred over time	654,620	301,099	955,719
Services transferred at a point in time	–	1,063,819	1,063,819
Total revenue from contracts with customers	<b>53,319,178</b>	<b>1,457,871</b>	<b>54,777,049</b>



For the six months ended 30 June 2024

Segments	TV and others* (unaudited) HK\$'000	Internet business (unaudited) HK\$'000	Total (unaudited) HK\$'000
<b>Types of goods or services</b>			
Sale of goods	43,515,661	30,653	43,546,314
Construction services	765,903	–	765,903
Video-on-demand services	–	306,518	306,518
Advertising, vertical application and other new businesses	–	874,885	874,885
	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>
Total revenue from contracts with customers	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>
<b>Geographical markets</b>			
Chinese mainland	18,194,431	869,837	19,064,268
Europe	5,504,723	35,479	5,540,202
North America	7,282,697	176,363	7,459,060
Emerging Market	13,299,713	130,377	13,430,090
	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>
Total revenue from contracts with customers	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	43,515,661	30,653	43,546,314
Services transferred over time	765,903	306,518	1,072,421
Services transferred at a point in time	–	874,885	874,885
	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>
Total revenue from contracts with customers	<u>44,281,564</u>	<u>1,212,056</u>	<u>45,493,620</u>

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

## 6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(unaudited) HK\$'000	(unaudited) HK\$'000
Interest on:		
Bank/factoring loans and discounted bills	378,176	497,732
Deposits and loans from companies controlled by TCL Industries Holdings	3,861	15,187
Deposits from affiliates of TCL Industries Holdings	72	—
Interest expense on lease liabilities	10,125	8,439
	<u>392,234</u>	<u>521,358</u>
Total finance costs for the period	<u>392,234</u>	<u>521,358</u>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(unaudited) HK\$'000	(unaudited) HK\$'000
Depreciation of property, plant and equipment	203,617	188,058
Depreciation of investment properties	5,942	7,450
Depreciation of right-of-use assets	93,278	89,743
Impairment of goodwill*	—	126,040
Amortisation of other intangible assets	276,047	241,031
Employee share-based compensation benefits under the TCL Share Award Schemes	101,389	44,645
	<u>101,389</u>	<u>44,645</u>

*Note:*

- \* Loss of this item is included in "Other operating 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% (30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025	2024
	(unaudited) HK\$'000	(unaudited) HK\$'000
Current – Hong Kong		
Charge for the period	145,912	2,640
Current – Elsewhere		
Charge for the period	315,478	218,749
Underprovision in prior periods	58,633	14,429
Deferred	(146,827)	(6,936)
	<hr/>	<hr/>
Total tax charge for the period	<b>373,196</b>	228,882
	<hr/>	<hr/>

## 9. DIVIDENDS

The Board has resolved not to declare any dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

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

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations:	<b>1,090,419</b>	649,920
	<u><u>1,090,419</u></u>	<u><u>649,920</u></u>
	<b>Number of shares</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Shares</b>		
Weighted average number of ordinary shares outstanding less shares held for TCL Share Award Schemes during the period used in the basic earnings per share calculation	<b>2,415,542,163</b>	2,434,812,243
Effect of dilution – weighted average number of ordinary shares:		
Awarded shares	<b>117,713,978</b>	102,298,251
	<u><u>117,713,978</u></u>	<u><u>102,298,251</u></u>
Weighted average number of ordinary shares outstanding during the period used in the diluted earnings per share calculation	<b>2,533,256,141</b>	2,537,110,494
	<u><u>2,533,256,141</u></u>	<u><u>2,537,110,494</u></u>

## 11. GOODWILL

	HK\$'000
At 1 January 2025:	
Cost	3,138,322
Accumulated impairment	(190,942)
	<hr/>
Net carrying amount	2,947,380
	<hr/>
Cost at 1 January 2025, net of accumulated impairment	2,947,380
Acquisition of subsidiaries	168,103
Exchange realignment	51,563
	<hr/>
Cost and net carrying amount at 30 June 2025 (unaudited)	3,167,046
	<hr/>
At 30 June 2025:	
Cost	3,357,988
Accumulated impairment	(190,942)
	<hr/>
Net carrying amount (unaudited)	3,167,046
	<hr/> <hr/>

As of the date of this announcement, the fair value assessment of the identifiable assets and liabilities of the subsidiaries acquired during the period had not been finalised, and therefore, a provisional goodwill of HK\$168,103,000 was recognised.

## 12. TRADE RECEIVABLES

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 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 and certain government bonds from two groups of customers as collaterals for trade receivables of approximately HK\$122,766,000 (31 December 2024: HK\$171,323,000) and HK\$3,251,000 (31 December 2024: HK\$104,213,000) due by them respectively. The Group does not hold any collaterals or other credit enhancements over its remaining trade receivables. The remaining trade receivables are non-interest bearing.

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

	<b>30 June 2025 (unaudited) HK\$'000</b>	31 December 2024 (audited) HK\$'000
Current to 90 days	15,642,677	16,595,138
91 to 180 days	2,690,791	2,857,168
181 to 365 days	2,096,588	2,059,204
Over 365 days	1,684,448	1,088,325
	<u>22,114,504</u>	<u>22,599,835</u>
Impairment allowance	(287,763)	(266,951)
	<u><u>21,826,741</u></u>	<u><u>22,332,884</u></u>

As at 30 June 2025, trade receivables of approximately HK\$548,000 (31 December 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\$970,631,000 (31 December 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, amounted to HK\$2,612,000 (31 December 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\$21,141,261,000 (31 December 2024: HK\$20,938,070,000) are measured at amortised cost.

### 13. TRADE PAYABLES

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

	<b>30 June 2025 (unaudited) HK\$'000</b>	31 December 2024 (audited) HK\$'000
Current to 90 days	25,007,522	21,779,822
91 to 180 days	4,917,774	3,852,823
181 to 365 days	932,785	860,845
Over 365 days	217,241	152,961
	<u>31,075,322</u>	<u>26,646,451</u>

The trade payables are non-interest-bearing and are normally settled within credit periods ranging from 30 to 120 days.

# 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
<b>Current</b>		
Bank loans – unsecured	5,350,612	3,755,295
Bank loans – secured	209,472	400,318
Advances from banks as consideration for factored trade receivables	2,612	11,927
Loans from a company controlled by TCL Industries Holdings	20,089	4,859
	<u>5,582,785</u>	<u>4,172,399</u>
<b>Non-current</b>		
Bank loans – unsecured	218,771	434,423
Bank loans – secured	3,168	3,237
	<u>221,939</u>	<u>437,660</u>
	<u>5,804,724</u>	<u>4,610,059</u>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	5,562,696	4,167,540
In the second year	219,006	219,283
In the third to fifth years, inclusive	705	216,066
After fifth years	2,228	2,311
	<u>5,784,635</u>	<u>4,605,200</u>
Analysed into:		
Other loans repayable:		
Within one year or on demand	20,089	4,859
	<u>5,804,724</u>	<u>4,610,059</u>



*Notes:*

- (a) As at 30 June 2025 and 31 December 2024, the carrying amounts of the Group's bank and other borrowings approximated to their fair values.
- (b) TCL Industries Holdings has individually guaranteed certain of the Group's bank loans of HK\$2,914,689,000 (31 December 2024: HK\$1,838,914,000) as at the end of the reporting period.
- (c) Certain of the Group's bank loans are secured by the pledge of the following assets: certain debt investments at amortised cost amounting to HK\$109,660,000 (31 December 2024: Nil), inventories amounting to HK\$99,577,000 (31 December 2024: HK\$400,087,000), future receivables amounting to HK\$2,855,000 (31 December 2024: HK\$3,468,000) and trade receivables amounting to HK\$548,000 (31 December 2024: Nil).

**15. SHARE CAPITAL**

	<b>30 June 2025 (unaudited) HK\$'000</b>	31 December 2024 (audited) HK\$'000
Authorised:		
3,000,000,000 (31 December 2024: 3,000,000,000) shares of HK\$1.00 each	<u><u>3,000,000</u></u>	<u><u>3,000,000</u></u>
Issued and fully paid:		
2,520,935,155 (31 December 2024: 2,520,935,155) shares of HK\$1.00 each	<u><u>2,520,935</u></u>	<u><u>2,520,935</u></u>

**16. COMPARATIVE AMOUNTS**

Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

## **PURCHASES, SALE OR REDEMPTION OF SECURITIES**

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company (including treasury shares) during the six months ended 30 June 2025.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

## **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 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 six months ended 30 June 2025, the Company has complied with the Code Provisions of the CG Code.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 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 model 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 six months ended 30 June 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 30 June 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 30 June 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 the Deed of Non-Competition (2020) and the 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 30 June 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 from time to time), which expired on 5 February 2023;
“2016 Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2016, which was terminated on 3 November 2023;
“2023 Share Award Scheme”	the share award scheme adopted by the Company on 3 November 2023;
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 3 November 2023;
“AI”	artificial intelligence;
“AR”	augmented reality;
“Audit Committee”	the audit committee of the Company;
“AVOD”	Ad-Based Video-on-Demand, a service where video content is available on-demand to users for free, supported by advertisements;

“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 the research of consumer goods and the retail home appliance market in the PRC;
“Code Provision(s)”	the code provision(s) contained in Part 2 of the CG Code;
“Company” or “TCL Electronics”	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;
“FAST”	Free Ad-Supported Streaming TV, a type of streaming service where users can watch content for free but must view advertisements;
“Group”	collectively the Company and its subsidiaries;
“GW”	gigawatt, equivalent to one billion watts, a unit of power;
“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;
“IoT”	Internet of Things;
“IP”	intellectual property;
“JD Business Intelligence”	a big data intelligent analysis tool launched by JD.com’s official team which helps merchants conduct refined data analysis to achieve intelligent operation and data-driven marketing;
“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 the research divisions (Ovum/ Heave 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, but 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 9.80% equity interest as at 30 June 2025;
“RUNTO”	Beijing Runto Technology Co., Ltd., a third-party organisation in the PRC that provides data products and research and advisory services;
“Share(s)”	share(s) of the Company;
“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 Share Award Schemes”	collectively the 2008 Share Award Scheme and the 2023 Share Award Scheme;
“TCL Share Option Schemes”	collectively the 2016 Share Option Scheme and the 2023 Share Option Scheme;



“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);
“Tmall Business Advisor”	an official unified data platform provided by Alibaba for merchants, a big data-driven business analytics platform specifically designed for Taobao and Tmall merchants;
“TV(s)”	television(s);
“UHD”	ultra-high-definition;
“U.S.”	the United States of America;
“Wellsenn”	Wellsenn XR, an organisation specialising in systematic tracking and vertical research of the virtual reality, AR and mixed reality industry, covering upstream supply chains and devices, midstream software, downstream content and application scenarios;
“XR”	extended reality; and
“%”	per cent.

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

Hong Kong, 22 August 2025

*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.*