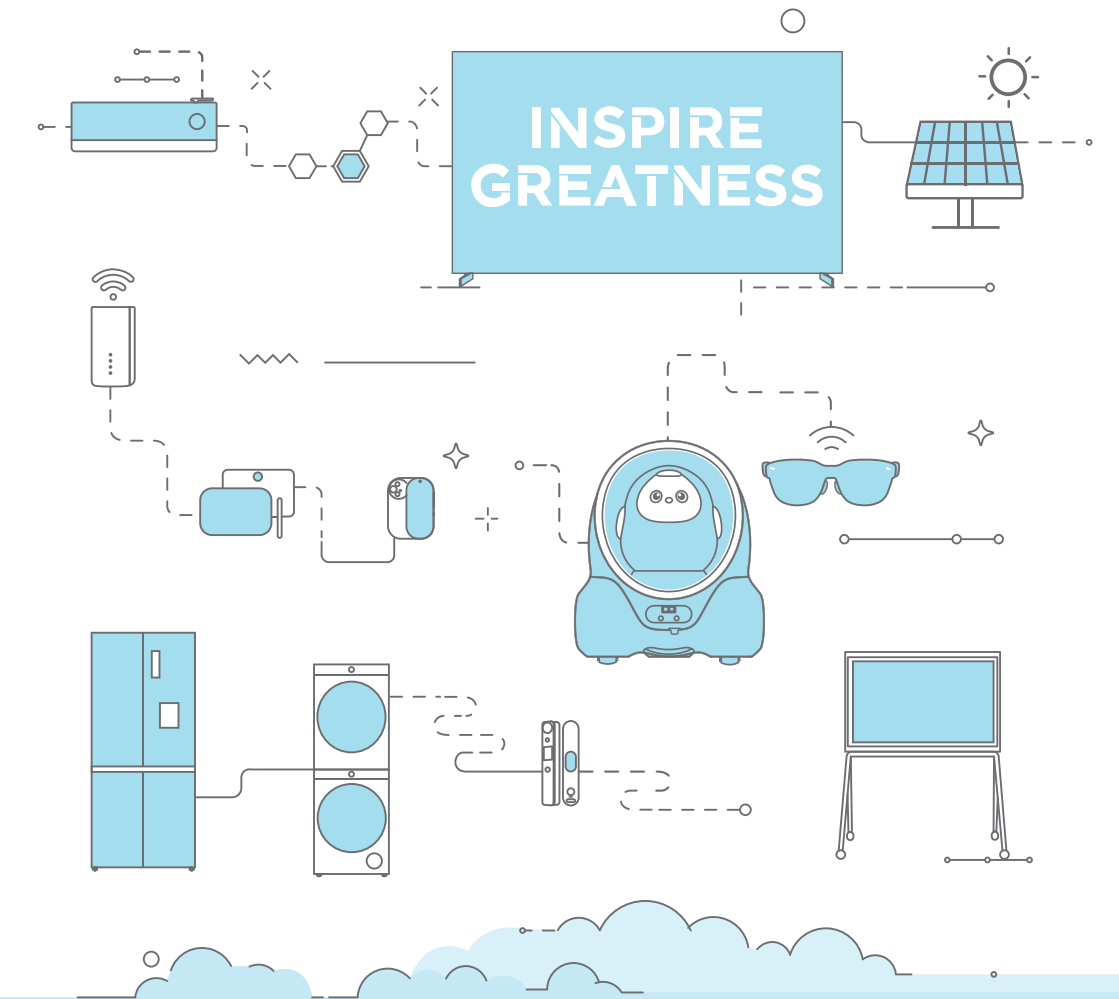




**TCL ELECTRONICS HOLDINGS LIMITED**

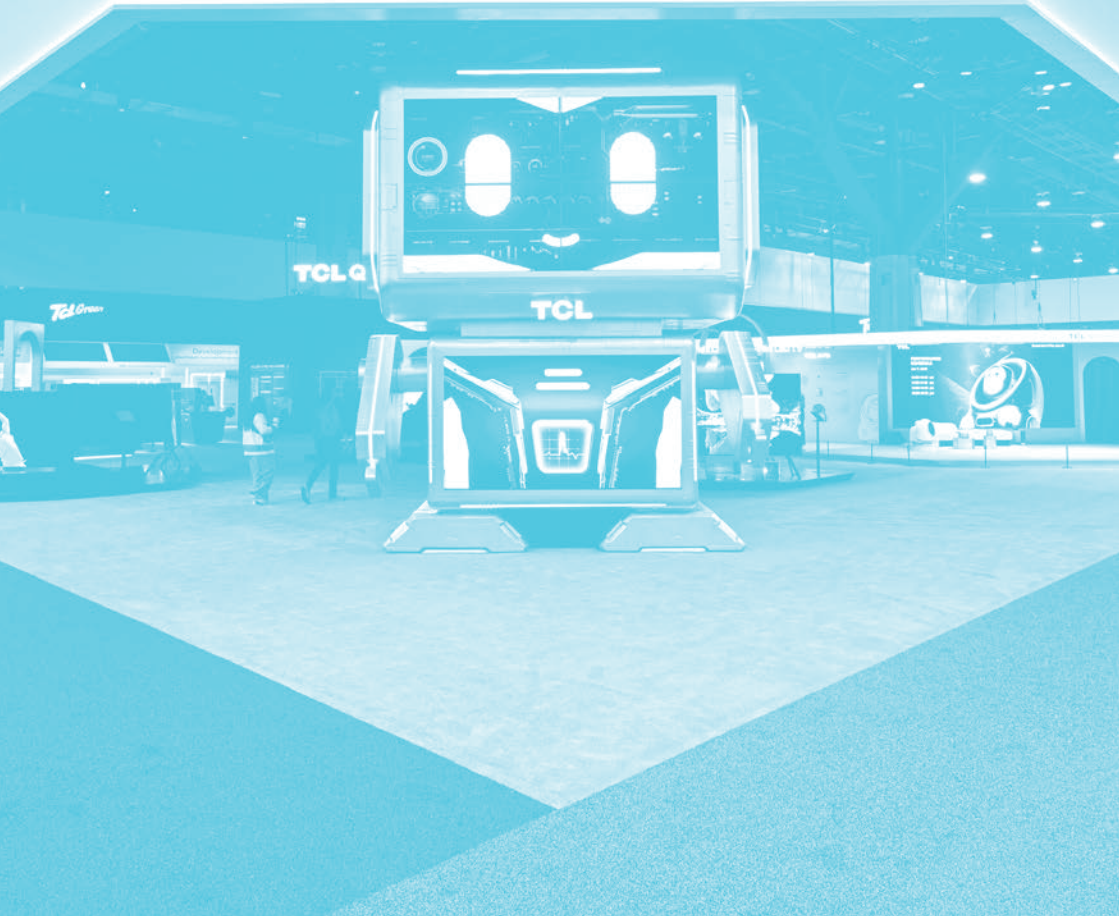
(Incorporated in the Cayman Islands with limited liability)  
Stock code: 01070

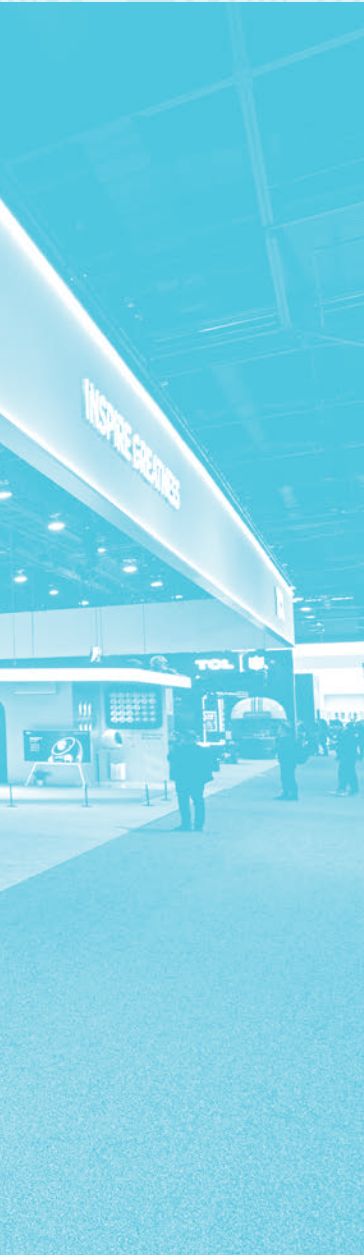


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INTERIM REPORT 2025



# TCL





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## CORPORATE INFORMATION\*

**BOARD OF DIRECTORS****Executive Directors**

Ms. DU Juan (Chairperson)  
 Mr. ZHANG Shaoyong (CEO)  
 Mr. PENG Pan (CFO)  
 Mr. SUN Li

**Independent Non-Executive Directors**

Professor WANG Yijiang  
 Mr. LAU Siu Ki  
 Mr. HUI Chi Kin Max (appointed as an independent non-executive Director with effect from 6 June 2025)  
 Dr. TSENG Shieng-chang Carter (retired as an independent non-executive Director with effect from 6 June 2025)

**JOINT COMPANY SECRETARIES**

Mr. CHEN Ming (appointed as a joint company secretary with effect from 24 June 2025)  
 Ms. CHOY Fung Yee, Solicitor, Hong Kong  
 Mr. PENG Pan (resigned as a joint company secretary with effect from 24 June 2025)

**AUTHORISED REPRESENTATIVES**

Ms. DU Juan  
 Ms. CHOY Fung Yee, Solicitor, Hong Kong  
 Mr. PENG Pan (alternate authorised representative to both Ms. DU Juan and Ms. CHOY Fung Yee)

**AUDITOR**

Ernst & Young  
 Certified Public Accountants  
 Registered Public Interest Entity Auditor  
 27/F One Taikoo Place, 979 King's Road  
 Quarry Bay, Hong Kong

**LEGAL ADVISOR**

Ronald Tong & Co  
 Room 501, 5/F, Sun Hung Kai Centre  
 30 Harbour Road, Wanchai, Hong Kong

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited  
 Suite 3204, Unit 2A, Block 3  
 Building D, P.O. Box 1586  
 Gardenia Court, Camana Bay  
 Grand Cayman, KY1-1100  
 Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
 (with effect from 28 February 2025)  
 Tricor Tengis Limited (ceased from 28 February 2025)  
 17/F, Far East Finance Centre  
 16 Harcourt Road  
 Hong Kong

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

5/F, Building 22E  
 22 Science Park East Avenue  
 Hong Kong Science Park  
 Shatin, New Territories, Hong Kong

**REGISTERED OFFICE**

P.O. Box 309  
 Ugland House, Grand Cayman  
 KY1-1104, Cayman Islands

**INVESTOR AND MEDIA RELATIONS**

Tyche Advisory Limited  
 Room 907, 9/F  
 60 Gloucester Road  
 Wanchai, Hong Kong

**WEBSITE**

<http://electronics.tcl.com>

\* The latest practicable date for ascertaining information in this section is 19 September 2025.

## FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2025 (unaudited) HK\$ Million	2024 (unaudited) HK\$ Million (Restated)	
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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.



## MANAGEMENT DISCUSSION AND ANALYSIS

**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%.

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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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

### **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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

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>.

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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.

<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.

## MANAGEMENT DISCUSSION AND ANALYSIS

## 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.

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>.

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### *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 PRC's "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>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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *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.

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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.

## MANAGEMENT DISCUSSION AND ANALYSIS

- **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 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>.

<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.

<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.

## MANAGEMENT DISCUSSION AND ANALYSIS

- 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>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.



**MANAGEMENT DISCUSSION AND ANALYSIS**

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

In the first half of 2025, the Group launched its flagship office smart screen product, 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.

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

#### **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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **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:

	<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>(Restated)</b>
REVENUE	<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)
Finance costs	<b>1,745,195</b>	1,340,670
Shares of profits and losses of:	<b>(392,234)</b>	(521,358)
Joint ventures	<b>—</b>	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

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **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 markets 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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

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 Costs

Finance costs 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 Company's associates.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
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.



**MANAGEMENT DISCUSSION AND ANALYSIS****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 interim report, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

## INTERIM RESULTS

### 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	<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 on financial and contract assets, net		<b>(18,325)</b>	(10,053)
Finance costs	6	<b>1,745,195</b>	1,340,670
Share of profits and losses of:			
Joint ventures		<b>—</b>	16,039
Associates		<b>67,885</b>	46,445
<b>PROFIT BEFORE TAX</b>	7	<b>1,420,846</b>	881,796
Income tax	8	<b>(373,196)</b>	(228,882)
<b>PROFIT FOR THE PERIOD</b>		<b>1,047,650</b>	652,914

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000 (Restated)
<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)

## INTERIM RESULTS

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(continued)**

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000 (Restated)
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)
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	<b>(2,115)</b>	–
Share of other comprehensive loss of an associate	–	(14)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<b>(2,115)</b>	(14)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(continued)**

	<i>Note</i>	<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>(Restated)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>FOR THE PERIOD, NET OF TAX</b>		<b>52,897</b>	<b>(339,036)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,100,547</b>	<b>313,878</b>
Profit/(loss) attributable to:			
Owners of the parent		<b>1,090,419</b>	649,920
Non-controlling interests		<b>(42,769)</b>	2,994
		<b>1,047,650</b>	652,914
Total comprehensive income/(loss) attributable to:			
Owners of the parent		<b>1,068,432</b>	393,670
Non-controlling interests		<b>32,115</b>	(79,792)
		<b>1,100,547</b>	313,878
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>10</b>		
Basic		<b>HK45.14 cents</b>	HK26.69 cents
Diluted		<b>HK43.04 cents</b>	HK25.62 cents

## INTERIM RESULTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
	Note		
<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
Total non-current assets		<b>13,236,644</b>	11,833,477



## INTERIM RESULTS

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

		<b>30 June 2025 (unaudited) HK\$'000</b>	<b>31 December 2024 (audited) HK\$'000</b>
	<i>Notes</i>		
<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
Total current assets		<b>69,442,484</b>	64,533,927
<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
Total current liabilities		<b>63,336,670</b>	57,128,936
<b>NET CURRENT ASSETS</b>		<b>6,105,814</b>	7,404,991
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>19,342,458</b>	19,238,468

## INTERIM RESULTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

		30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
	Notes		
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	14	221,939	437,660
Lease liabilities		272,581	220,045
Deferred tax liabilities		321,535	324,803
Other long-term payables		145,049	94,568
Other non-current liabilities		459,574	296,308
Financial liability associated with put option		195,960	188,666
Total non-current liabilities		1,616,638	1,562,050
Net assets		17,725,820	17,676,418
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	15	2,520,935	2,520,935
Reserves		14,696,125	14,683,433
		17,217,060	17,204,368
<b>Non-controlling interests</b>		<b>508,760</b>	<b>472,050</b>
Total equity		17,725,820	17,676,418

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent												Non-controlling interests HK\$'000	Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Reserve funds HK\$'000	Cash flow hedge reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Put option reserve HK\$'000	Other reserve HK\$'000	Shares held for the Award Scheme HK\$'000	Awarded Share reserve HK\$'000	Fair value reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	
At 1 January 2025	2,520,935	3,837,419	454,973	1,180,330	78,750	(1,711,732)	(208,846)	155,544	(335,028)	180,894	86,771	10,964,358	17,204,368	17,676,418
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	1,090,419	1,090,419	(42,769)
Other comprehensive income/(loss) for the period:														
Cash flow hedge	-	-	-	-	(511,626)	-	-	-	-	-	-	(511,626)	(5,976)	(517,602)
Exchange differences on translation of foreign operations	-	-	-	-	-	476,803	-	-	-	-	-	476,803	80,860	557,663
Reclassification of exchange differences for foreign operations liquidated	-	-	-	-	-	(417)	-	-	-	-	-	(417)	-	(417)
Reclassification of exchange differences for an associate liquidated	-	-	-	-	-	1	-	-	-	-	-	-	1	1
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	-	-	-	-	-	7,374	-	(1,918)	-	-	-	-	5,456	-
Changes in fair value of bills receivable, net of tax	-	-	-	-	-	-	-	-	-	-	9,890	-	9,890	9,890
Changes in fair value of an equity investment designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	(2,115)	-	(2,115)	(2,115)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	21	-	-	-	-	21	21
Total comprehensive income/(loss) for the period	-	-	-	-	(511,626)	483,761	-	(1,897)	-	-	7,775	1,068,432	32,115	1,100,547
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	4,550	4,550
Capital injection from non-controlling shareholders	-	-	(45)	-	-	-	-	-	-	-	-	-	(45)	-
Employee share-based compensation benefits under the TCL Share Award Schemes	-	-	-	-	-	-	-	-	-	123,356	-	-	123,356	123,356
Vesting of shares under the TCL Share Award Schemes	-	(115,094)	-	-	-	-	-	-	135,935	(73,611)	-	-	(52,770)	(52,770)
Purchase of shares for the 2023 Share Award Scheme	-	-	-	-	-	-	-	-	(284,839)	-	-	-	(284,839)	(284,839)
2024 final dividend approved	-	(801,637)	-	-	-	-	-	-	-	-	-	-	(801,637)	(801,637)
Related distribution for shares held for the TCL Share Award Schemes	-	(44,336)	-	-	-	-	-	-	-	-	-	-	(44,336)	(44,336)
Share of capital reserves of associates	-	-	4,551	-	-	-	-	-	-	-	-	-	4,551	4,551
At 30 June 2025 (unaudited)	2,520,935	2,876,332*	459,479*	1,180,330*	(432,876)*	(1,227,971)*	(208,846)*	153,647*	(483,932)*	230,639*	94,546*	12,054,777*	17,217,060	17,725,820

\* These reserve accounts comprise the consolidated reserves of HK\$14,696,125,000 (31 December 2024: HK\$14,683,433,000) in the consolidated statement of financial position.

## INTERIM RESULTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the parent															
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Reserve funds HK\$'000	Cash flow hedge reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Put option reserve HK\$'000	Other reserve HK\$'000	Shares held for the Award Scheme HK\$'000	Awarded Share reserve HK\$'000	Fair value reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2024	2,507,569	4,212,723	46,234	443,400	1,028,449	(26,705)	(861,271)	(208,846)	151,747	(190,135)	216,299	72,853	9,315,337	16,707,654	598,432	17,306,086
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	649,920	649,920	2,994	652,914
Other comprehensive income/(loss) for the period:																
Cash flow hedge	-	-	-	-	-	71,371	-	-	-	-	-	-	-	71,371	7,039	78,410
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(351,842)	-	-	-	-	-	-	(351,842)	(89,825)	(441,667)
Reclassification of exchange differences for an associate deemed partial disposed	-	-	-	-	-	-	84	-	-	-	-	-	-	84	-	84
Changes in fair value of bills receivable, net of tax	-	-	-	-	-	-	-	-	-	-	-	9,818	-	9,818	-	9,818
Share of other comprehensive income of associates and a joint venture	-	-	-	-	-	-	-	-	14,319	-	-	-	-	14,319	-	14,319
Total comprehensive income/(loss) for the period	-	-	-	-	-	71,371	(351,758)	-	14,319	-	-	9,818	649,920	395,670	(79,792)	313,878
Capital injection from non-controlling shareholders	-	-	-	8,320	-	-	-	-	-	-	-	-	-	8,320	(8,320)	-
Issue of shares upon exercise of share options	4,577	16,465	(4,698)	-	-	-	-	-	-	-	-	-	-	16,344	-	16,344
Forfeiture of share options during the period	-	-	(47,057)	-	-	-	-	-	-	-	-	-	47,057	-	-	-
Issue of shares under the 2008 Share Award Scheme	8,789	-	-	-	-	-	-	-	-	(8,789)	-	-	-	-	-	-
Employee share-based compensation benefits under the TCL Share Award Schemes	-	-	-	-	-	-	-	-	-	-	50,698	-	-	50,698	-	50,698
Vesting of shares under the 2008 Share Award Scheme	-	-	-	-	-	-	-	-	-	63,881	(132,237)	-	-	(68,356)	-	(68,356)
Purchase of shares for the 2023 Share Award Scheme	-	-	-	-	-	-	-	-	-	(57,549)	-	-	-	(57,549)	-	(57,549)
2023 final dividend approved	-	(403,350)	-	-	-	-	-	-	-	-	-	-	-	(403,350)	-	(403,350)
Share of capital reserves of associates	-	-	-	(13,455)	-	-	-	-	-	-	-	-	-	(13,455)	-	(13,455)
Transfer to retained profits	-	-	5,521	-	-	-	-	-	-	-	-	-	(5,521)	-	-	-
At 30 June 2024 (unaudited)	2,520,335	3,825,838	-	438,265	1,028,449	44,666	(1,213,029)	(208,846)	166,066	(192,592)	134,760	82,671	10,006,793	16,633,976	510,320	17,144,296

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	<b>1,287,688</b>	1,140,688
Interest received	<b>181,372</b>	345,196
Interest paid	<b>(275,228)</b>	(380,764)
Interest element of lease payments	<b>(10,125)</b>	(8,439)
Income taxes paid	<b>(490,477)</b>	(294,415)
Net cash flows from operating activities	<b>693,230</b>	802,266
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>150,396</b>	265,099
Purchases of items of property, plant and equipment	<b>(232,047)</b>	(141,120)
Proceeds from disposal of items of property, plant and equipment	<b>15,352</b>	4,739
Capital withdrawals from an associate	<b>1,176</b>	6,928
Proceeds from disposal of an associate	<b>–</b>	54,842
Proceeds from disposal of a subsidiary	<b>223,944</b>	–
Acquisition of subsidiaries	<b>(108,177)</b>	(62,495)
Additions of other intangible assets	<b>(187,144)</b>	(163,052)
Additions of other deferred assets	<b>(232,025)</b>	(224,038)
Proceeds from disposals of financial assets at fair value through profit or loss, net	<b>1,572,388</b>	412,885
Advances from/(to) related parties of TCL Industries Holdings	<b>67,641</b>	(2,488,708)
Other investing cash flows, net	<b>39,536</b>	(73,125)
Net cash flows from/(used in) investing activities	<b>1,311,040</b>	(2,408,045)

## INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares upon exercise of share options	–	16,344
Interest paid	(113,406)	(115,925)
Principal portion of lease payments	(83,627)	(79,461)
Purchases of shares for the 2023 Share Award Scheme	(284,839)	(57,549)
New bank and other loans	7,296,851	4,892,407
Repayment of bank and other loans	(6,165,014)	(3,759,134)
Purchases of debt investments at amortised cost	(108,660)	–
Increase in restricted cash	–	(132,080)
Other financing cash flows, net	–	429
Net cash flows from financing activities	541,305	765,031
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	2,545,575	(840,748)
Cash and cash equivalents at beginning of period	8,771,691	10,736,877
Effect of foreign exchange rate changes, net	124,669	(45,374)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>11,441,935</b>	<b>9,850,755</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	11,985,114	10,049,600
Less: Restricted cash and pledged deposits	(543,179)	(198,845)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	11,441,935	9,850,755

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.

INTERIM RESULTS

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

INTERIM RESULTS

4. OPERATING SEGMENT INFORMATION (continued)

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

	Six months ended 30 June											
	TV				Smart mobile, connective devices and services				Smart commercial display, smart home and other businesses			
	TCL TV – the PRC market		TCL TV – international market		Internet business		All-category marketing		Photovoltaic business		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(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
	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)	(Resated)
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	7,843,078	7,752,507	11,136,594	5,269,368
											818,041	935,256
											54,777,049	45,495,620
Gross profit	1,689,451	1,482,275	2,824,399	2,515,916	793,226	653,093	790,447	756,238	1,089,555	1,161,976	1,073,390	540,859
											105,483	102,482
											8,365,951	7,212,859

## INTERIM RESULTS

## 5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June 2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Revenue from contracts with customers	54,777,049	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	53,319,178	1,457,871	54,777,049
<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	53,319,178	1,457,871	54,777,049
<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	53,319,178	1,457,871	54,777,049

## INTERIM RESULTS

## 5. REVENUE (continued)

## Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2024

Segments	TV and others* (unaudited) HK\$'000	Internet business (unaudited) HK\$'000	Total (unaudited) HK\$'000
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**Types of goods or services**

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

Total revenue from contracts with customers	44,281,564	1,212,056	45,493,620
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**Geographical markets**

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

Total revenue from contracts with customers	44,281,564	1,212,056	45,493,620
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**Timing of revenue recognition**

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

Total revenue from contracts with customers	44,281,564	1,212,056	45,493,620
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## 5. REVENUE (continued)

### Disaggregated revenue information for revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

#### 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>Revenue from contracts with customers</b>			
External customers	53,319,178	1,457,871	54,777,049
Intersegment sales	2,318,544	15,443	2,333,987
	55,637,722	1,473,314	57,111,036
Intersegment adjustments and eliminations	(2,318,544)	(15,443)	(2,333,987)
Total revenue from contracts with customers	53,319,178	1,457,871	54,777,049

#### 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>Revenue from contracts with customers</b>			
External customers	44,281,564	1,212,056	45,493,620
Intersegment sales	1,970,766	13,065	1,983,831
	46,252,330	1,225,121	47,477,451
Intersegment adjustments and eliminations	(1,970,766)	(13,065)	(1,983,831)
Total revenue from contracts with customers	44,281,564	1,212,056	45,493,620

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

## INTERIM RESULTS

### 6. FINANCE COSTS

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

### 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	<b>203,617</b>	188,058
Depreciation of investment properties	<b>5,942</b>	7,450
Depreciation of right-of-use assets	<b>93,278</b>	89,743
Amortisation of other intangible assets	<b>276,047</b>	241,031
Employee share-based compensation benefits under the TCL Share Award Schemes	<b>101,389</b>	44,645
Impairment of goodwill*	–	126,040

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	<b>145,912</b>	2,640
Current – Elsewhere		
Charge for the period	<b>315,478</b>	218,749
Underprovision in prior periods	<b>58,633</b>	14,429
Deferred	<b>(146,827)</b>	(6,936)
Total tax charge for the period	<b>373,196</b>	228,882

**9. DIVIDENDS**

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

## INTERIM RESULTS

### 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:

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000

#### Earnings

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
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	Number of shares	
	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)

#### Shares

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
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Effect of dilution – weighted average number of ordinary shares:

Awarded Shares

<b>117,713,978</b>	102,298,251
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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
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**11. GOODWILL**

	HK\$'000
At 1 January 2025:	
Cost	3,138,322
Accumulated impairment	(190,942)
Net carrying amount	2,947,380
Cost at 1 January 2025, net of accumulated impairment	2,947,380
Acquisition of subsidiaries ( <i>note 16</i> )	168,103
Exchange realignment	51,563
Cost and net carrying amount at 30 June 2025 (unaudited)	3,167,046
At 30 June 2025:	
Cost	3,357,988
Accumulated impairment	(190,942)
Net carrying amount (unaudited)	3,167,046

As of the date of this interim report, 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.

INTERIM RESULTS

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:

	30 June 2025 (unaudited) HK\$'000	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
	22,114,504	22,599,835
Impairment allowance	(287,763)	(266,951)
	21,826,741	22,332,884

**12. TRADE RECEIVABLES (continued)**

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

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

## INTERIM RESULTS

## 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
	<b>5,582,785</b>	4,172,399
<b>Non-current</b>		
Bank loans – unsecured	218,771	434,423
Bank loans – secured	3,168	3,237
	<b>221,939</b>	437,660
	<b>5,804,724</b>	4,610,059
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
	<b>5,784,635</b>	4,605,200
Analysed into:		
Other loans repayable:		
Within one year or on demand	20,089	4,859
	<b>5,804,724</b>	4,610,059

**14. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)***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>	<b>31 December 2024 (audited) HK\$'000</b>
Authorised:		
3,000,000,000 (31 December 2024: 3,000,000,000) shares of HK\$1.00 each	<b>3,000,000</b>	3,000,000
Issued and fully paid:		
2,520,935,155 (31 December 2024: 2,520,935,155) shares of HK\$1.00 each	<b>2,520,935</b>	2,520,935

## INTERIM RESULTS

### 16. BUSINESS COMBINATION

#### Six months ended 30 June 2025

On 14 February 2025, TCL NL (a subsidiary of the Company) entered into a stock purchase and sale agreement with Radio Victoria S.A. (an independent third party), pursuant to which TCL NL agreed to acquire and Radio Victoria S.A. agreed to sell 60% equity interest of Radio Victoria TCL Chile SpA ("Radio Victoria TCL Chile", a then associate of the Company) at the consideration of 60% of the audited net book value as at 31 December 2024 of Radio Victoria TCL Chile multiplied by 1.3, plus 4% of Ecuador business gross profits in connection with invoices issued by Radio Victoria TCL Chile in 2025 for the Ecuador business of Radio Victoria TCL Chile minus applicable income taxes in connection therewith. The transaction was completed in February 2025 and Radio Victoria TCL Chile has become a wholly-owned subsidiary of the Company since then.

On 31 March 2025, TCL Energy Solution Co., Limited ("TCL Energy Solution", a subsidiary of the Company) entered into a sale and purchase agreement with, among others, LUMETECH PTE. LTD. ("Lumetech PTE.", an indirect subsidiary of TCL Technology), pursuant to which, among other things, Lumetech PTE. agreed to sell, and TCL Energy Solution agreed to acquire, 14,157,716 issued and fully-paid ordinary shares of Lumetech B.V. at the consideration of approximately USD15,280,000 (equivalent to approximately HK\$119,290,000).

On 31 March 2025, TCL Sunpower International PTE. Ltd. ("TCL Sunpower", a subsidiary of TCL Technology as the licensor) and TCL Energy Solution (as the licensee), entered into a trademark license agreement, pursuant to which, TCL Sunpower granted TCL Energy Solution and all of its related parties the use of certain trademarks in specific regions for licensed products for 10 years effective from 1 April 2025. The license fee amounted to USD6,500,000 (equivalent to approximately HK\$50,960,000).

On 1 April 2025, TCL Energy Solution entered into a share subscription agreement with Lumetech PTE. and Lumetech B.V., pursuant to which TCL Energy Solution agreed to subscribe for 9,265,265 ordinary shares to be issued and allotted by Lumetech B.V. at the consideration of USD10,000,000 (equivalent to approximately HK\$78,071,000). Upon completion of the aforementioned two transactions involving, among others, TCL Energy Solution and Lumetech PTE., TCL Energy Solution held 90.01% equity interest of Lumetech B.V..

Lumetech B.V. is principally engaged in the sales of new energy products, including photovoltaic modules, residential energy storage systems and heat pumps. The aforementioned two transactions involving, among others, TCL Energy Solution and Lumetech PTE. were completed in April 2025 and Lumetech B.V. has become a non wholly-owned subsidiary of the Company since then.

The Group has elected to measure the non-controlling interest in Lumetech B.V. at the non-controlling interest's proportionate share of Lumetech B.V.'s identifiable net assets.

Radio Victoria TCL Chile and Lumetech B.V. are collectively referred to as the Acquired Subsidiaries.

**16. BUSINESS COMBINATION (continued)****Six months ended 30 June 2025 (continued)**

The aggregate provisional fair values of the identifiable assets and liabilities of Acquired Subsidiaries as at the date of acquisition were as follows:

	<i>Note</i>	<b>Provisional fair value recognised on acquisition (unaudited) HK\$'000</b>
Property, plant and equipment		<b>59,523</b>
Right-of-use assets		<b>5,809</b>
Other intangible assets		<b>59,198</b>
Equity investments designated at fair value through other comprehensive income		<b>8</b>
Deferred tax assets		<b>18,639</b>
Inventories		<b>280,604</b>
Trade receivables		<b>95,120</b>
Prepayments, other receivables and other assets		<b>177,234</b>
Tax recoverable		<b>15,041</b>
Financial assets at fair value through profit or loss		<b>7,199</b>
Cash and bank balances		<b>14,777</b>
Trade payables		<b>(388,592)</b>
Other payables and accruals		<b>(145,822)</b>
Lease liabilities		<b>(6,000)</b>
Tax payable		<b>(15,871)</b>
Provisions		<b>(62,797)</b>
Deferred tax liabilities		<b>(5,470)</b>
Other long-term payables		<b>(23,632)</b>
Non-controlling interests		<b>1</b>
<b>Total identifiable net assets at fair value</b>		<b>84,969</b>
Fair value of 40% equity interest held immediately before the step acquisition		<b>(20,465)</b>
Non-controlling interests		<b>(4,551)</b>
Provisional goodwill on acquisition	11	<b>168,103</b>
		<b>228,056</b>
Satisfied by:		
Cash		<b>122,954</b>
Trade receivables		<b>20,970</b>
Other payables		<b>84,132</b>
		<b>228,056</b>

INTERIM RESULTS

16. BUSINESS COMBINATION (continued)

Six months ended 30 June 2025 (continued)

The fair values of the Acquired Subsidiaries are determined on a provisional basis as the Group is in the process of completing the independent valuation. They may be adjusted upon the completion of initial accounting year which shall not exceed one year from the acquisition date.

The provisional fair values of the trade receivables and other receivables as at the dates of acquisition amounted to HK\$95,120,000 and HK\$148,982,000, respectively. The gross contractual amounts of the trade receivables and other receivables amounted to HK\$97,609,000 and HK\$148,982,000, respectively.

An analysis of the cash flows in respect of the Acquired Subsidiaries was as follows:

	(unaudited) HK\$'000
Cash consideration	(122,954)
Cash and bank balances acquired	14,777
Net outflow of cash and cash equivalents included in cash flows from investing activities	(108,177)

Since the completion of the acquisition, the Acquired Subsidiaries had contributed HK\$326,239,000 to the Group's revenue and had caused loss of HK\$53,568,000 to the consolidated profit for the six months ended 30 June 2025.

Had the acquisition taken place at the beginning of the period, the revenue of the Group and consolidated profit of the Group for the six months ended 30 June 2025 would have been HK\$54,947,122,000 and HK\$1,062,203,000, respectively.



**16. BUSINESS COMBINATION (continued)**

Six months ended 30 June 2024

*Acquisition of equity interest in TCL Energy (Germany)*

On 11 June 2024, TCL Energy & Mobile entered into an acquisition agreement with FORIS Gründungs GmbH ("FORIS", an independent third party), pursuant to which FORIS agreed to sell, and TCL Energy & Mobile agreed to acquire, 100% of the equity interest in and of TCL Energy (Germany) at the cash consideration of approximately EUR25,000 (equivalent to approximately HK\$209,000). TCL Energy (Germany) is principally engaged in trading of photovoltaic products since the completion of the acquisition. The transaction was completed in June 2024 and TCL Energy (Germany) has become a wholly-owned subsidiary of the Company since then.

The aggregate fair values of the identifiable assets and liabilities of TCL Energy (Germany) as at the date of acquisition were as follows:

	Fair value recognised on acquisition (unaudited) HK\$'000
Cash and bank balances	209
Total identifiable net assets at fair value	209
Satisfied by cash	209

INTERIM RESULTS

16. BUSINESS COMBINATION (continued)

Six months ended 30 June 2024 (continued)

*Acquisition of equity interest in TCL Energy (Germany) (continued)*

An analysis of the cash flows in respect of the acquisition of a subsidiary was as follows:

	(unaudited) HK\$'000
Cash consideration	(209)
Cash and bank balances acquired	209
Net inflow of cash and cash equivalents included in cash flows from investing activities	–
Transaction costs of the acquisition included in cash flows from operating activities	(29)
Total net cash outflow	(29)

Since the completion of the acquisition, TCL Energy (Germany) had not contributed to the Group's revenue and consolidated profit for the six months ended 30 June 2024.

The Group incurred transaction costs of HK\$29,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

Had the acquisition taken place at the beginning of the period, the revenue of the Group and consolidated profit of the Group for the six months ended 30 June 2024 would have been HK\$45,493,620,000 and HK\$652,914,000, respectively.

**17. RELATED PARTY TRANSACTIONS**

- (a) The Group had the following material transactions with related parties during the reporting period:

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000 (Restated)
Joint ventures:		
Sales of raw materials and finished goods	<b>689,406</b>	1,687,211
After-sale service income	<b>1,737</b>	1,448
Purchases of raw materials and finished goods	–	117,318
Rental related income	–	216
Other service income	–	9,366
Associates:		
Interest income	<b>63</b>	345
Purchases of raw materials and finished goods	<b>937,463</b>	566,933
Sales of raw materials and finished goods	<b>1,669,876</b>	415,947
After-sale service income	<b>4,588</b>	2,078
Subcontracting fee expense	<b>208,751</b>	172,629
Other service income	<b>63,717</b>	42,673
Rental related income	<b>399</b>	477

## INTERIM RESULTS

## 17. RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following material transactions with related parties during the reporting period: (continued)

	Six months ended 30 June	
	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000 (Restated)
Companies controlled by TCL Industries Holdings:		
Interest income	<b>49,135</b>	109,798
Interest expense	<b>3,861</b>	15,187
Purchases of raw materials and finished goods	<b>6,828,029</b>	6,479,311
Sales of raw materials and finished goods	<b>4,775,611</b>	4,510,387
Rental related income	<b>4,783</b>	3,994
Rental expense and licence fee	<b>7,860</b>	8,938
Brand promotion fee	<b>323,821</b>	275,441
Operation and maintenance service income	<b>11,264</b>	2,145
After-sale service fee	<b>273,137</b>	263,445
Additions of right-of-use assets	<b>28,104</b>	16,965
Depreciation of right-of-use assets	<b>21,139</b>	16,118
Interest expense on lease liabilities	<b>1,037</b>	767
IT and other service fee	<b>30,615</b>	32,189
Construction service income	<b>142,818</b>	466,041
Other service income	<b>101,447</b>	153,775
Other finance service fee	<b>588</b>	885

**17. RELATED PARTY TRANSACTIONS (continued)**

- (a) The Group had the following material transactions with related parties during the reporting period: (continued)

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Restated)
Affiliates of TCL Industries Holdings:		
Interest expense	72	–
Purchases of raw materials and finished goods	993,118	461,247
Sales of raw materials and finished goods	72,890	91,231
Logistics service fee expense	167,761	164,549
Depreciation of right-of-use assets	–	4,008
Interest expense on lease liabilities	–	388
Rental income	1,512	1,956
IT and other service fee	760,159	365,130
Other service income	17,536	1,465
Companies controlled by TCL Technology:		
Interest income	497	289
Purchases of raw materials and finished goods	10,540,755	10,495,727
Sales of raw materials and finished goods	1,234,309	837,148
Rental related income	32,606	30,027
Rental expense and licence fee	484	2,339
Reimbursement of research and development expenses	57,046	87,693
After-sale service fee	2,643	1,497
Platform service fee	5,173	792
Depreciation of right-of-use assets	7,121	6,713
Interest expense on lease liabilities	477	388
IT and other service fee	27,914	15,474
Subcontracting fee expense	48,616	10,265
Construction service income	14,870	91,780
Other service income	18,170	8,887
Other finance service fee	–	92

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17. RELATED PARTY TRANSACTIONS (continued)

(b) Other material transaction with related party:

As at 30 June 2025, included in the Group’s cash and bank balances were deposits of HK\$883,956,000 (31 December 2024: HK\$44,000), placed with TCL Technology Finance Co., Ltd., a subsidiary of TCL Technology and a financial institution approved by the People’s Bank of China. The annual interest rates of such deposits are determined with reference to the deposit interest rates quoted by the People’s Bank of China ranging from 0.19% to 0.99% (31 December 2024: 0.35%).

(c) Outstanding balances with related parties

	Due from related parties		Due to related parties	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	(unaudited)	(audited)	(unaudited)	(audited)
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Joint ventures and associates	1,350,834	1,726,002	1,471,474	1,514,760
TCL Industries Holdings Group				
and its affiliates	5,352,422	7,454,696	9,565,950	6,974,271
TCL Technology Group				
and its affiliates	1,946,258	1,218,410	5,379,655	5,960,872

(d) As at 30 June 2025, the relevant balance of advance to TCL Industries Holdings Group and its affiliates under the meaning of Chapter 13 of the Listing Rules amounted to approximately HK\$1,891,391,000, out of which: (i) approximately HK\$1,225,307,000 was deposits placed with TCL Finance (HK) and/or members of Qualified Holdings Group (as defined in the announcement of the Company dated 26 September 2024) pursuant to the Master Financial (2025-2027) Agreement dated 26 September 2024 entered into among the Company, TCL Industries Holdings and TCL Finance (HK) with interest rates ranging from 0.01% to 3.51% per annum and repayable within one year and without collateral; (ii) there was no loans provided by the Group to members of Qualified Holdings Group, TCL Industries Holdings and TCL Finance (HK); (iii) approximately HK\$49,754,000 was other receivables in trade nature from TCL Industries Holdings’ affiliated companies which arose in the Group’s ordinary and usual course of business (other than the provision of financial assistance) and on normal commercial terms, that were interest-free and unsecured; and (iv) approximately HK\$616,330,000 was other receivables from TCL Industries Holdings and its subsidiaries and affiliated companies arising from non-trading nature transactions which were interest-free, unsecured and repayable within one year. For details of the Master Financial (2025-2027) Agreement, please refer to the Company’s announcement dated 26 September 2024 and the circular dated 6 November 2024.

**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000	30 June 2025 (unaudited) HK\$'000	31 December 2024 (audited) HK\$'000
<b>Financial assets</b>				
Equity investments designated at fair value through other comprehensive income	369,535	366,098	369,535	366,098
Trade receivables classified as financial assets at fair value through profit or loss	973,243	1,661,765	973,243	1,661,765
Bills receivable	4,198,375	4,436,662	4,198,375	4,436,662
Other receivables classified as financial assets at fair value through profit or loss	249,274	367,934	249,274	367,934
Financial assets at fair value through profit or loss	1,588,484	2,898,691	1,588,484	2,898,691
Derivative financial instruments	260,990	558,291	260,990	558,291
	<b>7,639,901</b>	10,289,441	<b>7,639,901</b>	10,289,441
<b>Financial liabilities</b>				
Interest-bearing bank and other borrowings	5,804,724	4,610,059	5,794,870	4,589,053
Derivative financial instruments	597,662	353,309	597,662	353,309
Financial liability associated with put option	195,960	188,666	195,960	188,666
	<b>6,598,346</b>	5,152,034	<b>6,588,492</b>	5,131,028

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables and bills payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

## INTERIM RESULTS

### 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial director reports directly to the CFO and the Audit Committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by CFO. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of interest-bearing bank and other borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The change in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 was assessed to be insignificant.

The fair value of the financial liability associated with put option is measured by discounted cash flow model using significant unobservable market inputs.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales ("EV/S") multiple, price to sales ("P/S") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.



**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

Derivative financial instruments, including forward currency contracts and foreign currency swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The Group enters into these kinds of derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including call options and put options, are measured using valuation techniques of Black-Scholes Options Pricing Model and Monte Carlo Simulations Model. The models incorporate various market observable inputs including risk-free rate ("RFR") and volatility. The carrying amounts of forward currency contracts, foreign currency swaps, call options and put options are the same as their fair values.

As at 30 June 2025, the mark-to-market value of the derivative asset position was net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

## INTERIM RESULTS

**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average EV/S multiple of peers	30 June 2025: 5.6x (31 December 2024: 5.6x)	5% (31 December 2024: 5%) increase in multiple would result in increase in fair value by HK\$704,000 (31 December 2024: HK\$693,000)
		Average P/S multiple of peers	30 June 2025: 4.9x to 13.7x (31 December 2024: 4.9x to 13.7x)	5% (31 December 2024: 5%) increase in multiple would result in increase in fair value by HK\$394,000 (31 December 2024: HK\$389,000)
		Average P/E multiple of peers	30 June 2025: 13.2x (31 December 2024: 13.2x)	5% (31 December 2024: 5%) increase in multiple would result in increase in fair value by HK\$3,074,000 (31 December 2024: HK\$3,028,000)
Unlisted equity investments	Back Solve Method	RFR	30 June 2025: Nil (31 December 2024: Nil)	1% (31 December 2024: 1%) increase (decrease) in RFR would have no material impact on the fair value
		Volatility	30 June 2025: Nil (31 December 2024: Nil)	1% (31 December 2024: 1%) increase (decrease) in volatility would have no material impact on the fair value

**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024: (continued)

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Call option	Black-Scholes Options Pricing Model and Monte Carlo Simulations Model	RFR	30 June 2025: 4.3% (31 December 2024: 4.3%)	1% (31 December 2024: 1%) increase (decrease) in RFR would have no material impact on the fair value
		Volatility	30 June 2025: 30.8% (31 December 2024: 30.8%)	1% (31 December 2024: 1%) increase (decrease) in volatility would have no material impact on the fair value
Put option	Black-Scholes Options Pricing Model	RFR	30 June 2025: 4.3% (31 December 2024: 4.3%)	1% (31 December 2024: 1%) increase (decrease) in RFR would have no material impact on the fair value
		Volatility	30 June 2025: 30.8% (31 December 2024: 30.8%)	1% (31 December 2024: 1%) increase (decrease) in volatility would have no material impact on the fair value

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

## INTERIM RESULTS

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

## Fair value hierarchy

*Assets measured at fair value:*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

## As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
Equity investments designated at fair value through other comprehensive income	1,088	–	368,447	369,535
Trade receivables classified as financial assets at fair value through profit or loss	–	973,243	–	973,243
Bills receivable	–	4,198,375	–	4,198,375
Other receivables classified as financial assets at fair value through profit or loss	–	249,274	–	249,274
Financial assets at fair value through profit or loss	–	1,588,484	–	1,588,484
Derivative financial instruments	–	157,005	103,985	260,990
	1,088	7,166,381	472,432	7,639,901

**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)****Fair value hierarchy (continued)***Assets measured at fair value: (continued)*

As at 31 December 2024

	Fair value measurement using			Total (audited) HK\$'000
	Quoted prices in active markets (Level 1) (audited) HK\$'000	Significant observable inputs (Level 2) (audited) HK\$'000	Significant unobservable inputs (Level 3) (audited) HK\$'000	
Equity investments designated at fair value through other comprehensive income	3,203	—	362,895	366,098
Trade receivables classified as financial assets at fair value through profit or loss	—	1,661,765	—	1,661,765
Bills receivable	—	4,436,662	—	4,436,662
Other receivables classified as financial assets at fair value through profit or loss	—	367,934	—	367,934
Financial assets at fair value through profit or loss	—	2,898,691	—	2,898,691
Derivative financial instruments	—	456,228	102,063	558,291
	3,203	9,821,280	464,958	10,289,441

## INTERIM RESULTS

### 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy (continued)

*Assets measured at fair value: (continued)*

The movements in fair value measurements within Level 3 during the period are as follows:

	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Equity investments at fair value through other comprehensive income:		
At 1 January	362,895	315,651
Additions	–	56,959
Acquisition of subsidiaries (note 16)	8	–
Exchange realignment	5,544	(2,155)
At 30 June	368,447	370,455
Derivative financial instruments:		
At 1 January	102,063	147,316
Total gains/(losses) recognised in profit or loss	914	(449)
Exchange realignment	1,008	200
At 30 June	103,985	147,067

**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)****Fair value hierarchy (continued)***Liabilities measured at fair value:***As at 30 June 2025**

	Fair value measurement using			Total (unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (unaudited) HK\$'000	Significant observable inputs (Level 2) (unaudited) HK\$'000	Significant unobservable inputs (Level 3) (unaudited) HK\$'000	
Derivative financial instruments	–	597,662	–	597,662

**As at 31 December 2024**

	Fair value measurement using			Total (audited) HK\$'000
	Quoted prices in active markets (Level 1) (audited) HK\$'000	Significant observable inputs (Level 2) (audited) HK\$'000	Significant unobservable inputs (Level 3) (audited) HK\$'000	
Derivative financial instruments	–	353,309	–	353,309

## INTERIM RESULTS

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

## Fair value hierarchy (continued)

*Liabilities for which fair value are disclosed:*

**As at 30 June 2025**

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (unaudited) HK\$'000	Significant observable inputs (Level 2) (unaudited) HK\$'000	Significant unobservable inputs (Level 3) (unaudited) HK\$'000	Total (unaudited) HK\$'000
Interest-bearing bank and other borrowings	–	5,794,870	–	5,794,870
Financial liability associated with put option	–	–	195,960	195,960
	–	5,794,870	195,960	5,990,830



**18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)****Fair value hierarchy (continued)***Liabilities for which fair value are disclosed: (continued)*

As at 31 December 2024

	Fair value measurement using			Total (audited) HK\$'000
	Quoted prices in active markets (Level 1) (audited) HK\$'000	Significant observable inputs (Level 2) (audited) HK\$'000	Significant unobservable inputs (Level 3) (audited) HK\$'000	
Interest-bearing bank and other borrowings	–	4,589,053	–	4,589,053
Financial liability associated with put option	–	–	188,666	188,666
	–	4,589,053	188,666	4,777,719

**19. COMPARATIVE AMOUNTS**

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

**20. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 22 August 2025.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

#### Interests in the Company – Long Positions

Name of Directors	Capacity	Number of ordinary Shares interested or deemed to be interested			Approximate percentage of the number of issued Shares (Note 2)
		Personal interests	Other interests (Note 1)	Total	
DU Juan	Beneficial owner	1,817,324	2,276,200	4,093,524	0.16%
ZHANG Shaoyong	Beneficial owner	3,254,261	1,817,500	5,071,761	0.20%
PENG Pan	Beneficial owner	453,249	1,817,500	2,270,749	0.09%
SUN Li	Beneficial owner	1,796,668	1,817,500	3,614,168	0.14%
WANG Yijiang	Beneficial owner	44,312	–	44,312	0.002%
LAU Siu Ki	Beneficial owner	164,637	–	164,637	0.01%

Notes:

- These interests are Awarded Shares that have been granted to the relevant Directors under the 2023 Share Award Scheme and were not vested as at 30 June 2025.
- The percentages are calculated based on the number of issued Shares as at 30 June 2025, i.e. 2,520,935,155 Shares.

Save as disclosed above, as at 30 June 2025, none of the Directors had registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests and short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange were as follows:

### Long position in Shares

Shareholder	Capacity	Number of Shares held	Percentage of the number of issued Shares (Note 1)
TCL Industries Holdings (Note 2)	Interest of controlled corporation	1,374,856,288 (Note 3)	54.54%

Notes:

- The percentage in respect of the interest of the relevant substantial Shareholder was calculated based on the number of Shares and underlying Shares in which such substantial Shareholder was interested as notified to the Company and disclosed on the website of the Hong Kong Stock Exchange against the number of issued Shares as at 30 June 2025, being 2,520,935,155 shares in issue.
- As at 30 June 2025, the following Directors were directors/employees of a company who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:
  - Ms. DU Juan was also a director and the chief executive officer of TCL Industries Holdings;
  - Mr. ZHANG Shaoyong was also a senior vice president of TCL Industries Holdings;
  - Mr. PENG Pan was also the chief financial officer of TCL Industries Holdings; and
  - Mr. SUN Li was also the chief technology officer of TCL Industries Holdings.
- Based on the disclosure of interest form submitted by the said substantial Shareholder, as at 11 October 2022, TCL Industries Holdings was deemed to be interested in 1,350,728,288 Shares held by T.C.L. Industries (H.K.). According to the information subsequently provided to the Company by the said substantial Shareholder, as at 30 June 2025, 1,374,856,288 Shares were interested or deemed to be interested by the said substantial Shareholder through the foregoing structure, however such change in shareholding does not give rise to a duty of disclosure on the part of the relevant substantial Shareholder under Part XV of the SFO.

## OTHER INFORMATION

### **SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)**

#### **Long position in Shares (continued)**

Save as disclosed above, as at 30 June 2025, no person, other than the Directors whose interests or short positions are set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above, had notified the Company of an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

#### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES", "SHARE OPTION SCHEME" and "SHARE AWARD SCHEMES" in this interim report, at no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or his/her spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

#### **SHARE OPTION SCHEME**

The Company adopted the 2023 Share Option Scheme on 3 November 2023. For the terms of the 2023 Share Option Scheme, please refer to the 2024 Annual Report. Unless otherwise defined, all capitalised terms and abbreviations under this section shall have the same meanings as those defined in the circular of the Company dated 17 October 2023.

**SHARE OPTION SCHEME (continued)**

The total number of Shares which may be allotted and issued in respect of all share options that may be granted under the 2023 Share Option Scheme and all share options and all share awards that may be granted under any Other Schemes existing at such time, must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme. The total number of Shares which may be allotted and issued in respect of share options that may be granted to Service Providers under the 2023 Share Option Scheme and all share options and all share awards that may be granted under any Other Schemes existing at such time, must not in aggregate exceed 1% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme. The Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from 3 November 2023 or the date of Shareholders' approval for the last refreshment. The Scheme Mandate Limit is 250,756,873 Shares, representing approximately 9.95% of the total number of issued Shares (excluding treasury shares) as at the date of this interim report.

**SHARE AWARD SCHEMES**

The Company adopted the 2008 Share Award Scheme on 6 February 2008. Following the expiration of the 2008 Share Award Scheme on 5 February 2023, the Company adopted the 2023 Share Award Scheme on 3 November 2023. The 2023 Share Award Scheme constitutes a share scheme involving grant of, among others, new Shares under Chapter 17 of the Listing Rules. Details of the 2023 Share Award Scheme were set out in the circular of the Company dated 17 October 2023.

For the terms of the 2023 Share Award Scheme, please refer to the 2024 Annual Report. Unless otherwise defined, all capitalised terms and abbreviations under this section shall have the same meanings as those defined in the circular of the Company dated 17 October 2023.

## OTHER INFORMATION

### SHARE AWARD SCHEMES (continued)

The total number of Shares which may be allotted and issued in respect of all share awards to be granted under the 2023 Share Award Scheme, and all share options and all share awards to be granted under any Other Schemes existing at such time, must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Award Scheme. The total number of Shares which may be allotted and issued in respect of all share awards to be granted that may be granted to Service Providers under the 2023 Share Award Scheme and all share options and all share awards that may be granted under any Other Schemes existing at such time, must not in aggregate exceed 1% of the total number of Shares in issue as at the date of approval of the 2023 Share Award Scheme. The Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from 3 November 2023 or the date of Shareholders' approval for the last refreshment. The Scheme Mandate Limit is 250,756,873 Shares, representing approximately 9.95% of the total number of issued Shares (excluding treasury shares) as at the date of this interim report.

## OTHER INFORMATION

## SHARE AWARD SCHEMES (continued)

The following Awarded Shares were outstanding during the period:

Name or category of participants	Number of Awarded Shares						Date of grant of Awarded Shares	Share closing price on the date of grant of Awarded Shares HK\$	Vesting period of Awarded Shares	Share closing price immediately before the date of grant of Awarded Shares HK\$	Weighted average share closing price immediately before the vesting date HK\$	
	At 1 January 2025	Reclassification	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period						At 30 June 2025
<b>Directors</b>												
<i>Executive Directors</i>												
DU Juan	1,500,000	-	-	(600,000)	-	-	900,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-		1,376,200	-	-	-	1,376,200	09-Apr-25	6.54	Note 3	6.65	N/A
	1,500,000	-	1,376,200	(600,000)	-	-	2,276,200					
ZHANG Shaozong	1,500,000	-	-	(600,000)	-	-	900,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-		917,500	-	-	-	917,500	09-Apr-25	6.54	Note 3	6.65	N/A
	1,500,000	-	917,500	(600,000)	-	-	1,817,500					
PENG Pan	1,500,000	-	-	(600,000)	-	-	900,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-		917,500	-	-	-	917,500	09-Apr-25	6.54	Note 3	6.65	N/A
	1,500,000	-	917,500	(600,000)	-	-	1,817,500					
SUN Li	1,500,000	-	-	(600,000)	-	-	900,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-		917,500	-	-	-	917,500	09-Apr-25	6.54	Note 3	6.65	N/A
	1,500,000	-	917,500	(600,000)	-	-	1,817,500					
	<b>6,000,000</b>	<b>-</b>	<b>4,128,700</b>	<b>(2,400,000)</b>	<b>-</b>	<b>-</b>	<b>7,728,700</b>					
<b>Other Employee Participants</b>												
	2,863,735	-	-	(2,863,735)	-	-	-	18-May-21	5.21	Note 1	5.16	9.20
	64,090,000	1,500,000	-	(26,068,794)	-	(1,118,206)	38,403,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-	(336,400)	75,296,000	-	-	(550,700)	74,408,900	09-Apr-25	6.54	Note 3	6.65	N/A
	<b>66,953,735</b>	<b>1,163,600</b>	<b>75,296,000</b>	<b>(28,932,529)</b>	<b>-</b>	<b>(1,668,906)</b>	<b>112,811,900</b>					
<b>Related Entity Participants</b>												
	64,815	-	-	(64,815)	-	-	-	18-May-21	5.21	Note 1	5.16	9.20
	9,260,000	(1,500,000)	-	(3,072,000)	-	(80,000)	4,608,000	25-Jan-24	2.32	Note 2	2.30	9.69
	-	336,400	12,073,200	-	-	-	12,409,600	09-Apr-25	6.54	Note 3	6.65	N/A
	<b>9,324,815</b>	<b>(1,163,600)</b>	<b>12,073,200</b>	<b>(3,136,815)</b>	<b>-</b>	<b>(80,000)</b>	<b>17,017,600</b>					
	<b>82,278,550</b>	<b>-</b>	<b>91,497,900</b>	<b>(34,469,344)</b>	<b>-</b>	<b>(1,748,906)</b>	<b>137,558,200</b>					

OTHER INFORMATION

SHARE AWARD SCHEMES (continued)

*Note 1* For Awarded Shares granted in view of the achievement of performance targets for 2017 to 2020, approximately 40% of such Awarded Shares were vested on 20 June 2022, a further approximately 30% were vested on 20 June 2023, and the remaining approximately 30% were vested on 20 June 2024. For Awarded Shares granted in view of the achievement of performance targets for 2021, approximately 40% of such Awarded Shares were vested on 20 June 2023, a further approximately 30% were vested on 20 June 2024, and the remaining approximately 30% were vested on 20 June 2025. For details, please refer to the announcement of the Company dated 19 May 2021.

*Note 2* For Awarded Shares granted in view of the achievement of performance targets for 2024 to 2026, approximately 40% of such Awarded Shares were vested on 11 June 2025, a further approximately 30% are scheduled to be vested on 11 June 2026, and the remaining approximately 30% are scheduled to be vested on 11 June 2027. For details, please refer to the announcement of the Company dated 25 January 2024.

The vesting of Awarded Shares granted on 25 January 2024 is subject to achievement of performance targets as follows:

(i) Performance targets at the Company level

Each of the three batches of Awarded Shares shall be vested according to tiers with reference to the percentage increase in adjusted profit attributable to owners of the parent of the Group for the corresponding financial year as compared against the adjusted profit attributable to owners of the parent of the Group for the financial year ended 31 December 2023 ("Percentage Increase 2023") as follows:

Corresponding to results for the financial year ending 31 December	Vesting date	Percentage Increase 2023 (X)	The percentage of Awarded Shares corresponding to the relevant financial year to be vested
2024	11-Jun-25	X≥65% 50%≤X<65% X<50%	100% 80% 0%
2025	11-Jun-26	X≥100% 70%≤X<100% X<70%	100% 80% 0%
2026	11-Jun-27	X≥150% 90%≤X<150% X<90%	100% 80% 0%



**SHARE AWARD SCHEMES (continued)***Note 2 (continued)*

- (ii) Performance targets at individual selected person level

A selected person's personal assessment will be conducted annually in accordance with the assessment method formulated by the Group. Each of the three batches of Awarded Shares shall be vested according to the individual performance appraisal results of the selected persons for the corresponding financial year. The Awarded Shares will not be vested on the selected persons who fail to attain a designated threshold at individual selected person level, whether the performance targets at the Company level are satisfied or not.

All or such part of the Awarded Shares granted to a selected person which do not vest because of failure to achieve the performance targets will lapse in accordance with the terms of the 2023 Share Award Scheme.

The fair value at the date of grant of Awarded Shares granted on 25 January 2024 amounted to HK\$190,866,000. For details of the accounting policy, please refer to note 2.4 of notes to financial statements of the 2024 Annual Report.

OTHER INFORMATION

SHARE AWARD SCHEMES (continued)

*Note 3* For Awarded Shares granted in view of the achievement of performance targets for 2025 to 2027, approximately 40% of such Awarded Shares are scheduled to be vested on 12 May 2026, a further approximately 30% are scheduled to be vested on 12 May 2027, and the remaining approximately 30% are scheduled to be vested on 12 May 2028. For details, please refer to the announcement of the Company dated 9 April 2025.

The vesting of Awarded Shares granted on 9 April 2025 is subject to achievement of performance targets as follows:

- (i) Performance targets at the Company level

Each of the three batches of Awarded Shares shall be vested according to tiers with reference to the percentage increase in adjusted profit attributable to owners of the parent of the Group for the corresponding financial year as compared against the adjusted profit attributable to owners of the parent of the Group for the financial year ended 31 December 2024 (“Percentage Increase 2024”) as follows:

Corresponding to results for the financial year ending 31 December	Vesting date	Percentage Increase 2024 (X)	The percentage of Awarded Shares corresponding to the relevant financial year to be vested
2025	12-May-26	$X \geq 45\%$	100%
		$25\% \leq X < 45\%$	80%
		$X < 25\%$	0%
2026	12-May-27	$X \geq 75\%$	100%
		$50\% \leq X < 75\%$	80%
		$X < 50\%$	0%
2027	12-May-28	$X \geq 100\%$	100%
		$75\% \leq X < 100\%$	80%
		$X < 75\%$	0%

**SHARE AWARD SCHEMES (continued)***Note 3 (continued)*

- (ii) Performance targets at individual selected person level

A selected person's personal assessment will be conducted annually in accordance with the assessment method formulated by the Group. Each of the three batches of Awarded Shares shall be vested according to the individual performance appraisal results of the selected persons for the corresponding financial year. The Awarded Shares will not be vested on the selected persons who fail to attain a designated threshold at individual selected person level, whether the performance targets at the Company level are satisfied or not.

All or such part of the Awarded Shares granted to a selected person which do not vest because of failure to achieve the performance targets will lapse in accordance with the terms of the 2023 Share Award Scheme.

The fair value at the date of grant of Awarded Shares granted on 9 April 2025 amounted to HK\$598,396,000. For details of the accounting policy, please refer to note 2.4 of notes to financial statements of the 2024 Annual Report.

- Note 4* The purchase price (being the price payable by a selected person to purchase the Awarded Shares) of all Awarded Shares disclosed in the above table is nil.

## OTHER INFORMATION

### SHARE AWARD SCHEMES (continued)

As at 1 January 2025, the number of share options and share awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit under the 2023 Share Option Scheme, 2023 Share Award Scheme and any other share schemes of the Company was 250,756,873 and 25,075,687 respectively.

During the six months ended 30 June 2025, no grant was made under the 2023 Share Option Scheme and a grant of 91,497,900 share awards was made under the 2023 Share Award Scheme to Employee Participants and Related Entity Participants all in the form of existing Shares. Accordingly, as at 30 June 2025, the number of share options and share awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit under the 2023 Share Option Scheme, 2023 Share Award Scheme and any other share schemes of the Company was 250,756,873 and 25,075,687 respectively.

The number of shares that may be issued in respect of share options and share awards granted under all share schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue (excluding treasury shares) during the six months ended 30 June 2025 is 0%.

The expenses in relation to the TCL Share Award Schemes recorded during the period from 1 January 2025 to 30 June 2025 were approximately HK\$101,389,000.

### 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 sale of 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 this interim report and 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 interim report, 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.

## OTHER INFORMATION

### 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).

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 interim report, 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.*

In this interim report, 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;
"2024 Annual Report"	the annual report of the Company for the year ended 31 December 2024;
"AI"	artificial intelligence;
"AR"	augmented reality;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"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;
"Awarded Share(s)"	awarded Shares of the Company granted to a selected person pursuant to the 2008 Share Award Scheme or the 2023 Share Award Scheme (as the case may be);
"Board"	the board of Directors;
"CEO"	the chief executive officer of the Company;
"CES"	Consumer Electronics Show;
"CFO"	the chief financial officer of the Company;

## DEFINITIONS

"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"	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;

## DEFINITIONS

"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 interim report and for geographical reference only and except where the context requires, references in this interim report 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;
"RMB"	Renminbi, the lawful currency of the PRC;
"RUNTO"	Beijing Runto Technology Co., Ltd., a third-party organisation in the PRC that provides data products and research and advisory services;
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
"Share(s)"	share(s) of the Company;
"Shareholder(s)"	shareholder(s) of the Company;

## DEFINITIONS

"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 Energy & Mobile"	TCL Energy & Mobile Technology Netherlands B.V. (formerly known as TCL Mobile Netherlands B.V.), a company established under the laws of the Netherlands with limited liability and an indirect wholly-owned subsidiary of the Company;
"TCL Energy (Germany)"	TCL Energy (Germany) GmbH (formerly known as Rheinsee 1035. V V GmbH), a company incorporated in Germany, which has become an indirect wholly-owned subsidiary of the Company since June 2024;
"TCL Finance (HK)"	TCL Finance (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a direct subsidiary of T.C.L. Industries (H.K.);
"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;
"TCL Industries Holdings Group"	TCL Industries Holdings and its subsidiaries and any entity that may become subsidiary of TCL Industries Holdings from time to time, and for the purpose of this interim report excludes the Group;
"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 NL"	TCL Netherlands B.V., a company established under the laws of the Netherlands with limited liability and an indirect wholly-owned subsidiary of the Company;
"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;

## DEFINITIONS

"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);
"TCL Technology Group"	TCL Technology and its subsidiaries and any entity that may become subsidiary of TCL Technology from time to time;
"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.