TCL ELECTRONICS HOLDINGS LIMITED
TCL 電 子 控 股 有 限 公 司

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

RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board is pleased to announce the unaudited consolidated results and financial position of the Group for the six months ended 30 June 2026 with comparative figures for the corresponding period in 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change
	(unaudited)	(unaudited)	
	HK$ Million	HK$ Million	
Revenue	**63,763**	54,777	16.4%
Gross profit	**10,904**	8,366	30.3%
Profit after tax	**1,618**	1,048	54.4%
Profit attributable to owners of the parent	**1,529**	1,090	40.2%
Non-HKFRS measure:			
Adjusted profit attributable to owners of the parent	**1,635**	1,060	54.3%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

1. Overview

Global TV Industry Stabilises as Large-Sized TVs and Premiumisation Trends Continue to Accelerate, with On-Device AI Empowering Innovation in the Consumer Electronics Industry

In the first half of 2026, the global economy experienced a differentiated recovery amid a complex global trade landscape, while the TV industry demonstrated resilience and market demand rebounded. Global TV shipment increased by 4.8% year-on-year in the first half of 2026[1]. As the 2026 World Cup boosted industry demand during the first half of the year, coupled with the consumption upgrade trend, the global TV market is experiencing an upgrade from being "size-oriented" to equally emphasising on "large-sized screens and ultimate experiences". Consumer demand for display technologies, intelligent voice and gesture interaction, and multi-device collaboration continued to increase, with purchase intention for large-sized flagship models strengthened significantly. In the first half of 2026, global Mini LED TV shipment increased by 119.2% year-on-year to approximately 10.53 million sets[2]; demand for large-sized TVs grew rapidly, with global shipment of 75-inch and above TVs increasing by 9.4% year-on-year to approximately 12.57 million sets[3].

With the accelerated large scale adoption of generative AI, the consumer electronics industry is undergoing profound industry-wide transformation. AI-powered proactive service capabilities have continued to empower home scenarios, driving demand for smart home devices, while the penetration of AI functionalities across home appliances, wearable devices and home companion robots continued to increase. The global on-device AI market is expected to grow from RMB321.9 billion in 2025 to RMB1.223 trillion in 2029, representing a compound annual growth rate of 39.6%[4]. Smart glasses are expected to enter a phase of large scale growth from 2026, with global sales volume of AI smart glasses projected to reach 16 million sets in 2026, while global AR glasses sales volume is expected to reach 1.8 million sets, representing a year-on-year increase of 64%[5].

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1 Source: Omdia, global brand TV shipment for the first half of 2026.
2 Source: Omdia, global brand Mini LED TV shipment for the first half of 2026.
3 Source: Omdia, global brand TV shipment for the first half of 2026.
4 Source: Frost & Sullivan.
5 Source: Wellsenn.

Following a period of rapid expansion, the photovoltaic industry has entered a phase of structural adjustment. In the first half of 2026, the PRC photovoltaic market entered an adjustment cycle, with newly installed photovoltaic capacity reaching 72.1GW, representing a year-on-year decline of approximately 66% due to a high base last year, with growth rate significantly decelerating compared to the same period last year, but scale of growth still above the average level in the first halves of 2021 to 2024[6].

"Globalisation" and "Premiumisation" Dual Growth Drivers with Continued Improvement in Operating Quality

Against the backdrop of a new industry landscape, the Group capitalised on market opportunities and firmly implemented its dual-engine strategy of "Globalisation" and "Premiumisation", continuously expanding its global market presence while accelerating product mix upgrades. The Group continued to strengthen its core product competitiveness through long-term R&D investment, advance industrial synergies and resource integration, and further explore cooperation opportunities with high-quality global channels, thereby further strengthening its competitive advantages in international markets. Meanwhile, on 31 March 2026 (after trading hours), the Group entered into a transaction framework agreement with Sony in relation to the home entertainment sector. The parties intend to establish a joint venture combining their respective strengths in technologies, branding and supply chains to jointly build a new global home entertainment ecosystem, providing important strategic support for the Group's expansion into the mid-to-high-end market.

For the six months ended 30 June 2026, the Group's overall revenue recorded a year-on-year increase of 16.4% to HK$63,763 million, primarily benefitting from the deepening of global distribution channel and the effective implementation of mid-to-high-end product portfolio upgrade strategy. Supported by continuous product mix optimisation and increased shipment proportion from Mini LED and large-sized products, the overall ASP saw a notable improvement, while gross profit recorded a significant year-on-year increase of 30.3% to HK$10,904 million. Meanwhile, the Group continued to deepen refined operations across the entire value chain and optimise resource allocation efficiency, achieving effective cost and expense control, with the overall expense[7] ratio at 11.7% during the period. Bolstered by improved operating efficiency driven by AI and digital tools as well as economies of scale, the Group's profitability continued to improve, with profit after tax recording a year-on-year growth of 54.4% to HK$1,618 million and adjusted profit attributable to owners of the parent recording a year-on-year growth of 54.3% to HK$1,635 million during the period. In the first half of 2026, the Group's annualised return on equity increased by 4.2 percentage points year-on-year to 16.5%, maintaining a sound financial position.

6 Source: National Energy Administration of the PRC.

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

On 15 July 2026 (after trading hours), the Group announced the proposed acquisition of the air-conditioning-related business under TCL Industries Holdings, with a view to comprehensively advancing its "all-category smart device layout" strategy. The transaction is expected to be completed in the fourth quarter of this year. Upon completion, the Group expects to achieve deeper synergies across globalisation, branding and supply chains, share marketing resources and realise cost reductions through economies of scale. From a financial perspective, the transaction is expected to further expand the Group's revenue and profit scale, enhance profitability, drive a valuation re-rating towards the all-category smart device sector, and enable the Group to share the return with shareholders.

Display Business Continued to Consolidate Global Leading Advantages, Internet Business Achieved Dual Improvement in Scale and Earnings Quality, while Innovative Business Continued to Expand

In the first half of 2026, the Group's display business continued to perform well, with operating quality improving steadily. Driven by the continued enhancement of brand recognition, strategic deepening and expansion of its global channel network, and the ongoing upgrade of its product mix towards the mid-to-high-end and large-sized TV segments, the overall revenue from the display business increased by 24.7% to HK$41,682 million year-on-year, while gross profit grew by 48.0% to HK$7,694 million and gross profit margin recorded an increase of 2.9 percentage points to 18.5% year-on-year. In the first half of 2026, TCL TV ranked second globally by shipment[8] while global shipment of Mini LED TV increased by 77.1%, with shipment remaining No. 1 globally[9]. In terms of regional expansion, the Group continued to enhance channel coverage and end-market penetration, with TCL TV ranking among the top three by retail in more than 20 countries[10].

In the first half of 2026, the Group's internet business fully capitalised on opportunities arising from the evolution of AI technologies and continued to expand the scope of its services around global home scenarios, achieving improvements in both business scale and earnings quality. In international markets, through leveraging its leading global TV product scale, the Group deepened strategic cooperation with global internet giants and drove rapid revenue growth through diversified models such as pre-installation fees and operational revenue sharing. In the PRC market, the Group focused on scenario innovation and AI business innovation, leveraging its self-developed AI content ecosystem to promote software-hardware synergies between TV products and various smart hardware devices in supporting profit growth. In the first half of 2026, revenue from the internet business increased by 16.1% to HK$1,693 million year-on-year, while gross profit margin further improved by 6.7 percentage points to 61.1%, with profitability under its asset-light operating model continuing to strengthen.

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8 Source: Omdia, global brand TV shipment for the first half of 2026.
9 Source: Omdia, global brand Mini LED TV shipment for the first half of 2026.
10 Source: The Group's internal report, based on TV retail sales volume in the first half of 2026.

The innovative business maintained steady development. In the first half of 2026, revenue grew year-on-year by 2.5% to HK$20,373 million, of which revenue from the smart connection and smart home business increased by 15.5% year-on-year. In photovoltaic business, amid intensified competition in the market in the first half of 2026, the Group continued to adhere to its "relatively asset-light" business model, enhanced market-based power trading and deepened channel cooperation to improve operating efficiency and relative competitiveness in achieving high-quality development.

Continued to Strengthen R&D Technologies and Global Operations to Reinforce Long-term Competitive Barriers

In the first half of 2026, the Group's R&D expenses increased by 21.9% to HK$1,408 million year-on-year, with continued focus on core areas including AI-powered smart interaction, new display technologies and smart hardware. In terms of product innovation, the smart screen business leveraged AI interaction and content service capabilities to optimise and upgrade its product mix and became among the first enterprises in the PRC to obtain L3 level TV intelligence certification for the related TV products. The Group also launched innovative hardware products including AiMe smart companion robot, further expanding into new consumer electronics categories. In display technologies, Mini LED products equipped with the flagship SQD technology continued to scale up; in the AR/XR segment, the Group achieved scalable production in full-colour Micro-LED products and completed R&D preparations for the new generation of AI glasses. At the operational level, AI applications have already covered the entire value chain spanning R&D, manufacturing, supply chain and sales, laying a solid foundation for improvements in the Group's operating efficiency.

In terms of production capacity layout and supply chain, amid an increasingly complex global trade environment and rising costs, the Group shifted the focus of its supply chain development towards balancing operating efficiency and supply security. Alongside the advancement of "Globalisation 3.0" strategy, the Group leveraged a combination of integrated, platform-based, digitalised and AI-driven approaches to advance its globally distributed production capacity layout and continue in building a highly resilient global supply chain network. Mainly supported by a safe, efficient, agile and green global supply chain system, TCL ranked 12th in Gartner's 2026 Asia-Pacific Supply Chain Top 15, fully demonstrating the comprehensive strength and international competitiveness of the Group's supply chain system.

In terms of brand recognition, TCL served as an official sponsor of national teams including Spain and Argentina for the 2026 World Cup, leveraging this premier international sporting event to enhance brand exposure, accelerate global brand building, expand its global influence and further improve its global marketing. TCL was named "Kantar BrandZ Top 50 Chinese Global Brand Builders" for the tenth consecutive year, ranking 9th, with brand power increasing by 23% year-on-year. The Group continues to drive international business growth by leveraging the global synergies of its production capacity, channels and brand.

In terms of the capital market, the Group is included for the first time in major indices including the "Hang Seng Composite Large-Cap & Mid-Cap Index" and the "Hang Seng SCHK Electronics Theme Index". Meanwhile, the Group received investment-grade ratings from three international rating agencies, namely Moody's, S&P Global Ratings and Fitch Ratings for the first time, demonstrating international capital market recognition of the Group's operating performance, profitability and risk management capabilities.

2. Display Business

2.1 Large-sized Display

TCL TV Maintained No. 2 Globally by Shipment; Mini LED TV Market Share Remained No. 1 Globally

In the first half of 2026, driven by inventory preparation demand ahead of the World Cup, global TV market demand remained resilient, with global TV shipment increasing by 4.8% year-on-year to 99.12 million sets[11]. The trend towards larger screens and premiumisation continued, while consumers placed increasing interests in display technologies, voice and gesture interaction, and multi-device collaboration capabilities, further strengthening purchase intention for large-sized and mid-to-high-end products. Leveraging its strong product competitiveness and global channel advantages, the Group's large-sized display business outperformed the industry, with overall gross profit margin improved. During the reporting period, revenue from the Group's large-sized display business amounted to HK$35,249 million, representing a year-on-year increase of 24.3%; gross profit amounted to HK$6,795 million, representing a year-on-year growth of 50.5%; and gross profit margin recorded a year-on-year increase of 3.4 percentage points to 19.3%. In the first half of 2026, TCL TV's global shipment market share reached 14.9%, up by 0.7 percentage points year-on-year, maintaining its No. 2 position globally, while its global sales revenue market share increased by 0.2 percentage points to 13.4%, ranking among the top three globally[12].

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[11] Source: Omdia, global brand TV shipment for the first half of 2026.
[12] Source: Omdia, global brand TV shipment for the first half of 2026.

During the reporting period, the Group continued to optimise its product mix. 65-inch and above TCL TV shipment increased by 29.1% year-on-year, with shipment proportion up by 4.9 percentage points year-on-year to 33.8%; shipment of 75-inch and above TCL TVs increased by 32.5% year-on-year, with shipment proportion up by 2.9 percentage points to 17.9% year-on-year. The average screen size of global shipment reached 55.7 inches, increasing by 2.3 inches year-on-year. Global shipment of Mini LED TVs upgraded with SQD technology reached 2.43 million sets, representing year-on-year growth of 77.1%, with shipment proportion up by 6.5 percentage points year-on-year to 17.3%, while global shipment market share maintained No. 1[13]. Shipment of QLED TVs increased by 31.4% year-on-year, with shipment proportion up by 4.5 percentage points to 28.5%, further expanding the Group's premium product portfolio. Revenue and gross profit across all international markets significantly outperformed the industry; despite overall pressure in the PRC market, the Group still achieved a double-digit growth, further validating the effectiveness of its mid-to-high-end transformation and global operating capabilities.

International Markets

International markets are the core growth driver of the Group's large-sized display business. In the first half of 2026, benefitting from the continued advancement of the Group's mid-to-high-end strategy and targeted brand marketing, revenue from international markets amounted to HK$25,442 million, representing a year-on-year growth of 29.6% and accounting for 72.2% of TCL TV revenue. Gross profit in international markets increased by 70.6% year-on-year to HK$4,818 million, with revenue and gross profit across all regions significantly outperforming the industry. The trends towards larger screens and premiumisation continued to accelerate. Shipment of 65-inch and above TCL TVs recorded a significant year-on-year growth of 40.7%, with shipment proportion recording a year-on-year increase of 5.1 percentage points to 26.0%; shipment of TCL Mini LED TVs recorded an even greater year-on-year increase of 139.4%, with shipment proportion recording an increase of 8.6 percentage points to 16.3%. Product mix optimisation and continued refined retail management drove a year-on-year increased by 4.5 percentage points in gross profit margin to 18.9%, while ASP recorded an increase of 16.5% year-on-year. Meanwhile, the Group continued to advance refined retail management, completing retail censuses and store grading systems in key countries to strengthen end-market operating capabilities.

- European Market: The Group comprehensively advanced full coverage of key channels, with market share continuing to increase and mid-to-high-end products delivering strong performance, driving a

[13] Source: Omdia, global brand Mini LED TV shipment for the first half of 2026.

year-on-year growth of 17.2% in revenue in the first half of 2026 and significantly outperforming the overall European market. Meanwhile, structural growth momentum was strong with shipment of 65-inch and above TCL TVs recording a year-on-year increase of 72.5%, while shipment proportion recorded an 8.0 percentage points increase to 27.1%; shipment proportion of Mini LED TVs also recorded a year-on-year increase of 13.7 percentage points to 27.2%. Brand influence and channel coverage continued to improve, with the Group's penetration rate in key retail channels reaching 75% and ranking among the top three by retail sales volume in more than seven countries[14]. Going forward, the Group will continue to strengthen refined store management, improve per-store efficiency across core chain channels and further expand local channels through localised distribution networks to achieve full-channel coverage.

- North American Market: The Group continued to focus on implementing its mid-to-high-end strategy, with a notable improvement in product shipment mix and increase in both revenue and ASP. In the first half of 2026, revenue recorded a growth of 26.3% year-on-year; shipment of 65-inch and above TCL TVs increased by 21.0% year-on-year, while shipment proportion increased by 4.4 percentage points to 33.8%. The effective implementation of the mid-to-high-end strategy, together with outstanding picture quality, innovative experiences and a comprehensive product portfolio, drove ASP up by over 18%. In the first half of 2026, TCL TV's sales revenue market share in the U.S. market further increased to 13.3%, ranking first in terms of growth rate, while the TCL brand index stood at 104[15].

- Emerging Market: The Group continued to deepen localised operations across Asia Pacific, Latin America, Middle East and Africa. While further strengthening its offline channels, the Group also actively expanded e-commerce channels, with offline channels and e-commerce platforms developing in synergy to effectively unlock scale growth potential. In the first half of 2026, revenue from TCL TV grew by 37.3% year-on-year, significantly outperforming the overall Emerging Market. Shipment of 65-inch and above TCL TVs recorded a significant growth of 46.2% year-on-year, with shipment proportion recording year-on-year increase of 4.8 percentage points to 22.4%, as the large-sized screens trend continued. In addition, shipment proportion of Mini LED TVs rose by 5.5 percentage points to 11.8%, driving a growth reached 20% in shipment ASP year-on-year. TCL TV's influence in Emerging Market continued to expand, with the brand price index exceeding 100 in more than 11 countries in the first half of 2026[16].

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[14] Source: The Group's internal report, based on TV retail sales volume in the first half of 2026.
[15] Source: Circana, U.S. retail market survey report, based on TV retail sales volume in the first half of 2026.
[16] Source: The Group's internal report, based on TV retail sales volume in the first half of 2026.

The PRC Market

In the PRC market, as various regions gradually implemented "trade-in" policies for home appliances and expanded their coverage to a broader range of smart consumer products in 2025, expected demand in 2026 was released earlier. Together with continued weakness in the property market and subtle consumer replacement demand, the PRC TV market remained on a downward trend in the first half of 2026, with industry retail sales volume down by 12.4% year-on-year[17].

The Group leveraged its product competitiveness and achieved counter-cyclical revenue growth and outperformed the industry. In the first half of 2026, revenue recorded a year-on-year growth of 12.5% to HK$9,807 million, while gross profit recorded a year-on-year growth of 17.0% to HK$1,977 million. Revenue and gross profit improved significantly, benefitting from the continued scale-up of premium products in particular SQD-Mini LED, the Group's Mini LED TV shipment market share remained No. 1 in the industry[18] and products gained market recognition. On the other hand, the large-sized screen trend continued. Shipment proportion of 65-inch and above products increased by 7.2 percentage points year-on-year to 62.6%, while shipment proportion of 75-inch and above products increased by 5.5 percentage points year-on-year to 41.8%, which drove a 10.8% year-on-year increase in overall ASP. Continued product mix optimisation effectively drove revenue and gross profit growth, while TCL TV's retail sales volume and revenue market shares increased by 1.5 percentage points and 3.5 percentage points to 23.6% and 27.1%, respectively, demonstrating strong operating resilience.

2.2 *Small-and-Medium-Sized Display*

Deepening Presence in Key European and North American Channels, Driving the Adoption of Innovative Technologies across Consumption and Production Scenarios

In the first half of 2026, consumer demand in the global smartphone market remained under pressure, compounded by rising component costs. Global smartphone shipment decreased by 5.1% year-on-year to 570 million sets in the first half of 2026. The global tablet market was also weak, with global tablet shipment amounting to 69.06 million sets, representing a year-on-year decrease of 5.3%[19].

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17 Source: CMM omni-channel data, based on TV retail sales data for the first half of 2026.
18 Source: CMM omni-channel data, based on Mini LED TV sales volume for the first half of 2026.
19 Source: IDC, global smartphone and tablet shipment for the first half of 2026.

The Group's small-and-medium-sized display business continued to focus on key markets, deepening its presence in tier-one network carrier channels in Europe and North America and consolidating strategic relationships with core partners. In the first half of 2026, revenue from the Group's small-and-medium-sized display business recorded year-on-year growth of 27.4% to HK$5,814 million, while gross profit recorded year-on-year increase of 31.6% to HK$825 million. In terms of products, the Group continued to advance the innovation and iteration of its NXTPAPER eye-care display technology. The TCL NXTPAPER 70 Pro, featuring the fifth-generation NXTPAPER 4.0 eye-care display technology, received the "Eye-Care Display Technology Gold Award", while the TCL Note A1 NXTPAPER tablet received the "Smart Interaction Technology Innovation Award" at CES 2026, strengthening product competitiveness through a differentiated eye-care experience.

2.3 Smart Commercial Display

Optimising Commercial Display Scenarios to Build a Full-Scenario Commercial Display Product Portfolio

The Group's smart commercial display business leveraged the resource advantages of its globally leading TV business, focusing on scenarios including offices, retail, catering, transportation, education and public venues. In the first half of 2026, revenue from the Group's smart commercial display business grew year-on-year by 23.2% to HK$619 million, while gross profit grew by 32.0% to HK$74 million. During the reporting period, the Group continued to expand into new commercial display categories, launching new LED all-in-one products for enterprise and education scenarios and ultra large-screen series for premium commercial scenarios, thereby forming a full-scenario product portfolio.

3. Internet Business

International Internet Business Continues to Strengthen, while the PRC Business Upgrades towards an AI-powered Smart Home Ecosystem

Leveraging the development of its TCL TV business, the Group capitalised on opportunities arising from the evolution of AI technologies and continued to deepen its presence in the global smart home internet sector, achieving improvements in both business scale and earnings quality. In the first half of 2026, revenue from the Group's internet business amounted to HK$1,693 million, representing year-on-year increase of 16.1%, while gross profit amounted to HK$1,035 million, increasing year-on-year by 30.4%. Among these, the high-margin international internet business recorded year-on-year growth of 74.6% in revenue, which accounted for over 50% of total revenue and drove the overall gross profit margin up to 61.1%, while profitability continued to improve.

In international markets, leveraging the scale advantages of its TV end-products, the Group deepened cooperation with global internet giants including Google, Roku and Netflix, monetising through pre-installation fees and long-term operational revenue sharing. International TCL Channel platform continued to enrich its content ecosystem, adding more than 110 local channels in the U.S., Brazil and France, while viewing time for live-streaming content increased by 131% year-on-year. Its video-on-demand business launched more than 4,400 content items, with viewing time increasing by 106% year-on-year. At the end of June 2026, cumulative users of the platform exceeded 53.59 million, while total average daily usage time in Europe, North America and Latin America increased by 95% year-on-year. The increase in both user scale and engagement further strengthens the foundation for business monetisation.

In PRC market, the Group leveraged AI technologies to empower the synergistic development of its content ecosystem and smart hardware. "Dongdong Companion" effectively enhanced user activity and loyalty, while the Group had accumulated more than 80 proprietary copyrighted content titles through its AI Content Factory. The AI companion hardware product Amby Uni achieved scaled ramp-up, opening a new revenue source and driving the Group's upgrade from traditional large-screen operations towards an AI-powered smart home ecosystem.

4. Innovative Business

4.1 Photovoltaic Business

Focusing on the European Market while Maintaining Resilient Growth in the PRC

In the first half of 2026, China's photovoltaic industry has entered a transition period of policy regulation and high-quality development. The Group maintained its "relatively asset-light" positioning, optimised its business structure, focused on profitability, scaled back operations in high-risk regions and expanded into core markets with strong power absorption capacity, high electricity prices and stable returns. In the industrial and commercial photovoltaic segment, the Group enhanced the efficiency of power station asset disposals through innovative transaction structures. In international markets, the Group continued to focus on core European countries, leveraging the synergies between SunPower's brand influence and TCL's global channel resources to accelerate the product deployment and business expansion of its "integrated energy solutions for photovoltaics, energy storage and heating" and increase the international market share.

In the first half of 2026, revenue from the Group's photovoltaic business recorded year-on-year increase of 2.3% to HK$11,388 million. As of 30 June 2026, the Group had accumulated more than 410 contracted industrial and commercial projects and over 2,590 dealer channels.

4.2 *All-category Marketing*

Steady Growth in Air Conditioner, Refrigerator and Washing Machine Businesses, Strategic Acquisition Expanded the All-category Business Footprint

In the first half of 2026, revenue from the Group's all-category marketing business recorded a growth of 1.4% year-on-year to HK$7,949 million. The Group leveraged the dual-drive strategy of "Globalisation" and "Premiumisation", whilst vigorously advancing synergistic development across all categories to build a more competitive product matrix.

Air conditioner products demonstrated the core concept of "Smart Health", with AI technology defining the next generation of air conditioners. The Group launched a new generation of AI-powered healthy and comfortable air conditioner series equipped with millimeter-wave radar technology, enabling precise and comfortable airflow that automatically follows users' movements, and received the "AWE Innovation Award" at AWE 2026. Refrigerator products continued to focus on food preservation, with the launch of deep-freezing dual-magnetic fresh-keeping series featuring core technologies that have reached an internationally leading level, enabling long-lasting freshness preservation of food ingredients. In terms of washing machines, the Group launched a number of flagship laundry-care products, including various washer-dryer combo products featuring integrated garment-care and contamination-free technologies and sales volume continued to increase and drove business growth after products launch.

4.3 *Smart Connection and Smart Home*

AI + IoT Drove Innovative Breakthroughs across Diversified Product Categories and Resulted in Steady Business Growth

The smart connection and smart home business recorded satisfactory growth in the first half of 2026. Compared to the same period last year, revenue reached HK$1,036 million, increased by 15.5% year-on-year and gross profit increased by 17.5% to HK$249 million year-on-year, while gross profit margin increased by 0.4 percentage points to 24.0%.

In terms of smart home business, the Group continued to drive product innovation through AI empowerment, with categories including smart locks and cameras maintaining steady growth in the PRC offline home appliance channels. Its pioneering dual-screen AI smart lock received the "AWE Innovation Award", further consolidating its position in the mid-to-high-end price range segment. In international markets, the Group comprehensively repositioned the brand image of its mid-to-high-end smart locks and drove its palm-vein recognition lock products into the top-tier of Amazon's self-operated marketplace. In the smart connection product segment, the Group continues to maintain its industry-leading position as a leading international manufacturer of mobile routers and children's smartwatches. In the first half of 2026, the Group's broadband business delivered strong performance, with overall shipment increased by 27.9% year-on-year, of which 5G product shipment volume surged by 62.5% year-on-year, and mobile router market share ranked second globally[20]. Meanwhile, children's smartwatch business demonstrated robust overseas growth momentum, with international shipment increased by 30.2% year-on-year, ranking first in international market shipment share in the first quarter of 2026[21]. In addition, the Group continued to drive product innovation, successfully launching the world's first children's smartwatch desk companion, further enriching its product portfolio and usage scenarios.

In AR/XR segment, RayNeo, which was incubated by the Group, continues to lead the industry as it ranked No. 1 in shipment in global AR glasses market in the first quarter of 2026[22] marking its fourth consecutive quarter at the top globally by shipment. In addition, the Group actively capitalised on market opportunities arising from the convergence of AI and IoT. TCL AiMe, the world's first modular AI companion robot, was officially launched in August 2026. The product deeply integrates AI large model technology, precisely targeting home emotional companionship and education scenarios. Featuring modular design, natural semantic dialogue, human-like facial expression interaction, and whole-home voice collaboration capabilities, it not only achieves a complete commercialisation cycle but also opens up a new blue ocean in the consumer electronics sector for the Group, further enhancing its full-scenario smart ecosystem layout.

5. Outlook

Looking ahead, the Group will continue to uphold the philosophy of "Strategy Guidance, Innovation Driven, Advanced Manufacturing and Global Operation", with dual-drive strategy of "Globalisation" and "Premiumisation" at its core. By leveraging the synergies across its global strategic footprint, premium product portfolio and highly profitable business segments, the Group will strive to steadily enhance profitability. In line with "Globalisation 3.0" strategy, the Group will continue to evolve from product exports towards localised manufacturing, marketing and in-depth channel operations, thereby further strengthening its competitiveness in global markets. On the product front, the Group will continue to optimise its premium product mix and promote the broader application of premium technology solutions, thereby improving overall profitability. On the strategic cooperation front, the Group and Sony will integrate their respective resources to jointly build a new global home entertainment ecosystem, further consolidating the Group's competitive advantages in the global mid-to-high-end market.

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[20] Source: TSR, global mobile router shipment for 2025.

[21] Source: IDC, global children's smartwatch shipment for the first quarter of 2026.

[22] Source: IDC, global AR glasses shipment for the first quarter of 2026.

Acquisition of TCL Air Conditioning Business to Advance the All-category Smart Device Layout

On 15 July 2026 (after trading hours), the Group announced its proposed acquisition of the business of TCL air conditioner for a total consideration of HK$5,610 million. Subject to the fulfilment of the conditions precedent, the transaction is expected to be completed in the fourth quarter of 2026 and subsequently consolidated into the Group's financial statements.

Air conditioning products represent an important component of the Group's all-category smart device layout. The global HVAC market offers substantial growth potential, driven by multiple factors including the increasing prevalence of extreme weather, rising penetration rates in emerging markets and demand for energy-efficiency upgrades. Upon completion of the transaction, the acquisition is expected to effectively strengthen the Group's earnings base. Leveraging the Group's mature global sales network and localised operating capabilities, the Group will accelerate the expansion of TCL air conditioner products' market share, unlock synergies across globalisation, branding and supply chains for a valuation re-rating, and continue to enhance returns for shareholders.

Core Businesses Focus on Profitability Enhancement, Innovative Business Pursues Scale Expansion

At core business level, the large-sized display business will leverage premium technologies to consolidate its global leading position and deepen the integration and application of AI across different scenarios; the small-and-medium-sized display business will focus on high-quality markets while continuously optimising resource allocation and operating efficiency. The internet business will leverage its extensive end-product base to drive growth in the PRC market through AI empowerment, while expanding incremental opportunities in international markets through business model innovation. The home entertainment platform with Sony will integrate the technological, branding and supply chain strengths of both parties, leverage the Sony and BRAVIA™ brands, deepen its presence in the global mid-to-high-end home entertainment market, and enhance its influence in the global premium market.

In terms of innovative business, the Group will continue to deepen its "AI x IoT" strategy and accelerate the commercialisation of cutting-edge technologies. In the AR/XR segment, RayNeo leveraged its technology leadership to drive the iterative upgrade of AI smart glasses, expanding its applications across multiple scenarios including audio-visual entertainment, office and outdoor use, to seize the entry point to the spatial computing era. In the smart home segment, a home smart security ecosystem is being implemented centred on smart locks, smart storage and smart cameras. Going forward, the Group will continue to mobilise its brand, supply chain and channel resources to drive quality scale growth across its innovative business.

Deepening AI Technology Deployment and Empowering End-to-End Efficiency Upgrades through Digital Intelligence

In terms of AI technology deployment, the Group will increase investment in areas including smart home, smart connection and AR/XR, leveraging technological innovation to drive upgrades in user experience while enhancing decision-making efficiency through digital-intelligence empowerment. At operational level, the Group will advance the application of AI across the entire process of R&D, manufacturing, supply chain and quality management, while actively building an AI talent pool to support technological iteration and business expansion through systematic talent development.

With enhancement of "Globalisation" and "Premiumisation", the Group has established solid competitive advantages in the market. Sales volume and market share of premium products have both increased, driving stronger brand premium and product mix optimisation to enhance profitability. The internet business has demonstrated relatively high marginal profit contribution and has become one of the Group's future core profit growth engines. Major strategic initiatives, including the establishment of a joint venture with Sony and the acquisition of air conditioning business, will continue to extend the boundaries of the Group's home device business, expand its presence in the all-category smart home segment and promote the diversified upgrading of its business structure. In terms of corporate governance, during the first half of 2026, the Group established an ESG Committee to oversee and advise on the Group's ESG strategy, policies and performance, thereby further strengthening risk oversight at the highest governance level and advancing ESG related issues, which demonstrates the Group's commitment to pursuing sustainable development with the high standards of governance. In addition, the Group aligns management interests closely with shareholder returns through share incentive mechanisms, ensuring alignment between operating objectives and capital market expectations.

Looking ahead, the Group will continue to consolidate its global business foundation, implement a clear premiumisation development path, strengthen profit contribution from businesses and cultivate diversified growth drivers. Leveraging its core strengths in global strategic layout, technological innovation, the all-category smart device ecosystem and the home entertainment platform to be jointly established with Sony, the Group will continue to unlock its operating potential, capitalise on industry development opportunities and achieve long-term, steady, sustainable and high-quality growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Comparison of the First Half of 2026 and the First Half of 2025

The table below sets out the comparative figures for the first half of 2026 and the first half of 2025:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
REVENUE	**63,763,308**	54,777,049
Cost of sales	**(52,859,304)**	(46,411,098)
Gross profit	**10,904,004**	8,365,951
Other income and gains	**697,085**	894,483
Selling and distribution expenses	**(4,706,776)**	(4,011,576)
Administrative expenses	**(2,759,220)**	(2,312,964)
Research and development costs	**(1,407,841)**	(1,154,499)
Other operating expenses	**(170,447)**	(17,875)
Impairment losses on financial and contract assets, net	**(16,222)**	(18,325)
	2,540,583	1,745,195
Finance costs	**(361,694)**	(392,234)
Share of profits and losses of：		
– Associates	**66,328**	67,885
Profit before tax	**2,245,217**	1,420,846
Income tax	**(627,130)**	(373,196)
Profit for the period	**1,618,087**	1,047,650
Profit attributable to owners of the parent	**1,528,796**	1,090,419
Non-HKFRS measure：		
Adjusted profit attributable to owners of the parent	**1,635,239**	1,059,892

Revenue

The Group's revenue increased by 16.4% year-on-year from HK$54,777 million in the first half of 2025 to HK$63,763 million in the first half of 2026. The table below sets forth revenue by business for the six months ended 30 June 2026 and 30 June 2025:

	Six Months Ended 30 June			
	2026		2025	
	HK$ Million	**Proportion of the total revenue**	HK$ Million	Proportion of the total revenue
Display Business[23]	**41,682**	**65.3%**	33,419	61.0%
Large-Sized Display	**35,249**	**55.3%**	28,352	51.8%
– International Markets	**25,442**	**39.9%**	19,632	35.9%
– The PRC Market	**9,807**	**15.4%**	8,720	15.9%
Small-and-Medium-Sized Display	**5,814**	**9.1%**	4,563	8.3%
Smart Commercial Display	**619**	**0.9%**	504	0.9%
Internet Business[24]	**1,693**	**2.7%**	1,458	2.7%
Innovative Business[25]	**20,373**	**32.0%**	19,875	36.3%
Photovoltaic Business	**11,388**	**17.9%**	11,136	20.4%
All-Category Marketing	**7,949**	**12.5%**	7,842	14.3%
Smart Connection and Smart Home	**1,036**	**1.6%**	897	1.6%
Others	**15**	**0.0%**	25	0.0%
Total Revenue	**63,763**	**100.0%**	54,777	100.0%

23 "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.

24 "Internet business" refers to "Internet business" as set out in the operating segment information of the notes to the financial statements.

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

Display Business

Revenue from the display business increased by 24.7% year-on-year from HK$33,419 million in the first half of 2025 to HK$41,682 million in the first half of 2026, mainly benefitting from the Group's active expansion in global markets and effectively enhanced brand influence. In the first half of 2026, TCL TV's product mix improved significantly, with revenue from the large-sized display business increasing by 24.3% year-on-year to HK$35,249 million. Revenue from the small-and-medium-sized display business increased by 27.4% year-on-year to HK$5,814 million. Meanwhile, the smart commercial display business focused on breakthroughs in key regions, with revenue up by 23.2% year-on-year to HK$619 million.

Internet Business

Revenue from the internet business increased by 16.1% year-on-year from HK$1,458 million in the first half of 2025 to HK$1,693 million in the first half of 2026, mainly driven by continued breakthroughs in the monetisation of the international internet business, with significant improvements in content development, product experience and commercialisation capabilities, resulting in substantially enhanced monetisation capabilities.

Innovative Business

Revenue from innovative business increased by 2.5% year-on-year from HK$19,875 million in the first half of 2025 to HK$20,373 million in the first half of 2026, mainly driven by the continued enhancement of the photovoltaic business's capabilities in electricity trading during the reporting period, supporting steady business development, with revenue increasing 2.3% year-on-year to HK$11,388 million. In addition, in the first half of 2026, revenue from the smart connection and smart home business grew by 15.5% year-on-year to HK$1,036 million, making it the fastest-growing business sector within innovative business.

Gross Profit and Gross Profit Margin

The Group's overall gross profit increased by 30.3% year-on-year from HK$8,366 million in the first half of 2025 to HK$10,904 million in the first half of 2026. The increase in gross profit was mainly attributable to the Group's continued implementation of its mid-to-high-end business transformation strategy, improvements in TV product mix, and effective cost control measures, which drove steady year-on-year growth in overall gross profit. The gross profit margin increased by 1.8 percentage points year-on-year from 15.3% in the first half of 2025 to 17.1% in the first half of 2026, mainly due to the increased revenue proportion from the display business, which had a relatively higher gross profit.

Display Business

The gross profit margin of the display business increased by 2.9 percentage points year-on-year from 15.6% in the first half of 2025 to 18.5% in the first half of 2026, mainly attributable to the Group's continued implementation of its mid-to-high-end strategy and effective improvements in product mix. The gross profit margin of the large-sized display business increased by 3.4 percentage points year-on-year from 15.9% in the first half of 2025 to 19.3% in the first half of 2026.

Internet Business

The gross profit margin of the internet business increased by 6.7 percentage points year-on-year from 54.4% in the first half of 2025 to 61.1% in the first half of 2026, mainly driven by the increase in revenue proportion from the higher gross profit margin international internet business to over 50%.

Innovative Business

The gross profit margin of innovative business decreased by 1.2 percentage points year-on-year from 11.9% in the first half of 2025 to 10.7% in the first half of 2026, mainly due to the combined impact of a decline in the gross profit margin of the photovoltaic business and increased costs in the all-category marketing business, which resulted in a lower gross profit margin.

Other Income and Gains

Other income and gains decreased by 22.1% year-on-year from HK$894 million in the first half of 2025 to HK$697 million in the first half of 2026, mainly due to a net foreign exchange loss recorded during the period and a decrease in interest income resulting from a reduction in the Group's financial asset investment scale.

Selling and Distribution Expenses

Selling and distribution expenses increased by 17.3% year-on-year from HK$4,012 million in the first half of 2025 to HK$4,707 million in the first half of 2026, mainly due to the Group's strategic increase in investments in brand marketing and product promotion, as well as increases in staff salaries and bonus provisions driven by strong business performance and warehousing expenses.

Administrative Expenses

Administrative expenses increased by 19.3% year-on-year from HK$2,313 million in the first half of 2025 to HK$2,759 million in the first half of 2026, mainly due to foreign exchange losses recorded by the Group during the reporting period, as well as increases in salaries, bonuses and employee benefits.

R&D Costs

R&D costs increased by 21.9% year-on-year from HK$1,154 million in the first half of 2025 to HK$1,408 million in the first half of 2026, mainly due to the Group's continued increase in investment in high-end display technologies and AI.

Other Operating Expenses

Other operating expenses increased significantly by 853.5% year-on-year from HK$17.88 million in the first half of 2025 to HK$170 million in the first half of 2026, mainly due to losses related to put options and net fair value losses on options recorded by the Group in the first half of 2026.

Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets, net decreased by 11.5% year-on-year from HK$18.33 million in the first half of 2025 to HK$16.22 million in the first half of 2026, mainly due to a reversal of impairment losses on contract assets.

Finance Costs

Finance costs decreased by 7.8% year-on-year from HK$392 million in the first half of 2025 to HK$362 million in the first half of 2026, mainly due to lower interest expenses on bill discounting during the reporting period.

Share of Profits and Losses – Associates

Share of profits decreased by 2.3% year-on-year from HK$67.89 million in the first half of 2025 to HK$66.33 million in the first half of 2026, mainly due to foreign exchange losses incurred by the Group's associates, which adversely affected their profitability.

Profit before Tax

Profit before tax increased by 58.0% year-on-year from HK$1,421 million in the first half of 2025 to HK$2,245 million in the first half of 2026, mainly due to significant improvements in operating quality across multiple business lines, including the display business and internet business during the reporting period.

Income Tax

Income tax increased by 68.0% year-on-year from HK$373 million in the first half of 2025 to HK$627 million in the first half of 2026, mainly due to increases in profit before tax recorded by certain subsidiaries of the Company during the reporting period.

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

Profit for the period increased by 54.4% year-on-year from HK$1,048 million in the first half of 2025 to HK$1,618 million in the first half of 2026. Profit attributable to owners of the parent increased by 40.2% year-on-year from HK$1,090 million in the first half of 2025 to HK$1,529 million in the first half of 2026. The increase was mainly attributable to the Group's active expansion in global markets, continued optimisation of its product mix and effective expansion of revenue scale, together with increased R&D investment in high-end display technologies and AI, proactive deployment of global supply chains and channels, and continued optimisation of its expense structure, resulting in significant improvements in operating quality and profitability.

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

The adjusted profit attributable to owners of the parent increased by 54.3% year-on-year from HK$1,060 million in the first half of 2025 to HK$1,635 million in the first half of 2026, primarily attributable to the significant improvement in the operating performance of multiple business lines during the reporting period, including the display business and internet business. This improvement was also driven by economies of scale, enhanced quality and efficiency, and continued improvements in operating efficiency.

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

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

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

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Profit attributable to owners of the parent, as reported	**1,528,796**	1,090,419
(Gain)/loss from investment companies, net[26]	**(10,660)**	(5,181)
(Gain)/loss on disposal and liquidation of subsidiaries, net[27]	**–**	(745)
(Gain)/loss related to call options and put options, net[28]	**111,919**	(18,425)
(Gain)/loss on disposal of non-current assets, net[29]	**3,819**	(8,643)
Related income tax effect[30]	**1,365**	2,467
Non-HKFRS Measure:		
Adjusted profit attributable to owners of the parent	**1,635,239**	1,059,892

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

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

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

[29] (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.

[30] Related income tax effect refers to the income tax effect of non-HKFRS adjustments.

FINANCIAL REVIEW

Significant Investments, Acquisitions and Disposals

Reference is made to the announcements of the Company dated 31 March 2026 and 11 May 2026. Unless otherwise specified, capitalised terms used under this section shall have the same meanings as those defined in the aforesaid announcements.

On 31 March 2026 (after trading hours), TTE Corporation entered into the Transaction Framework Agreement with Sony, pursuant to which (i) TTE Corporation and Sony agreed to form a joint venture, i.e. the NewCo, which would assume the Business; and (ii) TTE Corporation agreed to purchase, and Sony agreed to sell, 100% of the SOEM Shares.

Pursuant to the Transaction Framework Agreement, the Initial Closing Consideration for the subscription for 51% NewCo Shares and purchase of 100% SOEM Shares shall be JPY75,399 million (equivalent to approximately HK$3,781 million), subject to a customary closing accounts adjustments mechanism. After the completion of the Transaction, the Group will hold 51% and Sony will hold 49% of the shares of the NewCo.

On 31 March 2026 (after trading hours), the Company entered into the Purchaser Guarantee Agreement with Sony, pursuant to which the Company unconditionally and irrevocably, and jointly and severally, guaranteed to Sony and its successors and permitted assigns the due and punctual performance and satisfaction by TTE Corporation of its covenants and obligations under or in connection with the Transaction Framework Agreement, the Joint Venture Agreement and the Transition Services Agreement.

On or prior to the Closing Date, TTE Corporation and the NewCo will enter into the Share Subscription Agreement in respect of the subscription of 51% NewCo Shares by TTE Corporation; further, the parties and/or certain of their affiliates will also enter into the other Ancillary Agreements as follows:

(i) TTE Corporation and Sony will enter into the Joint Venture Agreement for the establishment, operation and governance of the NewCo, pursuant to which the initial capital contribution percentage to the NewCo from Sony and TTE Corporation shall be 49% and 51% respectively. The agreement will take effect upon the Closing Date. Pursuant to the Joint Venture Agreement, among others, TTE Corporation will grant the Sony Put Option and Default Exit Right to Sony, and Sony will grant the Default Call Option to TTE Corporation.

(ii) TTE Corporation and Sony will enter into the Transition Services Agreement, pursuant to which Sony shall provide, or shall cause its affiliates or third party suppliers to provide, services including information technology, human resources, intellectual property, accounting and other transition services to the NewCo, SOEM and relevant affiliates aiming at the Business continuity of the aforesaid service recipients without disruption.

(iii) NewCo and Sony will enter into the Patent/Know-How License Agreement, pursuant to which Sony shall grant to the NewCo a non-exclusive, sublicensable (only in accordance with the terms of the Patent/Know-how License Agreement) and non-transferable license under certain intellectual property rights to exploit the Licensed Products worldwide in accordance with the terms thereof, effective as of the Closing Date until termination or expiration of the Joint Venture Agreement.

(iv) NewCo and Sony will enter into the Brand License Agreement, pursuant to which Sony shall grant to the NewCo a non-exclusive, sublicensable (only in accordance with the terms of the Brand License Agreement) and non-transferable license to use the trademark “SONY” on the Licensed Products and promotional materials worldwide in accordance with the terms thereof.

On 11 May 2026 (after trading hours), TTE Corporation and Sony entered into an Amendment Agreement to amend the agreed form of Joint Venture Agreement to include a cap to the aggregate amount of the Put Price for all three tranches of the Sony Put Option, which shall in no event exceed JPY100 billion (equivalent to approximately HK$4.9 billion). Save as varied by the Amendment Agreement, the terms of the Transaction Framework Agreement and the Joint Venture Agreement remain unchanged.

On 11 May 2026 (after trading hours), T.C.L. Industries (H.K.) issued a payment letter to Sony, pursuant to which T.C.L. Industries (H.K.) undertook to Sony that, in the event that each amount of, any sum amount of, or the aggregate amount of the Put Price for each tranche of Sony Put Option exceeds the Aggregate Exercise Price Cap, T.C.L. Industries (H.K.) shall pay Sony an amount equal to such excess on the relevant closing date, so as to make up for the shortfall between the Aggregate Exercise Price Cap and the amount that would otherwise be payable by TTE Corporation under Sony Put Option but for such cap.

For further details, please refer to the Company’s announcements dated 31 March 2026 and 11 May 2026. All transactions under the aforementioned agreements had not been completed as of 30 June 2026.

Save as disclosed above, the Group had no significant investment held as at 30 June 2026, and did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

Future Plans on Material Investments or Capital Assets

As disclosed in the announcement of the Company dated 24 August 2026, the Company is considering a potential spin-off and separate listing of the Group's photovoltaic business segment by way of distribution in specie (the "Potential Spin-off"). The Company will comprehensively and prudently assess the potential impact of implementing the Potential Spin-off with a view to maximising the interest of the Shareholders and will make further announcement(s) in compliance with the Listing Rules as and when appropriate. For details, please refer to the aforesaid announcement.

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

Liquidity and Financial Resources

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

The cash and cash equivalents of the Group as at 30 June 2026 amounted to approximately HK$14,250,958,000, increasing by 5.4% compared with that as at 31 December 2025, of which 49.8% was in U.S. dollars, 29.0% was in Renminbi, 10.2% was in Euros, 0.4% was in Hong Kong dollars and 10.6% 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 2026 were approximately HK$8,372,026,000 which were interest-bearing at fixed and floating rates from 1.55% to 12.27% and denominated in U.S. dollars, Renminbi and Pakistani Rupee. The maturity profile of borrowings ranged from on demand to within fourteen years. It is the intention of the Group to maintain a mix of equity and debt to ensure an efficient capital structure and in view of the reasonable interest rate. There was no material change in available credit facilities when compared with the year ended 31 December 2025 and there was no asset held under finance lease as at 30 June 2026.

As at 30 June 2026, the Group's gearing ratio was 0% since the Group's cash and cash equivalents, and restricted cash and pledged deposits of approximately HK$14,529,659,000 were higher than the total interest-bearing bank and other borrowings and lease liabilities of approximately HK$8,905,777,000. 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 sixty-one years.

Pledge of Assets

As at 30 June 2026, the Group had restricted cash and pledged deposits balance of approximately HK$278,701,000 (31 December 2025: HK$506,325,000), trade receivables of approximately HK$775,000 (31 December 2025: HK$1,676,000), other receivables of approximately HK$92,240,000 (31 December 2025: HK$68,086,000) and no debt investments at amortised cost (31 December 2025: HK$169,130,000) which were pledged as the balance of performance and quality guarantees, financial assets and banking facilities for the Group.

Capital Commitments and Contingent Liabilities

As at 30 June 2026, the Group had capital commitments which were contracted but not provided for of approximately HK$3,826,340,000 (31 December 2025: HK$170,264,000) and no capital commitments which were authorised but not contracted for (31 December 2025: Nil).

As at 30 June 2026, 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 2026, 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 2026.

Foreign Exchange Exposure

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

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

Employee and Remuneration Policy

As at 30 June 2026, the Group had a total of 34,308 dynamic and talented employees. During the six months ended 30 June 2026, the total staff costs amounted to approximately HK$3,963,649,000. 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 is 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, the 2023 Share Award Scheme was adopted by the Company on 3 November 2023. Pursuant to the 2023 Share Award Scheme, existing Shares may be purchased from the market or new Shares may be subscribed for by the designated trustee out of cash contributed by the Company, and would be held on trust by the designated trustee for the relevant selected persons until such shares are vested with the relevant selected persons in accordance with the rules of the 2023 Share Award Scheme. No Awarded Shares were granted under the 2023 Share Award Scheme during the six months ended 30 June 2026. There were a total of 75,737,800 Awarded Shares granted under the 2023 Share Award Scheme which remained outstanding as at 30 June 2026.

The Share Option Scheme was also adopted by the Company on 3 November 2023. Share options can be granted to relevant grantees, including employees of the Group, under the Share Option Scheme. No share option has been granted under the Share Option Scheme during the six months ended 30 June 2026.

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

		Six months ended 30 June	
		2026	2025
		(unaudited)	(unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	5	**63,763,308**	54,777,049
Cost of sales		**(52,859,304)**	(46,411,098)
Gross profit		**10,904,004**	8,365,951
Other income and gains		**697,085**	894,483
Selling and distribution expenses		**(4,706,776)**	(4,011,576)
Administrative expenses		**(2,759,220)**	(2,312,964)
Research and development costs		**(1,407,841)**	(1,154,499)
Other operating expenses		**(170,447)**	(17,875)
Impairment losses on financial and contract assets, net		**(16,222)**	(18,325)
		2,540,583	1,745,195
Finance costs	6	**(361,694)**	(392,234)
Share of profits and losses of:			
Associates		**66,328**	67,885
PROFIT BEFORE TAX	7	**2,245,217**	1,420,846
Income tax	8	**(627,130)**	(373,196)
PROFIT FOR THE PERIOD		**1,618,087**	1,047,650

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of the hedging instruments arising during the period	**69,237**	(350,586)
Reclassification adjustments for gains included in consolidated statement of profit or loss	**(34,577)**	(166,033)
Income tax effect	**379**	(983)
	35,039	(517,602)
Exchange differences:		
Exchange differences on translation of foreign operations	**1,018,146**	557,663
Reclassification adjustments for foreign operations liquidated during the period	**–**	(417)
Reclassification adjustments for an associate liquidated during the period	**–**	1
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	**–**	7,374
	1,018,146	564,621
Financial assets at fair value through other comprehensive income:		
Changes in fair value of bills receivable, net of income tax	**2,794**	9,890
Share of other comprehensive income of associates	**620**	21
Reclassification adjustments for remeasurement and deemed disposal of previously held interests in step acquisition of a subsidiary	**–**	(1,918)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**1,056,599**	55,012

	Note	Six months ended 30 June 2026 (unaudited) HK$'000	2025 (unaudited) HK$'000
Other comprehensive income/(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		**965**	(2,115)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**965**	(2,115)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**1,057,564**	52,897
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,675,651**	1,100,547
Profit/(loss) attributable to:			
Owners of the parent		**1,528,796**	1,090,419
Non-controlling interests		**89,291**	(42,769)
		1,618,087	1,047,650
Total comprehensive income attributable to:			
Owners of the parent		**2,521,579**	1,068,432
Non-controlling interests		**154,072**	32,115
		2,675,651	1,100,547
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**HK63.26 cents**	HK45.14 cents
Diluted		**HK60.30 cents**	HK43.04 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2026 (unaudited) HK$'000**	31 December 2025 (audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,778,550**	2,775,689
Investment properties		**404,282**	405,299
Right-of-use assets		**1,003,614**	925,871
Goodwill		**3,262,654**	3,177,559
Other intangible assets		**2,115,135**	1,941,060
Investments in joint ventures		**4,617**	4,441
Investments in associates		**1,722,465**	1,559,854
Equity investments designated at fair value through other comprehensive income		**386,508**	370,884
Financial assets at fair value through profit or loss		**190,749**	42,549
Debt investments at amortised cost		**–**	169,130
Deferred tax assets		**924,434**	759,989
Contract assets		**8,321**	58,915
Other receivables		**958,500**	792,714
Other deferred assets		**914,304**	982,292
Derivative financial instruments		**7,543**	6,946
Total non-current assets		**14,681,676**	13,973,192
CURRENT ASSETS			
Inventories		**27,722,604**	23,088,359
Trade receivables	11	**27,360,531**	23,957,524
Bills receivable		**3,406,146**	3,418,264
Contract assets		**4,642**	4,592
Prepayments, other receivables and other assets		**10,930,274**	10,491,238
Tax recoverable		**274,170**	220,105
Financial assets at fair value through profit or loss		**3,226,509**	2,358,397
Derivative financial instruments		**134,941**	193,840
Restricted cash and pledged deposits		**278,701**	506,325
Cash and cash equivalents		**14,250,958**	13,522,134
Total current assets		**87,589,476**	77,760,778

	Notes	**30 June 2026 (unaudited) HK$'000**	31 December 2025 (audited) HK$'000
CURRENT LIABILITIES			
Trade payables	12	**35,610,815**	32,466,512
Bills payable		**11,526,616**	12,449,066
Other payables and accruals		**21,265,874**	17,001,229
Interest-bearing bank and other borrowings	13	**8,368,946**	5,850,136
Lease liabilities		**165,857**	126,628
Tax payable		**532,204**	472,089
Derivative financial instruments		**61,752**	148,533
Provisions		**1,577,148**	1,480,998
Total current liabilities		**79,109,212**	69,995,191
NET CURRENT ASSETS		**8,480,264**	7,765,587
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,161,940**	21,738,779
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	13	**3,080**	223,936
Lease liabilities		**367,894**	335,998
Deferred tax liabilities		**315,689**	322,158
Other long-term payables		**170,090**	141,947
Other non-current liabilities		**804,365**	605,747
Financial liability associated with put option		**296,707**	214,218
Total non-current liabilities		**1,957,825**	1,844,004
Net assets		**21,204,115**	19,894,775
EQUITY			
Equity attributable to owners of the parent			
Issued capital	14	**2,520,935**	2,520,935
Reserves		**17,932,764**	16,676,820
		20,453,699	19,197,755
Non-controlling interests		**750,416**	697,020
Total equity		**21,204,115**	19,894,775

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 2025.

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 2025, 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 have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in HK$ and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any 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	*Presentation and Disclosure in Financial Statement*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027

[2] Effective for annual periods beginning on or after 1 January 2029

[3] No mandatory effective date yet determined but available for adoption

As disclosed in the 2025 Annual Report, 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, operation and maintenance services and other new energy technology businesses; and

(f) Smart commercial display, smart home and other businesses segment.

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

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

	Six months ended 30 June															
	TV				Internet business		Smart mobile, connective devices and services		All-category marketing		Photovoltaic business		Smart commercial display, smart home and other businesses		Consolidated	
	TCL TV – the PRC market		TCL TV – international market													
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sales to external customers	**9,806,711**	8,720,454	**25,442,293**	19,631,732	**1,693,249**	1,457,871	**6,449,603**	5,170,279	**7,949,152**	7,842,078	**11,388,264**	11,136,594	**1,034,036**	818,041	**63,763,308**	54,777,049
Gross profit	**1,977,250**	1,689,451	**4,817,219**	2,824,399	**1,034,547**	793,226	**991,615**	790,447	**904,062**	1,089,555	**1,022,225**	1,073,390	**157,086**	105,483	**10,904,004**	8,365,951

5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers	**63,763,308**	54,777,049

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	**TV and others*** **(unaudited)** **HK$'000**	**Internet business** **(unaudited)** **HK$'000**	**Total** **(unaudited)** **HK$'000**
Types of goods or services			
Sale of goods	**61,698,418**	**27,965**	**61,726,383**
Construction services	**371,641**	**–**	**371,641**
Video-on-demand services	**–**	**288,664**	**288,664**
Advertising, vertical application and other new businesses	**–**	**1,376,620**	**1,376,620**
Total revenue from contracts with customers	**62,070,059**	**1,693,249**	**63,763,308**
Geographical markets			
Chinese mainland	**24,322,648**	**819,212**	**25,141,860**
Europe	**8,311,298**	**112,877**	**8,424,175**
North America	**9,947,115**	**294,723**	**10,241,838**
Emerging Market	**19,488,998**	**466,437**	**19,955,435**
Total revenue from contracts with customers	**62,070,059**	**1,693,249**	**63,763,308**
Timing of revenue recognition			
Goods transferred at a point in time	**61,698,418**	**27,965**	**61,726,383**
Services transferred over time	**371,641**	**288,664**	**660,305**
Services transferred at a point in time	**–**	**1,376,620**	**1,376,620**
Total revenue from contracts with customers	**62,070,059**	**1,693,249**	**63,763,308**

For the six months ended 30 June 2025

Segments	TV and others* (unaudited) HK$'000	Internet business (unaudited) HK$'000	Total (unaudited) HK$'000
Types of goods or services			
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
Geographical markets			
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
Timing of revenue recognition			
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

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

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Interest on:		
Bank/factoring loans and discounted bills	**334,678**	378,176
Deposits and loans from companies controlled by TCL Industries Holdings	**14,514**	3,861
Interest expense on lease liabilities	**12,488**	10,125
Deposits from affiliates of TCL Industries Holdings	**14**	72
Total finance costs for the period	**361,694**	392,234

7. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Depreciation of property, plant and equipment	**200,170**	203,617
Depreciation of investment properties	**5,832**	5,942
Depreciation of right-of-use assets	**103,904**	93,278
Amortisation of other intangible assets	**313,353**	276,047
Employee share-based compensation benefits under the Share Award Schemes	**130,398**	101,389

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2025: 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	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Current – Hong Kong profits tax		
Charge for the period	**192,857**	145,912
Current – Elsewhere – income taxes		
Charge for the period	**475,428**	315,478
Underprovision in prior periods	**84,840**	58,633
Deferred	**(125,995)**	(146,827)
Total tax charge for the period	**627,130**	373,196

9. DIVIDENDS

The Board has resolved not to declare any dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

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

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

	Six months ended 30 June	
	2026	2025
	(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:	**1,528,796**	1,090,419

	Number of shares Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares outstanding less shares held for Share Award Schemes during the period used in the basic earnings per share calculation	**2,416,788,287**	2,415,542,163
Effect of dilution – weighted average number of ordinary shares:		
Awarded shares	**118,550,284**	117,713,978
Weighted average number of ordinary shares outstanding during the period used in the diluted earnings per share calculation	**2,535,338,571**	2,533,256,141

11. TRADE RECEIVABLES

The majority of the Group's sales in Chinese mainland are conducted on a 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 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 from a group of customers as collaterals for trade receivables with a gross carrying amount of HK$52,304,000 (31 December 2025: HK$77,614,000). 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 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Current to 90 days	**18,968,797**	17,803,918
91 to 180 days	**4,975,698**	3,696,100
181 to 365 days	**2,401,797**	1,792,087
Over 365 days	**1,339,720**	976,167
	27,686,012	24,268,272
Impairment allowance	**(325,481)**	(310,748)
	27,360,531	23,957,524

As at 30 June 2026, trade receivables of approximately HK$775,000 (31 December 2025: HK$1,676,000) were pledged for bank loans for the Group.

Included in the Group's trade receivables are (i) receivables to be factored of HK$1,471,229,000 (31 December 2025: HK$1,924,550,000), 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 nil (31 December 2025: HK$2,919,000). 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$26,214,783,000 (31 December 2025: HK$22,340,803,000) are measured at amortised cost.

12. TRADE PAYABLES

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

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Current to 90 days	**29,841,960**	26,904,878
91 to 180 days	**4,236,573**	4,285,646
181 to 365 days	**965,091**	680,375
Over 365 days	**567,191**	595,613
	35,610,815	32,466,512

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

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Current		
Bank loans – unsecured	**8,368,697**	5,711,458
Bank loans – secured	**249**	111,000
Advances from banks as consideration for factored trade receivables	**–**	2,919
Loans from a company controlled by TCL Industries Holdings	**–**	24,759
	8,368,946	5,850,136
Non-current		
Bank loans – unsecured	**–**	220,855
Bank loans – secured	**3,080**	3,081
	3,080	223,936
	8,372,026	6,074,072
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**8,368,946**	5,825,377
In the second year	**247**	221,092
In the third to fifth years, inclusive	**740**	712
After fifth years	**2,093**	2,132
	8,372,026	6,049,313
Analysed into:		
Other loans repayable:		
Within one year or on demand	**–**	24,759
	8,372,026	6,074,072

Notes:

(a) As at 30 June 2026 and 31 December 2025, 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$2,445,218,000 (31 December 2025: HK$2,605,979,000) as at the end of the reporting period.

(c) As at 30 June 2026, the Group's bank loans amounting to HK$3,329,000 (31 December 2025: HK$114,081,000) are secured by the pledge of certain of the Group's trade receivables amounting to HK$775,000 (31 December 2025: HK$1,676,000), restricted cash and pledged deposits amounting to HK$2,398,000 (31 December 2025: HK$1,690,000), future receivables amounting to HK$156,000 (31 December 2025: nil) and debt investments at amortised cost amounting to nil (31 December 2025: HK$110,760,000).

14. SHARE CAPITAL

	30 June 2026 (unaudited) HK$'000	31 December 2025 (audited) HK$'000
Authorised:		
5,000,000,000 (31 December 2025: 3,000,000,000) shares of HK$1.00 each	**5,000,000**	3,000,000
Issued and fully paid:		
2,520,935,155 (31 December 2025: 2,520,935,155) shares of HK$1.00 each	**2,520,935**	2,520,935

The authorised share capital of the Company has been increased from HK$3,000,000,000 divided into 3,000,000,000 shares of HK$1.00 each to HK$5,000,000,000 divided into 5,000,000,000 shares of HK$1.00 each by creating additional 2,000,000,000 new shares with effect from 22 June 2026.

15. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 15 July 2026 in relation to the major and connected transaction of the Company. Unless otherwise specified, capitalised terms used under this section shall have the same meanings as those defined in the aforesaid announcement.

On 15 July 2026 (after trading hours), the Company entered into the Sale and Purchase Agreement with NXTHome, YF Rongye, Core Elite, Union Vast and Reach Glory (collectively the "Vendors"), pursuant to which the Vendors agreed to conditionally sell and the Company agreed to conditionally purchase 100% of the issued shares of TCL AeroWell (Cayman) Holdings Limited (the "Target Company", a limited liability company incorporated in the Cayman Islands, which is wholly owned by the Vendors) for a total consideration of HK$5,610 million, which shall be satisfied by a combination of cash and the Consideration Shares.

The Completion will take place on the Completion Date following the satisfaction or waiver (if applicable) of all the conditions precedent set out in the announcement, or such other date as may be agreed upon by the Company and the Vendors. The Completion is expected to take place in the fourth quarter of 2026. Upon Completion, the Target Company will become a wholly owned subsidiary of the Company. The financial results of the Target Company and its subsidiaries will be consolidated into the financial statements of the Group.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company (including treasury shares) during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board has resolved not to declare any dividend for the six months ended 30 June 2026 (30 June 2025: 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 fulfil their respective responsibilities in terms of corporate governance.

Throughout the six months ended 30 June 2026, the Company has complied with the Code Provisions of the CG Code.

AUDIT COMMITTEE

The Audit Committee has reviewed this announcement and the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026, including the accounting principles adopted by the Group, with the Company's management. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. LAU Siu Ki (chairperson), Professor WANG Yijiang and Mr. HUI Chi Kin Max, all being independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a model code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code. Specific enquiries have been made with all Directors, and all of them have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the six months ended 30 June 2026.

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 2026 to 30 June 2026 (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 2026 to 30 June 2026 (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 2026 to 30 June 2026 (both dates inclusive).

DEFINITIONS

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

"2008 Share Award Scheme"	the restricted share award scheme adopted by the Company on 6 February 2008 (as amended from time to time), which expired on 5 February 2023;
"2023 Share Award Scheme"	the share award scheme adopted by the Company on 3 November 2023;
"2025 Annual Report"	the annual report of the Company for the year ended 31 December 2025;
"AI"	artificial intelligence;
"AR"	augmented reality;
"ASP"	average selling price;

"Audit Committee"	the audit committee of the Company;
"Board"	the board of Directors;
"CES"	the Consumer Electronics Show;
"CG Code"	the corporate governance code as set out in Appendix C1 to the Listing Rules;
"Circana"	Circana Group, which was formed through the merger of NPD Group, L.P. and Information Resources Corporation, and is a market research company that provides global data, industry expertise and analytical insights from multiple perspectives;
"CMM"	China Market Monitor Co., Ltd., a research institute focusing on consumer goods and the retail home appliance market in the PRC;
"Code Provision(s)"	the code provision(s) contained in Part 2 of the 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;
"Emerging Market"	regions including Asia Pacific (excluding the PRC), Latin America and the Middle East and Africa;
"ESG"	Environmental, Social and Governance;
"Group"	the Company and its subsidiaries collectively;
"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;
"HVAC"	heating, ventilation and air conditioning;

"IDC"	International Data Corporation, a global provider of market intelligence and consulting services relating to information technology, telecommunications and consumer technology markets;
"IoT"	the Internet of Things;
"LED"	light-emitting diode;
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
"Omdia"	a global technology research institution formed through the merger of the research divisions (Ovum/Heavy Reading and Tractica) and the acquisition of IHS Markit International;
"PRC" or "China"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the "PRC" and "China" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan, China;
"Quantum Dot"	quantum dot display technology;
"RayNeo"	RayNeo Co., Ltd., a limited liability company established under the laws of the PRC, through which the Group's smart glasses business is primarily operated, in which the Group held approximately 10.10% of the equity interest as at the date of this announcement;
"R&D"	research and development;
"RMB"	Renminbi, the lawful currency of the PRC;

"Share Award Schemes"	collectively the 2008 Share Award Scheme and the 2023 Share Award Scheme;
"Shareholder(s)"	shareholder(s) of the Company;
"Share Option Scheme"	the share option scheme adopted by the Company on 3 November 2023;
"Share(s)"	share(s) of the Company;
"SQD"	Super Quantum Dot, being an abbreviation for super quantum dot display technology;
"subsidiary"	any entity within the meaning of the term "subsidiary" as defined in the Listing Rules and the term "subsidiaries" shall be construed accordingly;
"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 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 SEMP Eletroeletronicos"	TCL SEMP ELETROELETRONICOS LTDA (formerly known as SEMP TCL MOBILIDADE LTDA.), a company incorporated under the laws of Brazil with limited liability, an indirect subsidiary of the Company;
"TCL Technology"	TCL Technology Group Corporation (TCL科技集團股份有限公司), formerly known as TCL Corporation (TCL集團股份有限公司), a joint stock limited company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100.SZ);
"TSR"	Techno Systems Research Co., Ltd., a Japan-based market research firm specialising in research covering electronic components, semiconductors and electronic equipment;

"TV(s)"	television(s);
"XR"	extended reality; and
"%"	per cent.

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

Hong Kong, 28 August 2026

For the purposes of this announcement, the applicable exchange rates used for currency translation are for illustrative purposes and do not constitute representations that any amount in foreign currency or HK$ has been, could have been or may be converted at such rates.

The English translation of Chinese names or words in this announcement, where indicated by "", is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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