

TCLE (01070.HK) Adjusted Profit Attributable to Owners of the Parent Surged by 62.0% YoY in H1 2025

Mid-to-High-End Strategy Yield Tangible Results with High-Quality Growth in Global Business

Results Highlights

- Focusing on its strategy of mid-to-high-end positioning and globalisation initiatives, TCL Electronics' core business achieved quality growth and continuously enhanced its profitability. For the first half of 2025, revenue increased by 20.4% year-on-year to HK\$54.78 billion, profit after tax increased by 60.5% year-on-year to HK\$1.05 billion, whilst adjusted profit attributable to owners of the parent¹ rose by 62.0% year-on-year to HK\$1.06 billion
 - In the first half of 2025, 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 two² 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.1³. The effective implementation of the mid-to-high-end strategy drove the gross profit margin of the large-sized display business improved by 0.5 percentage points to 15.9% year-on-year
 - The internet business ecosystem continued to mature, driving both scale growth and high profitability. In the first half of 2025, internet business revenue increased by 20.3% year-on-year to HK\$1.46 billion, with gross profit margin improving by 0.5 percentage points year-on-year to 54.4%
 - Innovative business maintained robust growth, with revenue for the first half of 2025 increasing by 42.4% year-on-year to HK\$19.88 billion, among which, revenue and gross profit of photovoltaic business achieved year-on-year increases of 111.3% and 98.5%, reaching HK\$11.14 billion and HK\$1.07 billion, respectively.
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(22 August 2025, Hong Kong) -- **TCL Electronics Holdings Limited** ("**TCL Electronics**" or the "Company", **01070.HK**) today announced its interim results for the six months ended 30 June 2025. The Company's core business achieved quality growth, complemented by significant optimisation of product and channel mix, coupled with rapid expansion of innovative business. This resulted in a 20.4% year-on-year increase in overall revenue to HK\$54.78 billion and a 16.0% year-on-year increase in gross profit to HK\$8.37 billion.

¹ Adjusted profit attributable to owners of the parent as profit attributable to owners of the parent is defined 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.

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

³ Source: Global brand Mini LED TV shipment in the first half of 2025 from Omdia.

The Company has continued to strengthen its competitive advantages in cost management and operational efficiency. Through proactive digital transformation initiatives and automation and intelligent upgrades, the Company has enhanced its operational efficiency across production, manufacturing, logistics, and warehousing. Combined with sustained implementation of precision marketing strategies, the Company's overall expense⁴ 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 Company's profitability improved significantly. In the first half of 2025, profit after tax increased by 60.5% year-on-year to HK\$1.05 billion, whilst adjusted profit attributable to owners of the parent rose by 62.0% year-on-year to HK\$1.06 billion.

Notable Trends towards Mid-to-High-End and Large-Screen Products, Quality Growth in Large-Sized Display Business Driven by Optimised Product Portfolio

Leveraging effective enhancement of brand influence, proactive global channel development, and continuous product mix optimisation, the Company's display business revenue increased by 10.9% year-on-year to HK\$33.41 billion in the first half of 2025, with gross profit rising by 11.4% year-on-year to HK\$5.20 billion. In particular, large-sized display business generated global revenue of HK\$28.35 billion, representing a year-on-year increase of 9.4%. The gross profit margin improved by 0.5 percentage points to 15.9% year-on-year. In the first half of 2025, 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 two⁵ 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.1⁶.

In the PRC market, leveraging its effective mid-to-high-end strategy and benefitting from the PRC's "trade-in" policy that released strong demand on mid-to-high-end products, the Company 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 in the PRC market 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 two⁷ in terms of both retail sales volume and retail sales revenue. 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%. The continued increase in shipments of mid-to-high-end and large-size products

⁴ Overall expenses include selling and distribution expenses and administrative expenses.

⁵ Source: Global brand TV shipment in the first half of 2025 from Omdia.

⁶ Source: Global brand Mini LED TV shipment in the first half of 2025 from Omdia.

⁷ Source: Retail sales volume of TCL-branded and Falcon-branded TV in the first half of 2025 in the PRC market from CMM's omni-channel data.

drove the Company's revenue in the PRC market to grow 4.4% year-on-year to HK\$8.72 billion, with gross profit margin improving by 1.7 percentage points year-on-year to 19.4%, further enhancing profitability.

In the international market, the Company has proactively engineered a globalised manufacturing footprint for its TV operations. The Company has established a distributed network of production bases in locations including China, Vietnam, Mexico, Brazil, Poland and Pakistan. Via distributed capacity deployment, the Company has realised dynamic supply chain orchestration and enabled flexible reallocation of production focus, with a total annual capacity exceeding 30 million sets. In the first half of 2025, the shipment of TCL TV in the international market grew by 8.7% year-to-year. Notably, the shipment of TCL Mini LED TV in the international market soared by 196.8% year-on-year, and its shipment proportion expanding by 4.9 percentage points to 7.7%. The significant growth in shipment of mid-to-high-end products drove a year-on-year increase of 11.8% in international market revenue of large-sized display business to HK\$19.63 billion, with gross profit margin enhanced by 0.1 percentage points to 14.4%. Leveraging high-impact platforms such as international top-tier sporting events, exhibitions, eSports tournaments, and film collaborations, the Company enhanced its global brand influence continuously. Meanwhile, the Company expanded and deepened key channel coverage, driving TCL TV to maintain a top-three⁸ ranking in nearly 20 countries internationally.

In addition, guided by the strategy of “prioritising efficiency, focusing on key markets, and steadily expanding business”, the Company's small-and-medium-sized display business achieved steady growth by focusing on key markets, deepening its penetration of first-tier network operators in Europe and North America and further consolidating strategic partnerships with core partners. In the first half of 2025, the Company's small-and-medium-sized display business revenue increased by 21.3% year-on-year to HK\$4.56 billion, with gross profit increasing by 2.7% year-on-year to HK\$0.63 billion.

User Experience at the Core, Elevating TV AI Interaction, Vigorously Expanding Overseas Market, Powering Sustainable Growth in Internet Business

TCL Electronics remains committed to expanding the global presence of its home internet business, prioritising user needs and continuously enhancing user experience. In the first half of 2025, the Company's global internet business revenue reached HK\$1.46 billion, representing a year-on-year increase of 20.3%. Gross profit increased by 21.5% year-on-year to HK\$0.79 billion, while gross

⁸ Source: Internal report of the Company, based on TV retail sales volume in the first half of 2025.

profit margin improved by 0.5 percentage points year-on-year to 54.4%, demonstrating strong profitability.

In product innovation, as a pioneer in the OTT field, TCL Electronics completed the significant upgrade of “TCL LINGKONG UI 3.0” during the reporting period, which achieved streamlined desktop optimisation while fully leveraging Mini LED display technology advantages to deliver superior viewing experiences. Simultaneously, UHD services were deployed across TV terminals, featuring an industry-leading volume and duration of content, offering over 30,000 hours of UHD content and providing users with unparalleled immersive audio-visual experiences.

Moreover, TCL Electronics continued strengthening strategic partnerships with internet giants such as Google, Roku and Netflix, driving continuous breakthroughs in overseas business models. The fully upgraded TCL Channel is equipped with a refreshed user interface, significantly improving content distribution efficiency; It has also established dual first-class experiences in FAST and AVOD. In countries such as the U.S., Brazil, France and Spain, the achievement of content localisation has been accompanied by a substantial increase in the share of high-quality content. Furthermore, the average consumption time for in-house 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.

Innovative Business Achieves a Significant Leap in Scale, Profitability and Competitiveness of Photovoltaic Business Continuously Enhancing, Continuous Breakthroughs in AI Deployment

While achieving high-quality growth in its core business, the Company has leveraged enhanced global marketing efficiency and brand strength to accelerate its presence in innovative business. In the first half of 2025, TCL Electronics’ innovative business maintained robust growth, with revenue for the first half of 2025 increasing by 42.4% year-on-year to HK\$19.88 billion, and gross profit growing by 25.7% year-on-year to HK\$2.37 billion.

In the first half of 2025, TCL Electronics enhanced competitive advantages in the market-based power trading, continuously deepened channel cooperation, accelerated the implementation of innovative application scenarios and product innovation iterations, and continuously strengthened operational efficiency to ensure high-quality and healthy business development. During the reporting period, the Company significantly enhanced channel stickiness through mutual empowerment and refined channel 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 high-quality ecological collaboration development. Meanwhile, the Company continuously explored new scenarios, including zero-carbon parks, photovoltaic storage charging solutions, and high-end villas, adapting to the ever-changing market demands through product and technological innovations. In the first half of 2025, the Company's photovoltaic business revenue increased by 111.3% year-on-year to HK\$11.14 billion, with gross profit rising by 98.5% year-on-year to HK\$1.07 billion. As of 30 June 2025, the Company's photovoltaic business has over 290 cumulative industrial and commercial contracted projects and more than 2,380 cumulative distribution channels, benefitting over 280,000 cumulative contracted rural residents.

The Company 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 Company, 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-fold⁹ 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. Earlier this year at the International Consumer Electronics Show (CES), the Company unveiled the world's first modular AI companion robot, the TCL AiMe. Integrating AI, IoT control hub capabilities, and home companion functionalities, this product presents a significant technological breakthrough. The launch of the TCL AiMe marked a pivotal step in the Company's advancement within the AI + IoT + robotics domain, while underscoring its leadership in the integration and application of AI and IoT technologies.

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

Looking ahead, the Company will adhere to its business philosophy of “Strategy Guidance, Innovation Drive, Advanced Manufacturing and Global Operation”. It will continue to deepen its dual-drive strategy of “Mid-to-High-End + Globalisation”, enhance TCL's global brand momentum, and increase R&D investment to solidify its strategic high ground in the mid-to-high-end market. At the same time, the Company will further optimise its global supply chain, logistics, and service systems, while vigorously promoting digital transformation to improve operational efficiency. Committed to

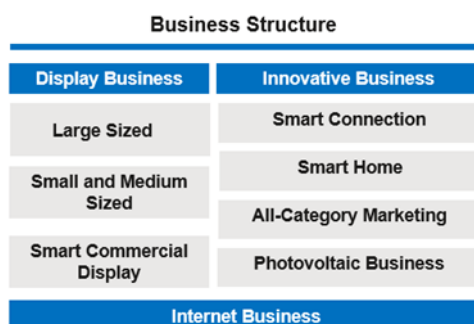
⁹ Source: JD Business Intelligence, Tmall Business Advisor, RUNTO, and CINNO Research, data from 14 May 2025 to 18 June 2025.

the long-term operational goal of “net profit growth rate> gross profit growth rate > revenue growth rate > sales volume growth rate”, the Company is unwavering in its pursuit of a high-quality development trajectory, 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.

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About TCL Electronics

TCL Electronics Holdings Limited (01070.HK, incorporated in the Cayman Islands with limited liability) was listed on the mainboard of the Hong Kong Stock Exchange in November 1999. It is engaged in display business, innovative business and internet business. TCL Electronics actively transforms and innovates under the business philosophy of “Strategy Guidance, Innovation Drive, Advancing Manufacturing and Global Operation”. Focusing on the mid-to-high-end markets around the world, the Company strives to consolidate the “Intelligent IoT Ecosystem” strategy and is committed to providing users with an all-scenario smart and healthy life while developing into a world-leading smart technology company. TCL Electronics is part of the Shenzhen-Hong Kong Stock Connect programme and is included in the Hang Seng Stock Connect Hong Kong Index, the Hang Seng Composite MidCap & SmallCap Index and the Hang Seng Corporate Sustainability Benchmark Index. Besides, it has received Hang Seng Index’s ESG rating of A for consecutive years since 2018.



For more information, please visit the investor relations web page of TCL Electronics at <http://electronics.tcl.com> or follow the Official Account of TCL Electronics investor relations by scanning the QR code below.



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