

TCL Industries Holdings Co., Ltd.

2025 Annual Report



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01

Chairman's
Statement

Chairman's Statement



In 2025, the global economy advanced amid fragility, resilience and restructuring, with accelerated technological transformation and a green transition, alongside an increasingly complex geopolitical and regulatory environment. In response to this evolving landscape, we adhered to long-termism and sought certainty amid uncertainty. Anchored in user value, we advanced the philosophy of "Strategy-led, Innovation-driven, Advanced Manufacturing, and Global Operation", leveraging the dual engines of "Globalisation and Technological Innovation" to strengthen our capabilities in navigating economic cycles. In 2025, TCL Industries recorded operating revenue of CNY170.69 billion, representing a year-on-year increase of 13.8%. Net profit reached CNY6.52 billion, up 32.3% year-on-year, while net profit attributable to owners of the parent company rose to CNY3.07 billion, reflecting an increase of 57.1% and continued improvement in profitability. The Company maintained its AAA corporate credit rating, demonstrating a stronger capital and credit foundation.

The smart devices business achieved steady growth in its global operations. The Large-sized Display business maintained its leading position, with TCL TV firmly ranking among the top two global TV brands. Global shipments of TCL Mini LED TV surged by 118.0%, with sales volume maintaining the No. 1 position worldwide. The TCL Air Conditioner business entered the top tier of the industry with annual sales of 22.03 million sets, ranking second in global exports. TCL Photovoltaic Technology deepened channel synergy and financial empowerment, effectively balancing scale expansion with operational quality, and achieved substantive progress in the European market. Other industrial businesses developed steadily: Tonly Technology upgraded its products through AI-enabled capabilities; TCL Environmental Technology strengthened its presence in hazardous waste treatment and recycling, reinforcing its industrial foundation; TCL Industrial Park maintained steady operations during the real estate downturn; TCL Financial Services supported global operations through industrial finance and fund management; while Getech continued to drive digital and intelligent upgrades of factories with industrial internet solutions.

TCL's globalisation has entered Phase 3.0. We have introduced the strategic vision of "Recreating Five TCLs Overseas", transforming five regional business centres in North America, Latin America, Europe, Asia-Pacific, and the Middle East & Africa into fully operational entities. These centres form an integrated regional system of research and development ("R&D"), manufacturing, supply, sales and services. Since becoming a Worldwide Olympic Partner, we have deepened cooperation with the International Olympic Committee and various National Olympic Committees, delivering more immersive viewing experiences to global users through technological innovation and supporting the "Low-Carbon Olympics" with green technologies. This represents both a long-term investment in brand globalisation and a practical application of our philosophy of "Global Operation, Local Coexistence".

The Company remains committed to innovation-driven development, with AI as a key engine for future growth. The Company has comprehensively deployed AI applications to enhance intelligent user experiences, while integrating AI across the entire value chain of research and development (R&D), manufacturing, supply chain, and sales to improve the trinity of efficiency, quality and delivery. In product innovation, our TV OS was the first to integrate Gemini in overseas markets, while incorporating the Fuxi AI LLM in the domestic market. Our self-developed AI creation platform has further strengthened user engagement. As for display technology, we launched the TCL X11L TV, the world's first flagship product equipped with SQD-Mini LED display technology, alongside NXPAPER 4.0 technology to enable full-scenario eye protection and enhanced productivity, setting new benchmarks for eye-care office environments. In smart hardware and emerging technologies, we achieved large-scale mass production of colour Micro-LED for AR glasses and achieved breakthroughs in AR optical technology. Smart cockpit products within the automotive segment have also been successfully mass-produced for leading domestic customers.

TCL Industries continues to uphold sustainable development principles, integrating Environmental, Social, and Governance (ESG) considerations into its corporate strategies. By focusing on green industrial development, we have established green factories, built a comprehensive green industrial chain, and leveraged digital technologies to support energy conservation and efficiency across the entire value chain. As of the end of 2025, 31 subsidiaries of TCL Industries had obtained ISO 14001 environmental management system certification, and the Company operates eight national-level green factories, achieving meaningful progress in energy conservation, emission reduction and green development, while contributing to the national "Dual Carbon" goals.

A long journey requires relentless effort. Every step counts, and persistence paves the way to lasting success. TCL Industries will continue to maintain its strategic focus, strengthening core capabilities, deepening technological innovation, expanding AI applications, and advancing sustainable development goals. We will continue to refine our global operating system and steadily drive high-quality growth. Amid an environment where technology and manufacturing are increasingly integrated, green development and compliance become the bottom line, and user expectations shift from specifications to experience, we will remain focused, strengthen our foundation, and respond to uncertainty with clarity and conviction.

We extend our sincere appreciation to our shareholders, management team, and all TCL Industries employees for their dedication and contributions over the past year. United by our shared goals, we will move forward with renewed momentum, overcome challenges, and continue progressing towards global leadership.

李东生
Li Dongsheng



02

About
TCL Industries

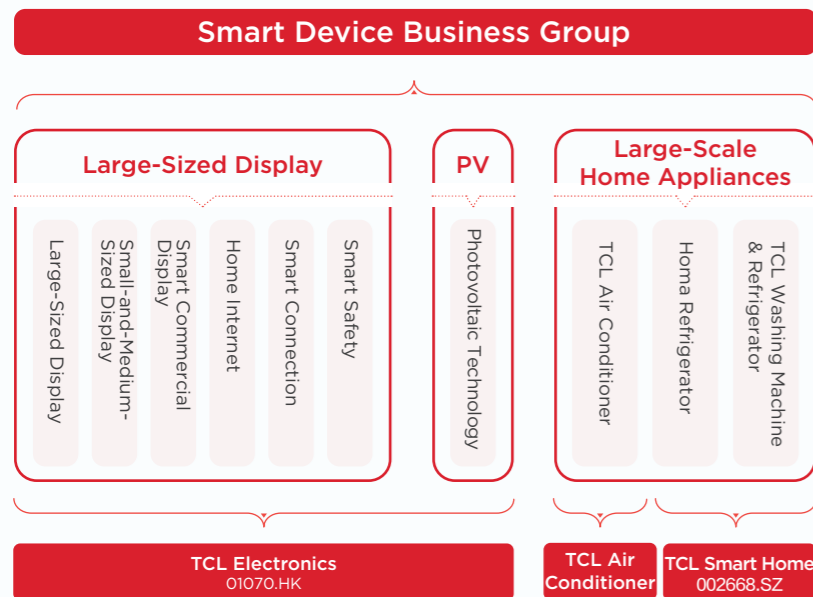
About TCL Industries

TCL Industries Holdings Co. Ltd. ("TCL Industries" or the "Company") specialises in comprehensive smart device ecosystems encompassing virtually the entire spectrum of intelligent consumer electronic products and services. This portfolio extends from advanced display technologies to smart appliances, innovative business, and integrated home Internet. Concurrently, the Company pursues strategic diversification through accelerated development in complementary sectors, including environmental technology solutions, industrial park operation, intelligent manufacturing, and specialised industrial financial services.

The Company has implemented a deliberate internationalisation strategy, establishing a sophisticated global supply chain infrastructure. With a workforce exceeding 70,000 professionals across Asia, the Americas, Europe and Oceania, TCL Industries maintains worldwide research and development institutions and sales networks spanning more than 80 countries and regions. The Company's global commercial footprint extends to over 160 countries and regions, operating through a diversified brand portfolio that includes TCL, XESS, IFFALCON, ROWA, RayNeo, ALCATEL, HOMA, and TONLY.

On 20 February 2025, TCL formalised its partnership as a Worldwide Olympic Partner, further cementing its recognition as a globally influential brand. Through its sustained commitment to technological advancement and outstanding performance across international markets, TCL secured its position in the 2025 Kantar BrandZ Top 100 Most Valuable Chinese Brands, ranking 76th, and won the 2025 Marketing Breakthrough Award. The Company also secured a place in the Google x Kantar BrandZ Top 50 Chinese Global Brand Builders for nine consecutive years, ranking 10th with a 20% increase in brand influence.

TCL Industries catalyses comprehensive sector advancement through technological transformation and globalisation. With a concentrated focus on smart products and services, the Company is committed to delivering forward-looking technological experiences to its international clientele. Such strategic vision empowers consumers worldwide to embrace enhanced living standards characterised by intelligent integration and wellness optimisation, as the Company strives to establish preeminent global leadership in advanced intelligent technology domains.





03

Business
Highlights in
2025

Business Highlights in 2025

In 2025, global economic momentum remained subdued, geopolitical risks intensified, and new productive forces accelerated in development. AI transitioned from technical exploration to a critical stage of large-scale implementation, presenting both opportunities and challenges. TCL Industries united the commitment and efforts of all employees to navigate this evolving landscape with resilience, achieving consolidation of its global industrial presence alongside improvements in innovation efficiency and operational quality. Significant progress was also made in high-end development, globalisation, and intelligent transformation.

Deepening the mid-to-high-end strategy to drive a leap in product competitiveness through AI innovation

Leading globally in the high-end market and achieving outstanding performance in innovative business

TCL Industries took the Smart Device Business Group as its core and achieved multi-dimensional breakthroughs with record-high performance. The large-sized display business maintained a global lead, with TCL TV shipment market share firmly ranking second globally and sales value market share ranking third globally². The shipment market shares for Mini LED TVs, 75-inch and above TVs, and 98-inch TVs all ranked at No. 1 globally³. As the world's first flagship TV equipped with SQD-Mini LED display technology, TCL X11L leverages three core technologies, which are super backlight, super quantum dot, and super screen, to achieve five core advantages, namely full-range high colour gamut, zero colour blooming, increased local dimming zones, higher peak brightness, and an ultra-slim profile. This product has reached the industry pinnacle in all aspects and has become a benchmark for the mid-to-high-end market, gaining wide recognition from global consumers. The Company achieved remarkable performance in overseas market expansion. The retail sales value market share ranked among the top three⁴ in over 20 countries, and the growth rate in the North American market ranked first⁵, demonstrating significant results in localised operations.

The innovative businesses delivered outstanding performance. RayNeo's consumer-grade AR glasses achieved a 27% global market share, maintaining its position as the global No. 1⁶, while domestic online sales volume ranked first for four consecutive years. As the world's smallest mass-producible full-colour Micro LED optical waveguide AR glasses, RayNeo X3 Pro achieved key technical breakthroughs in optical and AI fields, thereby becoming a portable AI assistant for users. The world's first split-type AI companion robot, TCL AiMe, completed the next-generation conceptual design and entered the prototype development stage. This product aims to achieve emotional companionship and home control through multi-modal interaction, opening a new track for smart devices.



1. Source: Global brand TV shipment of 2025 from Omdia. 2. Source: Global brand TV shipment of 2025 from Omdia. 3. Source: Global brand TV shipment of 2025 from Omdia. 4. Source: The Company's internal reports, based on TV retail sales volume of 2025. 5. Source: Circana, for the 12 months ended October 2025. 6. Source: CINNO Research, for the full year of 2025.

Continuing innovation in AI for reality to empower dual upgrades in products and operations

TCL Industries deeply implemented the philosophy of practical AI, fully integrating AI technology across the entire value chain from R&D, manufacturing, and supply chain to sales significantly improving product experience and corporate operational efficiency. On the R&D side, efficiency and gross profit per capita were significantly improved through AI automated testing, AI-assisted coding, and intelligent R&D search. On the manufacturing side, production efficiency and on-time order delivery rates were strengthened using production line AI visual inspection, quality predictive analysis, and intelligent knowledge bases. On the supply chain side, inventory turnover was accelerated and material costs were reduced with the help of multi-dimensional demand forecasting, AI cost reduction analysis and capacity planning. On the sales side, store sales growth and accounts receivable turnover were driven by AI marketing content efficiency enhancement, sales simulation training, and store effectiveness empowerment. The TCL Air Conditioner Wuhan Intelligent Manufacturing Base leveraged the "6+1" industrial internet platform and AI visual inspection system to increase cumulative production efficiency by 57.8% and achieve a 100% intercept rate for product appearance defects. Getech upgraded the OctopusGPT Agentic AI platform again, strengthening autonomous decision-making and collaborative capabilities to improve the flexibility and reliability of AI system in industrial scenarios.

AI applications for smart devices achieved large-scale implementation, forming differentiated competitive advantages.



Regarding display products, TVs are equipped with AI picture quality enhancement algorithms to dynamically optimise colour and contrast. TCL SQD-Mini LED won the 2026 CES Display Gold Award for its pinnacle display quality.



The LINGKONG UI 3.0 achieved 300+ customizable desktop cards to bring an operating experience that is as easy to use as a mobile phone, driving picture quality innovation through AI to redefine the industry benchmark.



Regarding smart home appliances, TCL FreshIN P7 Ultra AI, with its "Sleep Eye Technology", can perceive the user's sleep state in a non-intrusive way. TCL FreshIN Forest Wind AI Healthy Air Conditioners are equipped with the ultra-energy-saving AI big data model algorithm 5.0, adopting a new generation of AI energy-saving algorithm to save up to 40% of electricity.



TCL Washing Machines leverage the Super Drum Super Clean and AI control technologies to achieve an ultra-high washing performance ratio of 1.33, redefining the high-end laundry standards.



TCL Dual Magnetic Freshness Refrigerators feature -40°C Deep-Freezing Magnetic Freshness for the freezer and proprietary Molecular Magnetic Freshness for the refrigerator, which constitute the TCL Dual Magnetic Freshness technology, providing a dual fresh-keeping solution for freezing and refrigeration to keep ingredients fresh for 100 days.

Synergising global presence for empowerment and enhancing quality and efficiency through localised operations

Empowering the brand through Olympic IP and deepening global marketing for the long term

TCL Industries took the opportunity of becoming a Worldwide Olympic Partner to deepen its global brand marketing presence, resulting in a leap in both brand influence and user stickiness. Relying on the top-tier Olympic IP, we joined the global "Let's Move" initiative by organising dance flash mobs blending technology and art in Milan and Los Angeles and holding International Olympic Day national fitness activities in cities including Beijing and Shenzhen. These events deeply integrated our new smart devices with Olympic culture to reach a massive global audience, driving global brand awareness to 85% and brand consideration to 60%.

With sports marketing deeply embedded in our DNA for over 30 years, we have constructed a diversified global sports IP matrix. TCL became a Global Partner of Arsenal Football Club; partnered with several national football teams in Europe, including Germany, Spain, and Italy; sponsored the NFL in North America; and deeply participated in the Copa Libertadores in South America; and reached a multi-year partnership with the AFL in Australia, strengthening regional recognition through a 'glocalisation' strategy. Meanwhile, we worked with top global consumer electronics exhibitions such as CES and IFA and collaborated with Team TCL global athlete spokespersons represented by Eileen Gu, covering new media scenarios such as CCTV, airports, and high-speed trains to precisely reach target users.



Leveraging a distributed manufacturing footprint to achieve synergistic efficiency across the entire industrial chain

TCL Industries further expanded its global footprint through the "Regional Industrial Centres + Satellite Factories" framework, building a distributed manufacturing network centred on China, Vietnam, the Americas, the Mediterranean, and Europe that encompasses all categories, such as smart displays and smart home appliances, to achieve rapid regional market response and efficient supply chain synergy. Currently, TCL Industries has 22 manufacturing bases worldwide with over 1,600 upstream and downstream partners, deeply integrating its industrial chain into local economic systems and completing the transformation from "product output" to "co-construction of industrial capabilities", with overseas smart devices revenue accounting for over 60%.

In the smart display field, TCL Electronics' annual TV production capacity exceeded 30 million units. The production capacity for the U.S. market shifted from Vietnam to Mexico and expanded rapidly to flexibly respond to tariff barriers. We constructed satellite factories in regions such as Poland, Pakistan, and Brazil to form a multi-regional capacity support system and ensure a stable supply for the global market. In the smart home appliance field, TCL Air Conditioner's global annual production capacity exceeded 38 million sets, with the Wuhan base achieving high-efficiency intelligent manufacturing with a production cycle of 7 seconds per unit. Homa Refrigerator's intelligent manufacturing project for high-end air-cooled refrigerators with an annual capacity of 2.8 million units was fully completed and put into operation, and the Thailand manufacturing base officially commenced construction to meet global market demand.

Meanwhile, the Company strengthened operational efficiency by reconstructing the supply chain through digitalisation. The TCL Air Conditioner Wuhan factory utilised its self-developed 5G + digital supply chain collaboration platform to synchronise real-time scheduling across the vast supply chain of over 300 suppliers. This led to a 10% year-on-year reduction in raw material inventory and a 15% increase in on-time delivery, driving down procurement costs significantly.



Deepening global channel coverage with a significant leap in market penetration across all categories

TCL Industries continued to improve its global sales network, with sales organisations covering over 80 countries and regions. We established multiple overseas large spare parts warehouses and national-level re-manufacturing centres, as well as a global quality management and user service centre, creating a full-cycle service guarantee system of "pre-sales, mid-sales, and after-sales".

Key breakthroughs were obtained in global core channel coverage, with a coverage rate of over 95% among the Global Top 50 channels. The North American market achieved full coverage of six major key channels such as Walmart, Best Buy, Target, and Sam's Club, with a focus on breakthroughs in mid-to-high-end channels. The European market completed full coverage of core channels including Currys and MediaMarkt, with channel penetration continuing to rise. In emerging markets such as Southeast Asia and Latin America, we deepened local distribution networks, with prominent synergistic effects across channels for all categories. For the domestic market, we built an all-category marketing network with seven regions, 29 strategic sales districts and over 20 thousand sales outlets, achieving full coverage of both urban and rural markets.

Online and offline channels were synergised to drive integrated growth. The share of global sales from online channels steadily grew through precise digital marketing. While operating offline, we deepened strategic cooperation with core partners to promote experience store upgrades and scenario-based displays.

Implementing and deepening six platforms to empower all-domain organisational synergy

TCL Industries refined its global, regional, and localised organisational structures, establishing independent operating entities for six major marketing platforms in China, North America, Europe, Asia-Pacific, Latin America, and Middle East & Africa (MEA) to fulfil end-to-end operational responsibility for all categories within these regions, thereby achieving a strategic upgrade from "Global Operation" to "Global Co-construction".

The six marketing platforms continuously optimised product line management organisations and functional support systems, gained deep insights into regional user needs, and pooled resources across all business categories, including smart displays and smart home appliances, to ensure efficient synergy in product planning, supply guarantee, brand promotion, channel expansion, and customer service. Internal organisational synergy was upgraded by integrating the communication business into the large-sized display organisation, achieving channel connectivity, brand synergy, and scale effects to inject new development momentum into weaker categories and promoting two-way empowerment between ToB and ToC businesses.

By employing local professionals in overseas markets and strengthening localised compliance management, each regional platform implemented business strategies tailored to local conditions. The European market focused on high-end positioning, the Latin American market launched localised products, the MEA market improved regional distribution networks, and the Asia-Pacific market strengthened penetration across all categories. Throughout the year, most regional organisations achieved double-digit growth, and the profit performance of all regions improved compared with the previous year, laying a solid organisational foundation for the "Recreating Five TCLs Overseas" strategy.





04

Financial Highlights

Financial Highlights

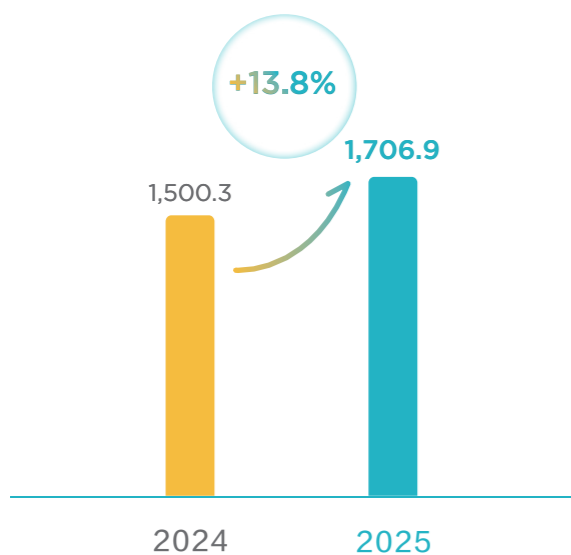
	2025.01-12	2024.01-12	YoY Change
Revenue	1,706.9	1,500.3	13.8%
Gross profit	297.9	265.0	12.4%
Net profit	65.2	49.3	32.3%
Net profit attributable to owners of the parent company	30.7	19.6	57.1%
Return on equity	34.1%	26.5%	7.6 p.p.
Cash cycle (Days)	17	18	-1

■ Unit: CNY 100 Million

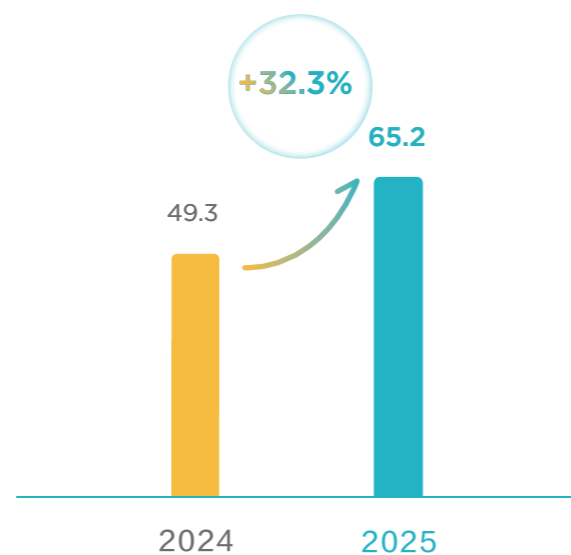
	Dec.31.2025	Dec.31.2024	YoY Change
Total asset	1,488.5	1,384.0	7.6%
Total liabilities	1,203.4	1,145.0	5.1%
Liabilities-to-assets ratio	80.8%	82.7%	-1.9 p.p.
Interest-bearing debt ratio	17.7%	19.1%	-1.4 p.p.
Total owners' equity	285.1	238.9	19.4%
Equity attributable to owners of the parent company	102.1	78.1	30.8%

■ Unit: CNY 100 Million

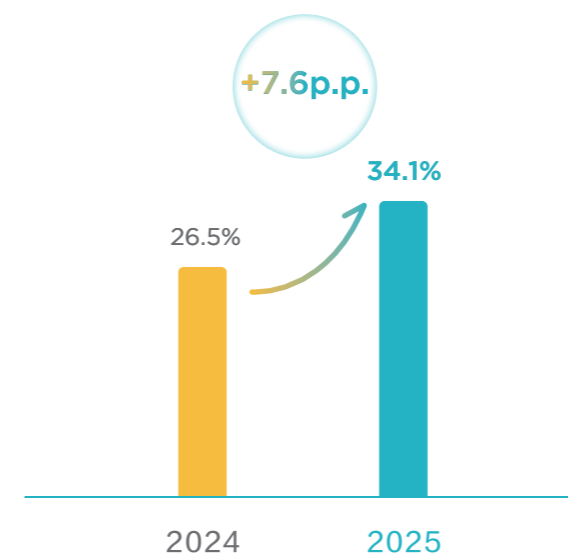
■ Revenue [Unit: CNY 100 Million]



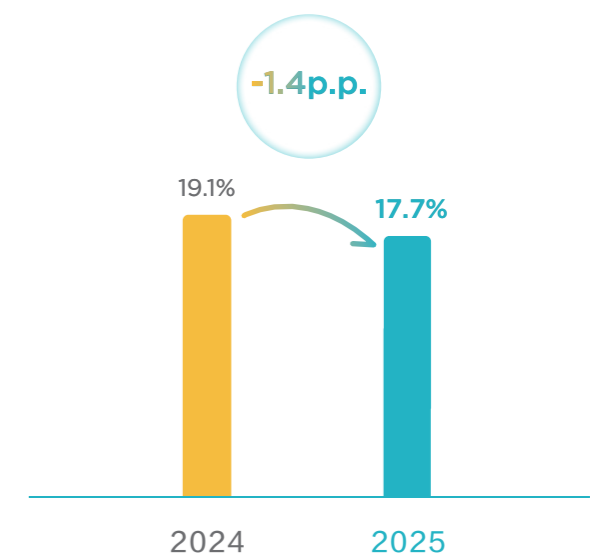
■ Net profit [Unit: CNY 100 Million]



■ Return on equity



■ Interest-bearing debt ratio





05

Management
Discussion
and Analysis

Management Discussion and Analysis

In 2025, global economic momentum remained subdued, geopolitical risks continued to rise, multilateralism and free trade faced significant challenges, and the International Monetary Fund (IMF) projected that the global economy would maintain fragile resilience. Emerging technologies, with AI as their core, transitioned from application exploration to a critical stage of large-scale implementation. The deep advancement of the "AI Plus" initiative has established a core engine driving industrial transformation, upgrading, and value creation. Under pressure, China's economy demonstrated strong resilience and maintained its focus on high-quality development. The industrial structure continued to optimise, while the real and digital economies became increasingly integrated. Policies supporting strategic emerging industries, including smart devices, artificial intelligence, and green and low-carbon development, took effect, with the added value of high-tech and equipment manufacturing achieving steady growth.

Looking at the industry development trends, the traditional smart home appliance sector, driven by technological iteration and consumption upgrading, broke through scale bottlenecks and entered a phase of structural growth. Demand for mid-to-high-end products such as large-sized smart displays and smart healthy home appliances continued to rise, becoming a key driver of industry growth. Brand concentration in the global smart device market further increased, with enterprises possessing strong technological capabilities and global operational advantages maintaining a competitive edge. Meanwhile, emerging segments such as AIoT ecosystem building, new energy smart devices, and smart service robots entered a phase of rapid growth. Smart energy systems combining photovoltaics and energy storage, multi-scenario smart robot applications, and automotive-grade displays and smart cockpit solutions have become new engines of growth. Technological innovation and scenario integration are becoming increasingly interconnected, driving the industry toward higher quality and greater value.

The rapid development of these emerging segments has accelerated the restructuring of the competitive landscape. Competition has shifted from single-product performance to a comprehensive assessment of ecosystem capabilities and full-scenario solutions. Enterprises with integrated product portfolios, cross-scenario technological capabilities, and sophisticated global operating systems are well positioned to capture opportunities and achieve simultaneous growth in market share and brand value.



01 Strategy and Vision

Amidst the wave of technological revolution, the deep integration of AI is driving AIoT into a new phase of experience enhancement, where consumer demand for smart living is evolving towards personalised, immersive, and full-scenario experiences. Green and low-carbon development has become a global consensus and a fundamental pathway for sustainable corporate growth. TCL Industries adheres to a philosophy of technological innovation. Guided by the overarching strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, Thrive on Global Vitality", TCL Industries positions AI as its core engine, ecosystem development as its focus, globalisation as its direction, and green development as its mission, thereby strengthening its core competitiveness.

Looking ahead, TCL Industries will build a strong development moat across four dimensions: products, marketing, operations, and organisation, delivering a high-value full-scenario smart living experience. The Company will deepen overseas localised operations and foster innovative businesses such as new energy and smart robots, progressing towards becoming "a global leading smart device enterprise that combines Chinese strengths with deep local roots in regional markets".



AI Unveils the Future



Breakthroughs in AI technology are driving visual display experiences from spatialisation and intelligentisation towards personalisation and immersion. As a core interface for human-computer interaction, display technologies have become a key carrier for AI implementation. TCL Industries will continue to advance display innovation through AI, leveraging high-end technologies such as Mini LED and Quantum Dot to establish global leadership in picture quality. The Company will further integrate AI algorithms with imaging and display technologies to enable personalised functions, such as adaptive recognition and dynamic picture optimisation, addressing diverse user needs.

We will continue to increase investment in AI display R&D, achieve breakthroughs in core mid-to-high-end technologies and optimise product structure, increasing market share in mid-to-high-end segments. With smart display as the entry point, we will expand into AI-powered AR glasses and smart automotive displays. By leveraging our technical and industrial advantages in the display field, we aim to synergise the "Display + AI + Scenario" ecosystem, implement the "Screen Universe" layout, explore new growth for the display business in the AI era, and lead the display industry into a new stage of AI enablement.

Ecological Intelligent Experience



The deep integration of AI and IoT is transforming intelligent systems from "device interconnection" to "experience enhancement" stage, where the implementation of basic interconnection capabilities propels smart scenarios to upgrade toward proactive service and ecological fusion. TCL focuses on user-centric design, strengthening the AIoT all-domain ecosystem and deepening presence in diverse scenarios such as smart home, energy consumption management, and smart auto displays. By achieving cross-device connectivity and data integration, TCL delivers proactive and personalised smart solutions.

We will deepen ecological cooperation with global technology leaders, increase R&D investment in the integration of AI and IoT, and enhance technical capabilities such as IoT connectivity and AI multi-modal interaction, aiming to create a core scenario ecosystem for smart displays and build an open and collaborative AIoT system. Meanwhile, relying on Getech's industrial internet platform, we will promote the integration of AI with manufacturing and smart energy to achieve industrial intelligent scheduling and efficient energy management and create a smart ecosystem with deep integration of "people, machines, things, and environment", driving the industry into a stage where experience is king.

Globally Attuned Local Operations



Deep localised operation and global system upgrades have become critical for sustainable growth. The Globalisation 3.0 strategy will drive the transformation of the business landscape toward a globalisation paradigm of "Local Manufacturing, Local Operations". TCL Industries will seize this opportunity and pursue the goal of "Recreating Five TCLs Overseas". Through local R&D, local manufacturing, and local brand building, TCL Industries aims to take deep root in different markets and establish user trust and recognition for TCL.

The Company will enhance regional autonomy in decision-making and regional differentiation strategies, optimise the supply chain layout through "Distributed Layout + Regional Industrial Centres" to improve the global multi-centre system and promote the synergy of "Globalisation, Integration, Platformisation, and Digitalisation". The Company will continue to improve its global organisational structure, optimise the international talent system, create teams with a global perspective and local capabilities, and co-build a prosperous global business ecosystem with partners to achieve a comprehensive upgrade from products going global to brands and ecosystems going global.

Forging a Sustainable Future



Green and low-carbon development is both a shared global responsibility and a key driver of long-term growth. TCL Industries upholds the concept of "Green, Recycling, and Low-carbon", integrating low-carbon operations into the entire process. To create a "Carbon Neutral" ecosystem, TCL Industries will develop low-carbon operational capabilities from multiple dimensions.

Leveraging the massive global manufacturing, sales, logistics, and service network, TCL Industries continues to promote the construction of a green and low-carbon supply chain system while practising low-carbon development. Through technical empowerment, standard setting, and collaborative construction, TCL Industries drives upstream and downstream partners to jointly practice the green development philosophy, forming a synergy for low-carbon development across the entire industrial chain. The Company will continue to actively explore development opportunities in fields such as photovoltaic energy storage, green smart devices, and low-carbon manufacturing technologies, promoting the deep integration of green technologies with smart devices. The Company strives to achieve carbon peak by 2030 and carbon neutrality by 2050, fulfilling the responsibility as a leading technology enterprise to promote the green development of the industry and work with partners to create a low-carbon future.

02 2025 Business Review

In 2025, the Company maintained its focus on the Smart Device Business Group and adhered to the dual-drive strategies of "Globalisation" and "Mid-to-High-End", achieving steady improvements in operational quality and profitability. During the year, the Group recorded revenue of CNY 170.69 billion, representing a year-on-year increase of 13.8%. Net profit reached CNY 6.52 billion, a year-on-year increase of 32.3%, while net profit attributable to owners of the parent company stood at CNY 3.07 billion, a year-on-year increase of 57.1%.

Revenue by Business Segment

Unit: CNY 100 Million

	2025.01-12	2024.01-12	YoY Change
TCL Electronics (HKD 100 million)	1145.8	993.2	15.4%
TCL Air Conditioner	336.3	301.6	11.3%
TCL Smart Home	185.3	183.6	0.9%
Tonly Technology	127.1	114.6	10.9%
TCL Environmental Technology	34.5	31.6	9.2%
TCL Financial Service	10.2	9.3	10.0%
TCL Industrial Park	9.2	9.5	-3.8%

Core Business Revenue by Region

Unit: CNY 100 Million

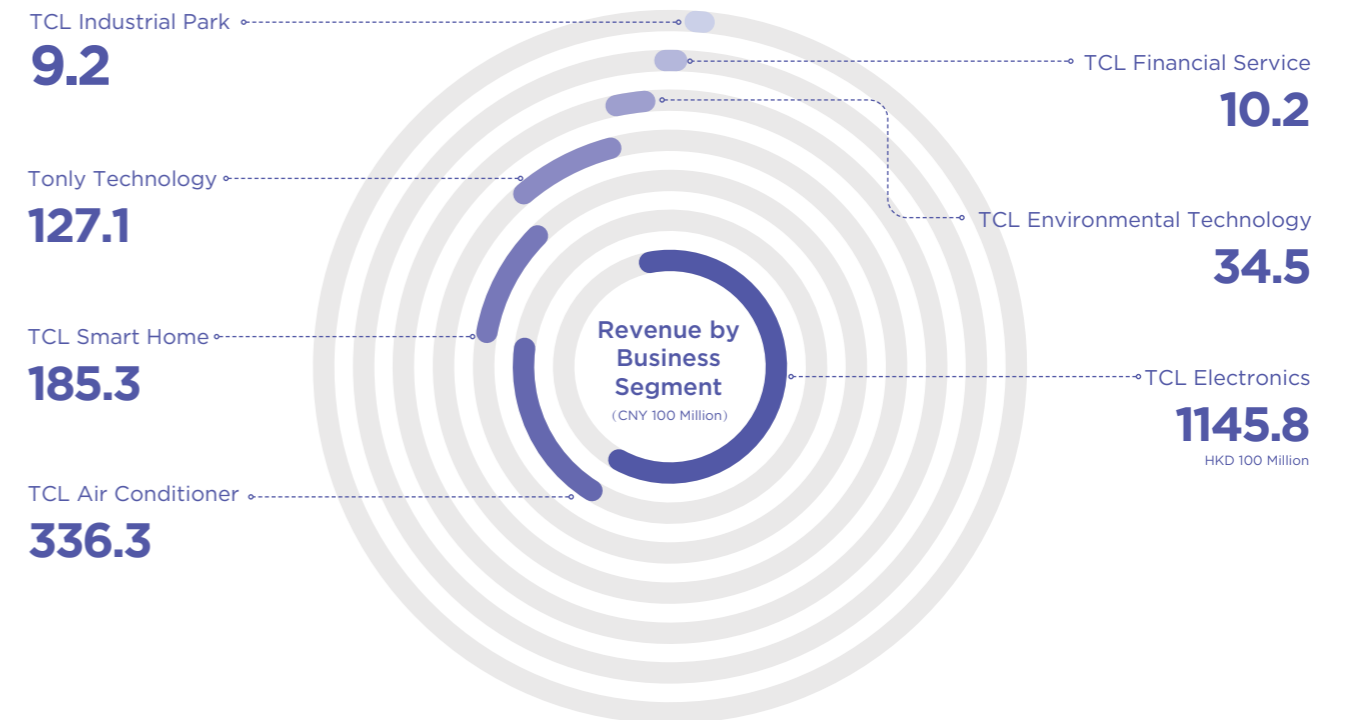
	2025.01-12	2024.01-12	YoY Change
The PRC Market	631.8	560.9	12.6%
International Market	1056.3	922.9	14.4%
Total	1688.1	1,483.8	13.8%

The PRC Market

Despite the periodic adjustments in the industry due to relevant policies, the mid-to-high-end transformation strategy in the PRC market achieved significant results, with the product structure further optimised, driving the core business revenue in the PRC market to increase by 12.6% to CNY 63.18 billion.

International Market

Driven by global layout and localised cultivation, the regional markets implemented differentiated strategies, and the retail channel coverage in key markets significantly increased, generating international core business revenue of CNY 105.63 billion, representing a year-on-year increase of 14.4%.



TCL Electronics

TCL Electronics seized industry development opportunities by leveraging the dual-drive strategy of "Globalisation" and "Mid-to-High-End" and adhering to technological innovation as the core driving force, thus continuously achieving breakthroughs in product competitiveness whilst vigorously advancing synergistic development across all categories to build a more competitive product matrix. Moreover, through actively expanding global channels and premium resources, continuously expanding channel coverage, accelerating store penetration rate and consolidating the foundation for globalised markets, it has achieved quality growth in global business and continuously strengthened overall profitability. In 2025, TCL Electronics achieved revenue of HK\$114.58 billion, representing a year-on-year increase of 15.4%, and its gross profit reached HK\$17.90 billion, representing a year-on-year increase of 15.1%. In 2025, TCL Electronics's profit after tax increased by 36.7% year-on-year to HK\$2.53 billion, and adjusted profit attributable to owners of the parent reached HK\$2.51 billion, representing an increase of 56.5% compared with HK\$1.61 billion in the corresponding period of the previous year.



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



Benefitting from effective enhancement of brand influence, efficient expansion of global channels and continuous optimisation of product mix, the revenue of its display business in 2025 increased by 9.2% year-on-year to HK\$75.80 billion, gross profit increased by 16.4% year-on-year to HK\$12.48 billion, and gross profit margin increased by 1.1 percentage points year-on-year to 16.5%. Among these, the gross profit margin of the large-sized display business increased by 1.3 percentage points year-on-year to 16.8%. In 2025, TCL TV's ranking consistently remained at the second position among global branded TVs; TCL Mini LED TV global shipment surged by 118.0% year-on-year, with its shipment scale consistently ranking first globally. TCL Electronics continued to expand its channel layout and deepen the development of key channels, driving TCL TV to rank among the top three in retail sales volume in over 20 countries worldwide.

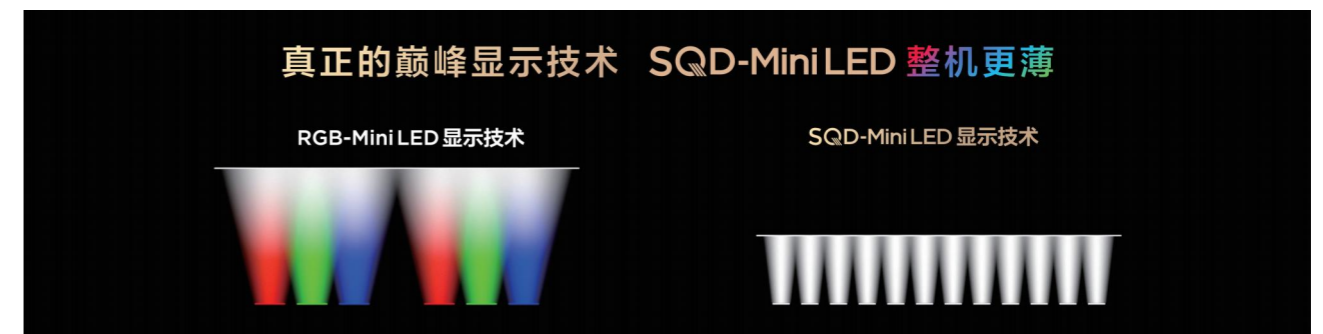
The internet business seized new opportunities arising from AI technology development and deeply cultivated the global home internet sector, achieving simultaneous improvement in business scale and earnings quality. In the international market, TCL Electronics continued to deepen strategic cooperation with international giants such as Google, Roku and Netflix, with flagship models pioneering the industry to integrate Google Gemini, and upgraded the AI interactive experience, whilst completing a comprehensive upgrade of its content aggregation application, TCL Channel. The proportion of high-quality content doubled, driving a year-on-year doubling of average daily total usage duration. By the end of 2025, cumulative users exceeded 45.70 million, with commercialisation and monetisation capabilities significantly strengthened. In the domestic market, leveraging its proprietary OTT smart device operating platform, the Group focused on AI content generation and interactive experience upgrades, established a proprietary copyright "Content Factory" through AIGC, and enhanced the efficiency of AI-powered comic drama creation through a self-developed tool agent. The AI hardware product Amby Uni was successfully launched to the market, continuously optimising the business structure and consolidating the Group's leading position in the global home internet sector. In 2025, internet business revenue increased by 18.3% year-on-year to HK\$3.11 billion, with gross profit margin increasing by 0.2 percentage points year-on-year to 56.4%.

The innovative business continued to expand in scale, with revenue in 2025 surging by 31.9% year-on-year to HK\$35.63 billion. Among these, the revenue of the photovoltaic business increased by 63.6% year-on-year to HK\$21.06 billion, and gross profit increased by 47.5% year-on-year to HK\$1.81 billion, demonstrating outstanding market competitiveness and development resilience. The photovoltaic business adhered to an asset-light operating model, flexibly adapting to market changes. The newly installed capacity of domestic residential distributed photovoltaics reached new highs, with market share significantly increasing. Meanwhile, the Group steadily advanced its globalisation layout, with the European market achieving tangible business expansion.

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

TCL Electronics continued to increase investment in R&D, focusing on core areas such as AI technology, display technology, smart hardware and home energy management, comprehensively driving upgrades in products, services and operational efficiency. In 2025, the Group's R&D costs increased by 8.5% year-on-year to HK\$2.53 billion. In terms of product and service innovation, the Group comprehensively introduced AI applications to optimise user experience. On the TV OS front, the Group was among the first in overseas markets to integrate Gemini, strengthening smart interaction and content monetisation potential. In the domestic market, the Fuxi AI Large-Language Model was integrated to enhance human-machine interactive experience, and a self-developed AI creation platform was established, driving the children-related business to achieve dual growth in reputation and performance, and effectively enhancing user loyalty. In the display technology field, TCL Electronics focused on Mini LED and launched in September 2025 the world's first flagship product TCL X11L TV equipped with SQD-Mini LED display technology, relying on three core technologies of Super Backlight, Super QLED and Super Screen, achieving five core advantages of all-screen wide colour gamut, zero colour crosstalk, more dimming zones, higher brightness and a thinner overall body, and winning the 2026 CES Display Gold Award. Meanwhile, TCL Electronics launched NXTPAPER 4.0 technology during the year, achieving full-scenario eye protection and productivity enhancement and ushering in a new revolution in eye care for office work. In terms of smart hardware and emerging technologies, mass production of full-colour Micro-LED for AR glasses was achieved, making breakthroughs in AR optical technology. In the field of smart connected products, it has successively launched industry-first AI 5G CPE flagship products, its first dual-frequency positioning children's smartwatch for overseas markets, and its first AI-powered children's companion ecosystem product, "T-Bao." In 2025, TCL Electronics launched TCL AiMe, the world's first modular smart home companion robot featuring an adorable bionic appearance design paired with a movable space capsule base. This robot is not only capable of multimodal natural interaction but can also continuously learn and adapt to the behavioural habits of family members through daily interactions, providing personalised interactive experiences for each family member, thus showcasing its innovative capabilities in the convergence of "AI x IoT x robotics".

In terms of operating efficiency, TCL Electronics has fully integrated AI applications across the entire value chain, including R&D, manufacturing, supply chain and sales. It continues to optimise operating processes and leverage digital intelligence to reduce costs, enhance efficiency and strengthen its core competitiveness. In terms of capacity and supply chain, TCL Electronics benefits from a vertically integrated supply chain and continues to deepen its global production footprint. It employs a flexible and efficient operating system to navigate the complex and rapidly evolving global market environment. TCL Electronics is advancing the restructuring of its global supply chain towards greater regionalisation and localisation, and, through its global production bases and distributed layout, can flexibly reallocate supply focus to respond promptly to changes in global market demand. In brand marketing and channel management, TCL Electronics adheres to a strategy that integrates globalisation, regionalisation and localisation. It formulates differentiated and targeted marketing strategies based on the characteristics of individual markets and consumer preferences. Leveraging its position as a Worldwide Olympic Partner, alongside regional marketing initiatives, new media engagement, and large-scale exhibitions and product launch events, TCL Electronics continues to enhance TCL's global brand influence and brand value.



TCL Air Conditioner

TCL Air Conditioner adheres to the operating philosophies of "Accumulation Focus Breakthrough Steady Growth" and "New Trajectories New Competitive Arenas Pursuit of Transcendent Performance" and upholds "Smart Health" as its core value proposition. It is committed to the mission of "making it easier for you to enjoy a healthy and green life brought by air" and the vision of "becoming a leading brand in global environment, green energy, and healthy air management solutions". Leveraging an R&D team of over 1,000 professionals and R&D investment that has grown at an average annual rate of over 30%, TCL Air Conditioner has deepened its deployment across four major business segments: residential, commercial, thermal management, and upstream extension. Guided by clear strategies and driven by innovation, the Company focuses on AI-enabled smart health, tackles core challenges in structural engineering, and enhances its globalisation capabilities to drive a transition from factor-driven to value-driven development. In 2025, TCL Air Conditioner recorded revenue of CNY 33.63 billion, representing a year-on-year increase of 11.3%.



Mature businesses held their ground, while the second growth curve delivered rapid breakthroughs

Against the backdrop of weak global market demand and strong industry pressure, the growth rates of TCL Air Conditioner's domestic and international sales outperformed the industry. On the shipment side, while the domestic market increased by 0.7%⁷ year-on-year and exports declined by 3.4%⁸, the Company's residential air conditioner segment achieved an increase of 17.2% in domestic sales and an increase of 12.0% in international sales. On the retail sales side, while the industry's online sales grew by 28.9%⁹ and offline sales declined by 10.7%¹⁰, the Company's online retail sales increased significantly by 53.1% year-on-year and the offline decline narrowed by 1.8%. TCL Air Conditioner delivered a stellar performance in both shipments and retail sales. New businesses flourished in multiple sectors. Revenue from the energy storage business grew by 516% year-on-year, with a liquid-cooling product line-up built and major clients like CRRC secured. Revenue from the AIDC business surged by 1,045% year-on-year, with precision air-cooling products breaking into industry customers, such as China Railway. The digital energy business completed the end-to-end setup, and the BlueWave series PV grid-connected inverters and BlueArk X5 series industrial and commercial energy storage products were successfully launched.



Technology-driven category upgrades, deeply rooted brand equity

In 2025, two technologies, AI Voice Free-Talk and AI Energy Saving for Multi-split Systems, were certified as "International Leading" in technical appraisals, bringing the cumulative number of such achievements to 11. As of the end of 2025, the Company had applied for a total of 6,346 patents, including 1,569 invention patents, and led or participated in the formulation of 82 national and industry standards. The R&D team collaborated with universities such as Huazhong University of Science and Technology and with technology enterprises such as HiSilicon to achieve continuous breakthroughs in AI Sleep, AI Comfort, and AI Fresh Air. The FreshIN series used three core technologies to support the "Smart Health" proposition and created two hit products, deepening the category perception of "High-end Healthy Air Conditioners". It won the "Fresh Air Leading Brand" for five consecutive years and received multiple honours such as the Red Dot Design Award and the Guangdong Provincial Science and Technology Progress Award, consolidating the brand foundation with solid product strength.



Omnichannel marketing amplified brand reach and steadily built user assets

Adhering to the core value proposition of "Smart Health", TCL Air Conditioner drove the evolution of air conditioners from "passive response" to "proactive service" and from a "single product" to an integrated "air ecosystem". TCL Air Conditioner established an omnichannel marketing matrix spanning official accounts, KOLs, OMO customers, shopping guides, users and employees. Full-year brand exposure increased by 189% year-on-year, with the FreshIN search index up 62%, and the core air-conditioning brand search index up 88%. Through precise matching of people, products, scenarios and content, core audience assets on Xiaohongshu and Douyin grew by over 90%, lifting brand awareness to 65%. 'FreshIN' now records a 62% association with the TCL brand, underscoring the strong effectiveness of the omnichannel marketing system.

Targeted global expansion opened new frontiers in overseas markets

In the Asia-Pacific region, TCL Air Conditioner upgraded sensory marketing with "Fresh Air Leadership + T-AI Energy Saving". Brand awareness in the Philippines reached 70%, surpassing Daikin, while brand awareness in Thailand reached 55%, making the fastest growth in the industry, with Google search indices in both countries peaking during the high seasons. In the European region, the Company participated in leading industry exhibitions and trade shows, including C&R in Madrid, Interclima in France, and IFA in Germany. FreshIN 3.0 received the "AI Energy-saving Technology Gold Award". In Latin America, the Company focused on targeted communication for core products, driving brand awareness in Brazil up to 50%. In the MEA market, the Company combined B2B exhibitions with B2C experience activities, with KOL reviews of Wuhan air conditioners generating over 1.3 million exposures. In North America, the Company successfully entered landmark retailers such as Home Depot, achieving a 129% year-on-year increase in revenue and further enhancing its global market competitiveness.

Smart manufacturing improved quality and efficiency, while green development advanced the "dual carbon" goals

Over the past five years, TCL Air Conditioner has deepened its smart manufacturing strategy of "Intelligentisation, Digitalisation, and Greening". This has resulted in a global footprint of 11 production bases, with annual capacity exceeding 38 million units and production efficiency increasing by 59%. The Guangzhou super factory added 10 million units of capacity, deployed over 300 robots, and built three dark factories and two automated benchmark production lines. The Jiujiang factory was rated as a "Jiangxi Provincial Advanced Smart Factory" and a "Jiangxi Provincial Little Lighthouse Enterprise". Focusing on the Company's "3050" dual-carbon goals, the Company has jointly built a green supply chain with suppliers and, through initiatives such as intensive land use, paperless manufacturing processes, and integrated PV-storage applications, has developed green smart manufacturing factories that support high-quality development.

7. Source: ChinaIQ. 8. Source: ChinaIQ.
9. Source: China Market Monitor. 10. Source: China Market Monitor.

TCL Smart Home



In 2025, against the backdrop of increasingly fierce competition in the global refrigerator industry and profound changes in the industrial landscape, TCL Smart Home continued to achieve breakthroughs. Its Hefei Home Appliances division and Homa Refrigerator collaborated and entered a new stage of high-quality development. Hefei Home Appliances reinforced its commitment to the proprietary “TCL” brand, focused on innovative R&D and smart manufacturing of high-end refrigeration and laundry product lines, and accelerated the channel penetration of self-owned brands overseas. Homa Refrigerator maintained its core positioning as a “Global Professional ODM of Refrigerator”, consolidating its leading position in global exports. It deepened research into air-cooling technology and fully advanced the construction and smart manufacturing process of the overseas production base in Chonburi, Thailand, to provide global customers with refrigerator and freezer products featuring both top quality and ultimate cost-effectiveness. Homa Refrigerator achieved steady growth in annual performance and solidified its development foundation amidst industry changes.

Firmly implementing the globalisation strategy and achieving record-high performance

TCL Smart Home has firmly advanced a global presence and smart home appliances business and comprehensively enhanced market competitiveness and brand influence, with stellar performance. In 2025, the Company’s revenue exceeded CNY 18.53 billion, and net profit attributable to owners of the listed company reached CNY 1.12 billion, representing a year-on-year increase of 10.2%, both hitting record highs. The overseas revenue of TCL’s self-owned brands increased by 115.1% year-on-year, becoming the core engine of performance growth. Sales volume of refrigerators and freezers reached nearly 17 million units, hitting a new record high, ranking first in China’s total refrigerator exports for the 17th consecutive year[Source: ChinaIOL.], and ranking first in China’s refrigerator exports to Europe for the 18th consecutive year[Source: ChinaIOL.]. Sales volume of washing machines reached nearly four million units, with a significant increase in the proportion of large-diameter drum washing machines increasing significantly.

Driving quality upgrades through innovation and continuously developing leading products

TCL Smart Home increased R&D investment in core technologies, with R&D expenditure exceeding CNY 680 million in 2025, representing a year-on-year increase of 5.9%. It launched multiple high-end smart new products to break through industry development bottlenecks through technological innovation. Regarding refrigerators, TCL Dual Magnetic Freshness Refrigerator solidified its quality with all-copper core components and was among the first batch of products to meet the Level 1 energy efficiency of the new national standards. TCL Ice Kirin Refrigerator and Homa 706 Rhine Gray Refrigerator both won the AWE Innovation Award. TCL Cold Pudding Refrigerator and Homa Mother-and-Baby Refrigerator respectively won the “Technical Innovation Award” and “Design Innovation Award” during the IFA in Berlin, Germany. Regarding washing machines, the AI Super Drum Washing Machine was launched with a cleaning performance ratio of 1.33, establishing a new industry benchmark.

Accelerating intelligentisation and digitalisation, enhancing brand influence

TCL Smart Home advanced the development of smart factories, deepened the upgrade of its Manufacturing Execution System (MES) and expanded the application of AI-based visual inspection. Homa Refrigerator’s intelligent manufacturing project for high-end air-cooled refrigerators, with an annual capacity of 2.8 million units, was fully commissioned. In addition, construction of a new production base in Thailand commenced, and a freezer sub-factory in Thailand with an annual capacity of 300,000 units was put into operation, further strengthening TCL Smart Home’s global footprint.

11. Source: ChinaIOL.

12. Source: ChinaIOL.

Tonly Technology



Tonly Technology has strengthened its presence in the acoustic ODM sector for over a decade. Leveraging its foundation in the industry, the Company seized development opportunities arising from the increasingly specialised segmentation in the global electronic information ecosystem and the upgrading of wireless sophistication and intelligent integration within the electroacoustic domain and built a smart hardware ODM industrial platform with acoustic products as the core and multi-category products, including wearables and AIoT products. In 2025, the Company focused on cooperation with top-tier customers, strengthened R&D and internal operations, and improved its overseas supply chain layout, achieving steady performance growth. Revenue reached CNY 12.71 billion, and net profit attributable to owners of the parent company reached CNY 630 million, representing year-on-year increases of 10.9% and 6.2%, respectively. The Company demonstrated strong resilience in a complex market environment.

Expanding a diversified product portfolio, strengthening market position

As a core strategic supplier to world-renowned consumer electronic brands, Tonly Technology’s competitiveness in core products continued to be significant. The global market shares for Bluetooth speakers and Soundbars in 2025 ranked first in the world for multiple consecutive years. The smart camera business grew rapidly, with industry influence further enhanced through technological iteration and customer expansion. Although the wearable business was affected by the strategic adjustments of core customers, the Company quickly adjusted its strategy and engaged in gaming headsets, professional communication headsets, and AI-driven upgrades for wearable products to build a diversified product matrix, solidifying the foundation for future growth.

Driving innovation through R&D, enhancing upgrades with AI

The Company continued to take R&D as the core driving force, increased investment, and established long-term cooperation with global leading enterprises. It achieved significant results in developing Bay Area-type customers in North America, laying a foundation for consolidating its market position and cultivating emerging products. Technological innovation focused on core fields, such as the AI software ecosystem, miniaturised precision manufacturing, sensor algorithm application, whole-unit system design, and power consumption optimisation to refine the AI transformation of wearable products. Relying on visual processing and AI technologies, the Company expanded into emerging categories, such as Personal AI Cameras. Its over-ear headphone segment joined the industry’s first tier with hybrid noise cancellation and ultra-fast charging technologies. Its TWS earphones feature active noise cancellation, 3-Mic AI call noise reduction, and voice wake-up functions, providing an optimised user experience. Bluetooth LE Audio technology achieves low latency, low power consumption, and high bitstream transmission, thus expanding its interconnection scenarios. Bluetooth speakers feature both IPX7 waterproof and IP6X dustproof performance, along with a passive radiator design, with a deep bass effect. Soundbars are equipped with Dolby Atmos, DTS:X decoding technology, and spatial audio algorithms to create an immersive experience.

Boosting quality and efficiency with smart manufacturing, globalising the supply chain

The Company attached great importance to product quality and production efficiency. It constructed R&D and manufacturing bases in Huizhou, Shenzhen, Xi’an, and Malaysia’s Penang, pooling global resources to build a smart interconnected industrial platform. The Company identified business cooperation opportunities in components and accessories with Bay Area-type customers, integrating core modules to build synergistic competitiveness. It advanced the transformation toward automated and digitalised production, enhancing efficiency and quality through cost reduction and efficiency improvement initiatives. On the supply chain side, the Phase I and Phase II bases in Vietnam operated efficiently, and construction of Phase III commenced, while new overseas production capacity in Mexico and India was laid out in parallel to further optimise the global supply chain, respond to changes in the trade environment and ensure efficient delivery to customers worldwide.

TCL Environmental Technology

In 2025, TCL Environmental Technology continued to practice its strategic positioning of “focusing on resource recycling and providing comprehensive environmental services”. Amidst a complex operating environment, it took the initiative to seek changes and optimise the business structure, with each business segment showing differentiated development trends and overall operations progressing steadily with prominent resilience. In 2025, the Company maintained steady growth in revenue scale, with revenue increasing by 9.2% year-on-year to CNY 3.45 billion.

Responding to policy changes, optimising business layout

In 2025, adjustments to the home appliance trade-in subsidy policy and a reduction in the special fund subsidy budget for the treatment of waste electrical and electronic products from CNY 7.5 billion to CNY 5.0 billion, coupled with unclear implementation standards, led to a sharp increase in operating pressure across the industry, with leading enterprises generally under strain. TCL Environmental Technology responded swiftly by proactively scaling back its fund-related dismantling business and reducing dependence on policy subsidies, while placing greater emphasis on expanding its PCR plastics business and B2B cooperation business. These strategic adjustments helped mitigate policy shocks and reinforced the foundations for sustainable development.

Strengthening segment synergies, enhancing operational quality and efficiency

The Hazardous Waste Resource Utilisation business achieved synergistic efficiency improvements across its two bases, with the Huizhou and Huanggang bases forming regional connectivity. The Huanggang base firmly ranked first in market share for waste resource utilisation in Hubei Province, demonstrating regional competitiveness and resource treatment strength.

Focusing on core advantage sectors, reinforcing growth momentum

The Comprehensive Environmental Services business focused on key competitive sectors such as PCB, electronics, and automobile manufacturing, leveraging an “Engineering + Service” approach as the core driver to continuously deepen the business layout and strengthen service capabilities. By enhancing professional service standards and improving scenario-based solution capabilities, TCL Environmental Technology provided customers with one-stop offerings such as online copper recovery from wastewater.

Deepening presence in recycling, optimising customer mix

The PCR plastic business focused precisely on high-value customers and premium categories, successfully entering the supply chains of leading enterprises such as Samsung Electronics and LG Display. The B2B business continued to achieve breakthroughs, winning the annual service contract for Foxconn Zhengzhou and successfully entering the Xiaomi ecosystem, injecting new momentum into business growth. The implementation of these projects not only contributed incremental operating results but also enhanced the Company's synergies and brand influence on the service end of the electronics manufacturing value chain.

Accelerating resource integration, building recycled new material production capacity

Relying on an asset-light operation model, the New Materials and General Solid Waste Recycling advanced the commissioning of the renewable resources sorting centre. Through refined sorting and operational optimisation, it achieved a 10% reduction in costs and a 5% increase in returns, steadily enhancing operational quality.

TCL Financial Service

Relying on industrial operating scenarios and collaborating with high-quality financial partners such as banks, TCL Financial Service leveraged the digital supply chain financial technology as the core lever to provide high-quality financial services for Small, Medium, and Micro Enterprises (SMMEs) and households within the industrial ecosystem. It achieved significant results in serving the real economy, stabilising the industrial chain, and improving the accessibility of inclusive finance. In 2025, it achieved revenue of CNY 1.02 billion, a year-on-year increase of 10.0%, steadily solidifying its core business base.

Strengthening services through digital empowerment and maintaining leadership via platforms

TCL Financial Service's JDH platform adheres to the principles of “Digitally Propelled Innovation, Intelligent Solutions for Societal Benefit, Sustainable Low-Carbon Practices, and Equitable Inclusivity”. By applying digital technologies such as blockchain, big data, and IoT, the Company has integrated them into refined financing solutions. Through digital technology, it achieves the standardisation and visualisation of transaction information. The Company efficiently connects core enterprises, suppliers, and banks, and eliminates financial service bottlenecks in the industrial chain, thus boosting the high-quality development of the industry. Currently, the platform business has fully covered 32 provincial-level administrative regions in China, spanning multiple mainstream industries such as electronic manufacturing, construction engineering, and new energy materials. The Company continues to diversify its service areas and has provided services for over 150 thousand enterprises in total, further solidifying its industry-leading position and continuously demonstrating scale and network effects.

Focusing on core products and optimising presence for steady development

TCL Financial Service effectively alleviated the financing pain points of SMMEs in the industrial chain by improving the transparency of transaction information and lowering financing thresholds, thereby facilitating the implementation of inclusive finance. Meanwhile, the Company followed the Group's deployment and considered market trends to accelerate strategic adjustments, as it steadily exited market-oriented financial businesses and focused on the TCL ecosystem and controllable-risk businesses. By optimising the business presence, the Company continued to enhance operational stability and long-term development quality.

Strengthening risk control management to fortify the asset security line

Based on business structure optimisation, TCL Financial Service continued to strengthen its risk management and control, embedding risk control principles throughout the entire business process. It increased efforts in post-loan collection and asset disposal, while diversifying risk control measures and strictly controlling asset quality. The Company continuously improved the collaborative management and risk management mechanisms of the front, middle, and back offices. It leveraged digital technology to improve the precision of risk control, improved the risk early warning system, and promptly identified and resolved potential risks to effectively control the non-performing rate. Meanwhile, the Company continued to strengthen the construction of the risk control team and improved professional management and control capabilities. By establishing a risk defence line across the board, it provided a solid foundation for asset security to support sustainable business development and enhance operational stability.

TCL Industrial Park

In 2025, the macroeconomy remained under pressure, and the real estate market faced an overall oversupply, coupled with multiple pressures including the exposure of risks in real estate enterprises, office vacancy rates climbing to a five-year high, and intensifying low-price competition within the industry. Leveraging forward-looking market insights and precise strategic positioning, TCL Industrial Parks successfully navigated external shocks and achieved high-quality growth through agile response strategies and differentiated “Customer Empowerment” services. In 2025, it achieved revenue of CNY 920 million and net profit of CNY 220 million, delivering impressive results against the market trends.

Prioritising occupancy and leading the market in existing asset operations

Faced with sluggish market absorption and intensifying competition, the Company remained committed to the strategy of “prioritising existing assets and maximising occupancy”. Through proactive lease restructuring and deep integration of industry resources, the Company effectively retained core clients. The average occupancy rate for existing commercial and office projects reached 93.8%, significantly outperforming industry peers and demonstrating robust market competitiveness and high client recognition.

Prioritising cash flow and resolving risks in investment operations

The real estate investment segment accurately grasped the policy window period and firmly adhered to the core strategies of risk clearing and capital recovery, basically completing project liquidation and capital return. Industrial plant projects upheld the principle of rapid absorption, with the absorption area increasing by 63% year-on-year. This drove efficient asset revitalisation and supported a steady, well-managed cash flow.

Deepening the industry value chain and enhancing efficiency through organisational empowerment

The industrial park segment continued to forge the core capabilities of its platform, constantly strengthening resource accumulation and industrial connection. It has collected information on over 2,800 industrial customers. By leveraging the dual wheels of precise resource matching and deep service innovation to unlock industrial synergistic value, the Company built unique core advantages distinct from traditional real estate developers and industrial operators. Against the background of industry contraction and adjustment, it effectively improved organisational operational efficiency and per capita efficiency through continuous transformation and optimisation.

Upholding quality and cost discipline, demonstrating strength by overcoming challenges

The construction management segment coordinated 20 projects under construction with a management area of 2.93 million square meters. It adhered to the concept of quality priority and implemented full-process refined management and control for key projects. By optimising procurement competition and strengthening the synergy across the entire chain of design and engineering, the Company helped industrial customers reduce costs. It successfully overcame multiple technical and policy barriers, demonstrating professional capabilities in tackling challenges.



Getech

As an AI-driven provider of industrial intelligent solutions rooted in TCL's strong manufacturing heritage, Getech is built on three core pillars—AI, industrial software, and intelligent equipment—to deliver end-to-end solutions for customers in the pan-semiconductor and advanced manufacturing sectors. Amid mounting pressure on China's software industry in 2025, the Company remained focused on its core positioning, deepened its presence in these sectors, and delivered more than 1,000 projects during the year, steadily strengthening its market position and demonstrating strong resilience.

Deepening presence in pan-semiconductors and advancing intelligent manufacturing upgrades

As a leading enterprise in the intelligent transformation of semiconductors, the Company achieved key breakthroughs in both front-end and back-end CIM markets in 2025. Front-end 8-inch MES projects were successfully implemented, while existing back-end assembly and testing clients continued to place repeat orders. As the only leading domestic manufacturer with comprehensive CIM+AMHS capabilities, the Company accelerated the technical iteration of its core OHT and STK products, which have been deployed with multiple leading customers. Supported by a robust talent pool, the Company continues to contribute to the advancement of semiconductor self-sufficiency.

Expanding advanced manufacturing applications and deepening cooperation with leading customers

Leveraging its technical expertise in pan-semiconductor scenarios, the Company has developed competitive solutions across sectors such as photovoltaics, lithium batteries, and 3C electronics, and delivered multiple benchmark industrial AI projects. It has also innovated cooperation models with TBEA and CGN, delivering industry demonstration projects. To date, the Company has established stable partnerships with dozens of leading enterprises and will continue to capture AI empowerment opportunities both domestically and internationally, supporting the advancement of new industrialisation.

Strengthening the AI technology system and scaling industrial capabilities

In 2025, the Company completed a comprehensive upgrade of its AI technology system and launched the CIM AI Foundation multi-agent platform, providing a standardised and scalable AI infrastructure for complex semiconductor manufacturing scenarios and enabling the development of agent matrices. The OctopusGPT Agentic AI platform was further upgraded to enhance autonomous decision-making and collaborative capabilities in industrial AI applications. In parallel, the Company established a joint laboratory for industrial AI with the University of Hong Kong, focusing on cutting-edge research and talent development to drive the deep integration of AI theory with industrial practice.

Gaining industry recognition and strengthening brand influence

In 2025, the Company received numerous prestigious awards and recognitions. It was accredited as a National and Hubei Provincial Manufacturing Digital Transformation Promotion Centre and designated as a cultivation unit for the Hubei Industrial Software Manufacturing Innovation Centre. It was also shortlisted for the Wuhan New Technological Transformation Public Service Platform. In addition, the Company was recognised as a “Golden Seed” enterprise for listing backup in Wuhan and the East Lake High-tech Zone, a Gazelle Enterprise in Optics Valley, and one of the 2025 Forbes China AI Rising Companies. Several of its solutions were also selected as provincial-level outstanding empowerment solutions and exemplary AI application scenarios.

03 Technology and Product Innovation

In 2025, TCL Industries continued to advance its technology strategy, maintaining a strong focus on display quality, intelligentisation, and green health-oriented innovation. The Company consistently strengthened its R&D capabilities to enhance the competitiveness of its smart products and technologies. With a focus on delivering exceptional visual experiences, promoting healthy lifestyles, supporting home energy management, and developing intelligent interaction and service solutions, the Company actively explored innovative business opportunities. At the same time, the Company reinforced its four core technology platforms —AI, imaging, software engineering, and IoT and cloud services. Now TCL Industries operates 25 R&D centres worldwide, covering areas such as display technology, AI, communications, health, and smart manufacturing. In addition, TCL has established seven joint laboratories with leading external R&D institutions, focusing on fields including image quality engines, eye-care displays, materials chemistry, cloud gaming, food preservation technology, and variable frequency technology. In 2025, R&D investment reached CNY 4.66 billion.

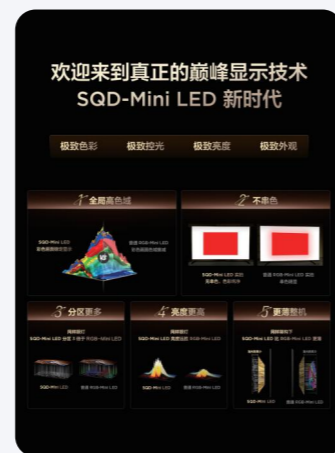
Advancing Display Leadership Through Next-Generation Technologies



Consolidating Mini-LED first-mover advantages and enhancing multi-dimensional technical capabilities

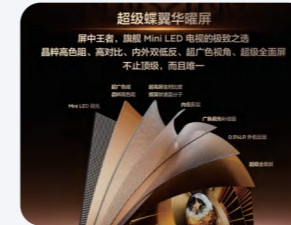
Redefining flagship picture quality with world-leading SQD Mini LED display technology

Through end-to-end R&D spanning backlighting to imaging display, the Company has significantly enhanced the competitiveness of SQD Mini LED technology across the entire value chain, reinforcing TCL's industry-leading position in SQD Mini-LED products. By leveraging proprietary Super Quantum Dot (SQD) and Mini LED all-domain local dimming technology, the Company achieved breakthroughs in materials, components, algorithms, and manufacturing processes. Combined with CSOT's fourth-generation LCD technology, this enables ultra-high brightness of 10,000 nits, 100% BT.2020 colour gamut coverage, and significant improvements in light control precision and image layering. Supported by the self-developed TSR AI optical-colour synchronous control chip, alongside advanced picture quality algorithms such as light and shadow control and AI picture enhancement, and full-chain tuning capabilities, the Company delivers stable high brightness, ultra-high colour accuracy, enhanced contrast, and superior dynamic clarity, resulting in more vivid, detailed and immersive visuals. In audio performance, the Company has collaborated closely with the top luxury brand Bang & Olufsen (B&O) on customised tuning. Through innovations in acoustic materials, components, structural design, and algorithms, TCL delivers clear, natural, and high-fidelity sound, achieving Hi-END audio experience. The TCL X11L SQD-Mini LED TV received the 2026 CES Innovation Display Gold Award and four awards from the European Imaging and Sound Association (EISA).



Building foundational technological capabilities through components, materials, and core algorithms

The Company continues to strengthen its underlying capabilities in components, materials, processes, and algorithms to build a sustainable technological advantage. Innovations such as high-concentration ultra-vibrant quantum crystals and high-colour-gamut displays achieve 100% BT.2020 colour coverage, while the Fusion Light Engine enhances luminance by 53.8%, delivering superior contrast and depth. The new generation Collimating Micro Lens Technology, combined with micro-OD design, improves light control capability by 46.9%. The proprietary light and shadow control algorithm enables simultaneous optimisation of signal and backlight, ensuring accurate reproduction of HDR content. With ultra-thin structural design enabled by micro-OD technology, the Company achieves a sleek 2cm chassis profile, further enhanced by fourth-generation full-screen LCD technology.



Achieving picture quality leadership through colour and AI innovation

Through ultra-narrow spectrum and ultra-high colour gamut innovations, the Company has attained a 100% BT.2020 full-range high colour coverage. Combined with 26-bit dynamic dimming and vibrant XDR technology, displays deliver sustained brightness with enhanced visual depth, ensuring that visual transitions are both fluid and exquisitely detailed. AI-driven optimisation enhances dynamic clarity, colour accuracy, and skin tone realism, while TSR AI chip integration enables advanced cinematic rendering. The TCL X11L SQD-Mini LED TV is the world's first TV to receive TÜV Rheinland's full-star "Perceptual 3D Colour Volume" certification.



Expanding innovation into emerging product categories

Gaming monitors leverage TCL's leading QD Mini LED technology with 2,304 local dimming zones and XDR 2,200 nits brightness, delivering high contrast and realistic visuals. Dual-mode switching technology enables 320Hz refresh rates for professional gaming performance.

The Company's soundbar products deliver enhanced clarity through optimised acoustic structures and proprietary technologies, offering immersive, high-fidelity audio experiences.

Advancing Eye-Care Display Technologies (NXPAPER)

In 2025, TCL continued to invest in NXPAPER technology innovation. The mobile product line integrates NXPAPER with AMOLED, achieving breakthroughs in brightness, contrast, and response speed, while retaining eye-care characteristics. The tablet product line focuses on paper-like display and writing experiences, supported by anti-glare, low-flicker, and high-definition performance. Looking forward, the Company will continue advancing healthy display technologies to deliver superior user experiences.

NXPAPER Technology & AMOLED
Comprehensive eye care with exceptional clarity



Advancing AR and Smart Wearables Through AI Integration

The Company has achieved industry-leading optical design with 97% transmittance and compact light engine structures. It has established a full closed-loop capability from optical R&D to precision manufacturing.

The Company has positioned itself in precision human-machine interaction technologies. It was the first in the market to launch the Apple Watch micro-gesture interaction technology, while actively advancing proprietary core algorithms for voice, electromyography (EMG) micro-gesture, and eye-tracking interactions. AI large model capabilities continue to evolve, with improvements in intent recognition, memory, and real-time interaction. Furthermore, by constructing an architecture of big and small cores optimised for low power consumption and high performance, the battery life of the Company's products has reached an industry-leading level.



Building an "All-Scenario, All-Category" AI Ecosystem

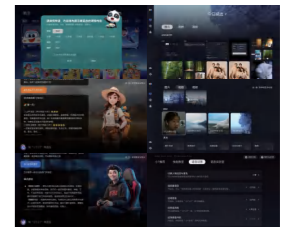
Taking large models and multi-modal perception as the foundation, TCL Industries has built a terminal-cloud collaborative AI capability system. It launched innovative applications, including the TCL AI large model, AI super-anthropomorphic voice interaction, AI good air proactive service for air conditioners, AI energy-saving algorithm, AI Wash intelligent decision-making system for washing machines, and APP AI assistant. This comprehensively reconstructs human-machine interaction and device autonomous decision-making capabilities. TCL Industries leveraged a unified AI platform architecture and data closed-loop mechanism to create ecosystem-level solutions covering smart health scenarios, providing intelligent access, refined operation, and content services for over 150 million devices worldwide. This ensures continuous evolution of device capabilities, promoting the upgrade of devices from "Interconnection" to "Intelligent Synergy and Autonomous Optimisation" and accelerating the full integration of AI into users' daily life scenarios.



Enhancing Core User Experiences Across Key Scenarios

Comprehensive upgrade of the system foundation to create a globally consistent high-end experience

To pursue the four goals of "Fast, Stable, Saving, and Secure" and adapt to different ecosystems and platforms domestically and abroad, TCL Industries built a reusable and evolvable unified underlying capability to cover multiple operating systems such as AOSP in the PRC and GTV/Fire TV in overseas markets. Through the reconstruction of the underlying component-based architecture and deep optimisation of key modules such as memory and file systems, the Company achieved a leap-forward improvement in system performance and stability. This achievement supports the continuous smooth operation of devices throughout their life cycle, laying the foundation for a consistent high-end experience and large-scale delivery in the global market.

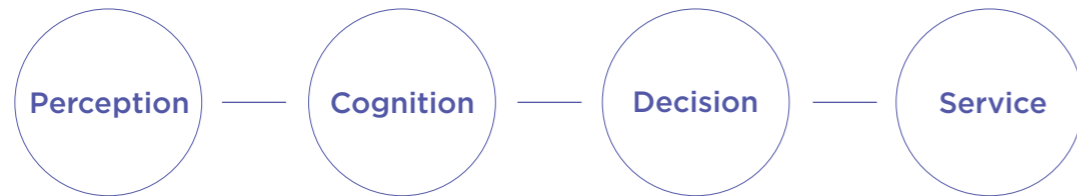


Enhancing the home large-screen experience through all-scenario innovation

In the domestic market, the Company promoted the integration of the Xiao T Assistant with the self-developed TCL Large Model to build an "18+N" agent system. It actively advanced the global "Large Screen + AI" ecosystem co-creation. In the overseas market, the Company collaborated with technology giants like Google and launched the world's first Gemini TV to secure consumer mindshare for AI TV. Targeting the four key scenarios of movie watching, gaming, music, and smart life, the Company has created an all-scenario experience of ultimate immersion, interactive entertainment, and intelligent interconnection. The AI Media Centre focuses on delivering professional-grade source fidelity and integrates panoramic poster scraping, comprehensive NAS protocol support, 130Mbps high-bitrate transmission, and intelligent audio-visual tuning to provide a disc-player quality cinematic experience. The AI Gaming Centre combines a 4K 150Hz high-refresh display, ultra-low latency mode, GameBar control, and cloud gaming capabilities to create a professional gaming partner — a "hardware assist" that truly understands the player. The music ambience scenarios are built upon AI-based sound field adaptation and sound effect optimisation, further enhanced by the professional acoustic expertise of the TCL and B&O deep customisation. This delivers a pure, natural, and textured sound expression, immersing users in a high-quality, live-performance-like musical experience at home. Meanwhile, smart life scenarios are deeply integrated with IoT devices, enabling users to manage their home environment via the Xiao T assistant with a single touch — continuously bolstering user stickiness and active usage rates. Meanwhile, TCL continues to expand its external ecosystem, accelerating the transition of the large screen from a display carrier to a core home entry point.

AI-driven Transformation in Smart Air Solutions

TCL Air Conditioner defines the new generation of air conditioners, applying AI technology and keeping consumers at the core. Using the "FreshIN Smart Health Technology Engine", it builds a full-chain AI capability of "Perception-Cognition-Decision-Service", achieving a value leap for air conditioners from perceiving the environment to understanding needs and from "passive adjustment" to "proactive service". Through this strategy, the Company aims to rebuild a new generation of TCL Air Conditioners in five years.



In terms of products, TCL Air Conditioner launched the FreshIN new-generation AI health product line-up, which includes AI Sleep Air, AI Comfort, and AI Fresh Air air conditioners, alongside the high-end residential central air conditioning series FreshIN Air Life Expert. Furthermore, it expanded into industrial-end digital energy thermal management and energy storage solutions, realising a comprehensive strategic upgrade from standalone products to ecosystem-based, systematic solutions.



AI Sleep: Reshaping the industry benchmark for quality sleep

TCL's proprietary deep sleep black technology, Sleep Eye, leverages a millimetre-wave radar to perceive subtle human micro-movements. By integrating AI algorithms to evaluate sleep quality, the system proactively predicts sleep requirements and generates a personalised sleep temperature curve. It also coordinates quiet mode, fresh air, gentle breeze, and light adjustment to create a "zero-presence" sleep environment, ensuring good sleep for every user. Without manual operation or voice commands, the air conditioner proactively manages airflow, temperature, and fresh air ventilation to safeguard deep sleep throughout the night. This AI-driven healthy air solution is utilised to address the sleep challenges of millions of families.



AI Comfort: Building a personalised airflow strategy model

The AI Comfort technology delivers a gentle breeze, an unnoticeable experience, comprehensively enhancing user comfort. The Wind Eye technology for comfort can identify and track the positions, number, movement trajectories, activity levels, and movement areas of occupants to build a personalised airflow strategy model. This system enables intelligent airflow tracking and proactive avoidance for enhanced health, automatically softening the breeze upon proximity while boosting air projection for distant users, and optimising energy efficiency once the room is vacant. This is not merely a dynamic wind speed adjustment, but a proactive sensing of each family member's needs, ensuring that everyone finds their own optimal comfort zone.



AI Fresh Air: Powerful fresh air to improve air quality

The AI Fresh Air technology effectively improves indoor air quality through oxygen enrichment and humidification, solving problems such as dry mouth, odours, and dizziness. It can help users fall asleep quickly, sleep soundly, and wake up full of energy.

Reinventing Refrigeration Through Magnetic Preservation Technology



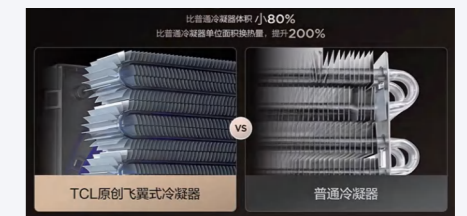
Targeting the "refrigeration + freezing" all-scenario preservation needs, the Company achieved a breakthrough in the industry's singular focus on refrigeration and created a dual preservation value system. The proprietary Dual Magnetic Freshness technology uses array-based dual-coupling magnetic control technology as its core. It utilises the unique magnetic properties of rare earth materials to achieve a 70% increase in total magnetic energy and a more than three-fold increase in magnetic field intensity compared to the industry average, enhancing the performance and efficiency of magnetic preservation.

Powered by three internationally leading technologies, the refrigeration compartment utilises magnetic fields to regulate the molecular motion of food ingredients, effectively inhibiting bacteria, slowing oxidation, and locking in moisture. This achieves 15 days of fresh, hydrated storage for fruits and vegetables, and 7 days of optimal texture for meats. Furthermore, magnetic field technology has been systematically applied to the freezing compartment for the first time. Operating in synergy with a -40°C ultra-low temperature environment, it inhibits ice crystal growth and recrystallisation, minimising cellular structural damage and drip loss during frozen storage. This enhances the texture and nutrient retention of frozen ingredients upon thawing, achieving a 100-day freshness-locking period for frozen meats. By migrating the advantages of refrigeration preservation to freezing scenarios, the Company has constructed an integrated magnetic preservation capability from short-term storage to long-term freezing, effectively fulfilling the demand for high-end products and healthy preservation experiences.

The TCL Wing-shaped Condenser technology has set a new benchmark for heat dissipation efficiency and has once again received international leading certification

This technology utilises a biomimetic wing-structured design, achieving a step-change improvement in heat exchange efficiency. Compared with traditional spiral-finned condensers, it delivers a 219.2% increase in heat transfer per unit area and an 88.4% reduction in flow resistance. By accelerating the condensation process, the system effectively lowers operating pressure and maintains the compressor in a high-efficiency steady state, resulting in more powerful and enduring cooling performance.

The wing-shaped structure also ensures a more uniform airflow distribution, significantly mitigating thermal accumulation, further reducing overall energy consumption, and extending the lifespan of core components. Even in extreme environments, the system maintains superior heat dissipation, ensuring that refrigerator operation remains energy-efficient, quiet, and Currently, this technology has passed international leading-technology certification, accelerating a new round of technological iteration and upgrades in the refrigerator industry.



Through its proprietary AI framework, the Company has achieved a dual-value upgrade in energy efficiency and noise reduction

Leveraging AI-driven dynamic optimal frequency selection technology, the system comprehensively covers various refrigerator usage scenarios to precisely balance preservation performance with energy-saving requirements. This results in an average annual electricity cost saving of 11.66%, with peak savings exceeding 40% under high-temperature operating conditions. Furthermore, the system automatically matches the optimal cooling curve, ensuring rapid refrigeration and precise freshness-locking. In terms of noise control, the system autonomously learns from user habits over the past seven days to intelligently synchronise personalised noise-reduction periods. By adaptively adjusting the speeds of the compressor and fan, the system achieves a perceived noise reduction of up to 3.5dB, delivering an optimal silent experience.



Redefining Fabric Care through AI and Engineering Innovation



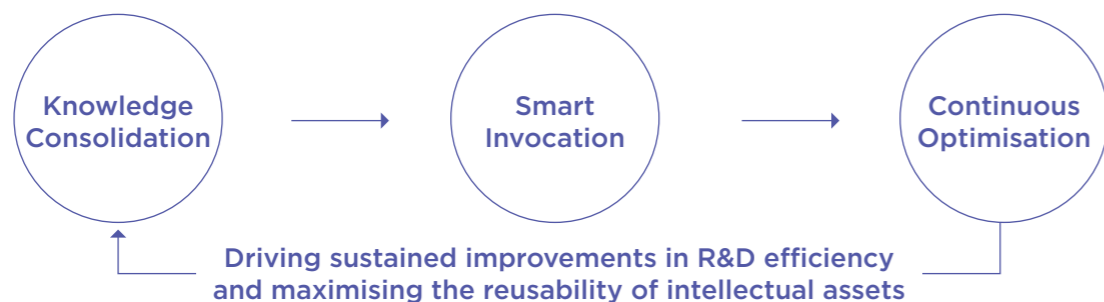
TCL has redefined the washing space with its Super Drum, leveraging the industry's largest drum diameter to provide garments with greater room for movement and more thorough agitation. By returning to the fundamental principles of laundry, the Company ensures a deeper and more comprehensive clean. This is further enhanced by Super Clean technology, which focuses on three core pillars: Full-Domain Dirt-Free 2.0, 1.33 ultra-high cleaning ratio, and highly efficient removal of everyday stains. These capabilities are supported by advanced technologies, including five major dirt-free technologies, drying duct lint cleaning, combinatorial track-change washing, biomimetic heat-absorption modelling, micro-bubble essence washing, and circulatory spraying. Together, these achieve a standard of cleaning that is healthy, highly effective, energy-efficient, and rapid, consistently reinforcing TCL's professional cleanliness positioning among consumers.

On the intelligentisation front, the proprietary One-touch AI Wash & Dry allows the machine to intelligently detect garment requirements, automatically matching materials with the precise dosage of detergent, water temperature, and water volume throughout the entire cycle. In terms of performance benchmarks, the Company focuses on export-oriented energy-saving technologies and Grade A noise standards. Currently, pre-research for the new European standard A-50% energy efficiency has been completed, alongside a full-platform transition to Grade A noise levels. These technological strengths enhance the Company's global competitiveness, delivering a more efficient, quieter, and environmentally friendly fabric care experience for users worldwide.

Enhancing R&D Efficiency through AI-driven Systems

In the field of AI, TCL Industries has continued to upgrade the Turing platform and its internal knowledge base capabilities. By providing unified access and application support for internal R&D and business collaboration, the Company is driving a transition in research knowledge management from simple "document retrieval" to "scenario-based intelligent collaboration". A scalable knowledge foundation has been established for R&D, covering 11 core data categories and enabling unified retrieval and intelligent Q&A across multi-source knowledge bases. This has significantly reduced engineers' information search time from hours to seconds.

Furthermore, the Company provides multi-level AI resource access for individual developers and industrial applications to meet the diverse needs of different roles and business units, while continuously exploring multi-agent collaboration to optimise workflows. By constructing an Agent toolchain for complex tasks, the Company enhances the depth of analysis and decision-making quality for complex R&D challenges. This establishes a closed loop of "Knowledge Consolidation, Smart Invocation, and Continuous Optimisation" throughout the R&D lifecycle, continuously strengthening development efficiency and the reuse value of intellectual assets.



Advancing Sustainable Development Through Environmental Technologies

HEMS (Home Energy Management System): A full-chain upgrade from "Power Generation" to "Intelligent Energy Management"

TCL Photovoltaic Technology's HEMS (Home Energy Management System) addresses the economic challenges associated with residential "power generation and consumption". Given the complexity of managing multiple devices, including PV systems, energy storage, heat pumps, charging systems, and household loads, the Company has innovatively integrated PV modules, inverters, grid-connection boxes, and household loads with the TCL Home APP. The system achieves full-scenario protocol interconnection and builds intelligent, collaborative energy management strategies, seamlessly integrating sustainable living into everyday routines.

production, storage, and consumption patterns. This significantly increases photovoltaic self-consumption while pioneering "Storage + Thermal" dual-buffering and energy time-shifting, allowing customers to maximise the use of "free" green energy and "lowest-cost" grid power. By synchronising high-energy loads such as heat pumps and EV chargers through intelligent capabilities like "AI-scheduled travel" and "AI-scheduled hot water", the system delivers a superior economic strategy of generation and consumption from the customer's perspective, thereby seamlessly integrating sustainable living into daily life and realising an experience upgrade from "electricity use" to "smart energy use."

The Company has completed its ecosystem layout, enabling interconnection between HEMS, operation and maintenance systems, and smart grids. Leveraging its proprietary HEMS intelligent gateway and edge-cloud collaborative architecture, the Company has built a comprehensive "PV + Energy Storage + Heat Pump + Charging + IoT Smart Home Appliances" all-scenario energy management ecosystem. The core innovation lies in "AI-driven energy efficiency optimisation". By integrating dynamic electricity prices, weather forecasts, and user behaviour analysis, the system autonomously adjusts energy

Currently, the HEMS system under the SunPower brand has achieved commercial deployment across multiple European markets. These solutions have also been showcased at leading global exhibitions, including CES, Intersolar, and IFA Berlin, attracting significant industry attention.

TCL DeepBlue Technology — Comprehensive deployment of residential and industrial energy storage solutions

TCL DeepBlue Technology has rapidly established its R&D and manufacturing platforms, achieving swift product delivery

Within three months of its establishment, the Company launched its first grid-connected PV inverter, followed by the successful delivery of its first industrial and commercial energy storage system, BlueArk X5, by year-end. The Company has achieved technological breakthroughs in inverter efficiency, ESS (Energy Storage System) integration, and EMS (Energy Management System), and has completed the development of core product lines, including grid-connected PV inverters, residential ESS, and small-scale industrial and commercial ESS, achieving full product line coverage. Several products have already entered mass production and successfully passed grid-connection testing, demonstrating exceptional execution speed.



A comprehensive certification strategy has been implemented to support global market expansion

TCL DeepBlue technology is actively advancing product certifications and has secured multiple international standards, enabling market entry into key markets such as Europe, Southeast Asia, and Australia. At the same time, the subsidiary has obtained multiple laboratory qualifications, further enhancing product credibility and quality assurance.

04 Risk Factors

Macroeconomic Market Risks



Demand Fluctuations

Market demand for the Company's smart device products and services is influenced by the global economic conditions and trade policy adjustments. If tariff barriers continue to increase and consumption normalises following policy-driven demand, both domestic and international markets may experience structural slowdowns, affecting sales performance. The Company mitigates this through its "Globalisation + Technological Transformation" strategy, focusing on mid-to-high-end smart device segments, strengthening AI and green technology capabilities, and expanding into emerging markets. Meanwhile, the Company leverages its global capacity presence to adapt to the needs of different regional markets, continuously enhancing its market penetration capabilities.



Volatility in Production Factor Prices

The raw materials for the smart devices and core components manufactured and sold by the Company include bulk commodities such as copper, aluminium, and steel. The procurement costs of electronic components, such as memory chips and display panels, have escalated significantly due to changes in industry supply and demand, and the prices of materials such as light rare earths also show a significant upward trend. Coupled with fluctuations in energy and logistics costs, production costs are under obvious pressure. The profit margin of the home appliance industry is relatively low. If product price pass-through and cost control measures cannot completely offset the comprehensive upward pressure on production factor prices, the Company's operating results may be affected to a certain extent. To mitigate the risk of cost fluctuations, the Company continues to optimise its futures hedging strategies for bulk raw materials, while establishing long-term price linkage mechanisms with core suppliers to reduce procurement costs through large-scale procurement and supply chain synergy.



Supply Chain Risks

In 2025, the trend of regional restructuring for the global supply chain deepened further, while overseas trade barriers continued to push up supply chain operating costs. Furthermore, the geopolitical conflicts in the Middle East and the Red Sea shipping crisis continued to escalate. Therefore, logistics costs on core routes soared and shipping cycles were significantly impacted. Port operation restrictions also led to rising risks of cargo backlog and order default. All of these posed a severe test to the resilience of global industrial and supply chains. To cope with the complex supply chain environment, the Company continues to deepen its globalised and diversified supply strategy, accelerate the construction of supporting supply chains for overseas production bases, deepen end-to-end cooperation with "Strategic + Core" suppliers, and build a more resilient global integrated supply chain system to ensure stable raw material supply and efficient product delivery, thereby supporting the steady development of its global business.

Policy Compliance Risks

Despite the continuous expansion of the Company's business in the PRC and abroad, multiple factors such as evolving international trade policies, increasingly stringent regulatory environments in various countries, and changing international political situations have exposed the Company to more severe trade, compliance, and political risks (including geopolitical risks). These risks primarily manifest as trade policy uncertainties, export control and sanctions compliance challenges, privacy protection and data security concerns, anti-commercial bribery risks, antitrust vulnerabilities, environmental regulatory compliance obligations, and uncertainties stemming from political instability. Additionally, the imposition of anti-dumping initiatives by key countries and regions has significantly fuelled protectionism and trade disputes, further elevating the Company's operational costs.

In response to increasingly stringent and diverse global compliance regulatory requirements, the Company strictly adheres to all applicable laws and has established a comprehensive compliance management system. Under the guidance of the Compliance Management Committee, the Company has established three lines of defence with Business Compliance Officers at the core, refined hierarchical and scenario-based compliance systems, deepened digital compliance risk governance integrated into business processes, and strengthened inspection, supervision, and cultural cultivation. It has enhanced the effectiveness of compliance management through certifications such as ISO 27701 and ISO 37001. Targeting the regulatory characteristics of key countries and regions of operation, the Company continues to

strengthen localised compliance capability building, enhancing the compliance awareness and risk response capabilities of front-line teams through routine training, dynamic tracking of laws and regulations, and analysis of typical cases. In the field of anti-monopoly compliance, the Company focuses on major jurisdictions in its overseas business presence, systematically conducting specialised training for business teams, legal personnel, and management to provide in-depth interpretations of local anti-monopoly laws, enforcement trends, and typical cases. In addition, the Company establishes a compliance event tracking mechanism to continuously monitor major enforcement cases, judicial precedents, and regulatory dynamics in various jurisdictions, providing timely internal legal communication and risk warnings to ensure that business decisions are synchronised with compliance requirements. Through pre-emptive and scenario-based management methods, the Company effectively prevents anti-monopoly compliance risks and ensures the steady operation of its overseas business.

Some risks have not yet been fully covered by the existing compliance system or are difficult to effectively prevent and control, especially abrupt changes in policies and regulations due to political factors. To manage such risks, the Company works actively with external parties to build a monitoring mechanism for close monitoring of changes in laws, regulations and policies. Additionally, it also adopts a response mechanism for abrupt compliance risks to minimise the negative effects of policy regulation risks on its business.

Intellectual Property Risks

As the intellectual property (IP) protection awareness continues to rise across global jurisdictions, national legislations are becoming more sophisticated, while judicial and law enforcement actions are continuously tightening. Intellectual property has become a key barrier to competition for multinational technology enterprises. For TCL, as its global presence continues to expand across Europe, America, Latin America, and Asia-Pacific, the IP risks have increased significantly, with frequent cross-border patent disputes and Standard Essential Patent (SEP) licensing controversies. Coupled with differences in judicial rules across regions, the complexity and difficulty of global risk management have been further exacerbated.

IP risks in the U.S. market are particularly significant. In particular, courts in the Texas districts rely heavily on jury verdicts and frequently award massive damages, with wilful infringement leading to enhanced damages, causing significant economic losses to enterprises. In addition to district courts, the U.S. International Trade Commission may issue exclusion orders directly in Section 337 investigations to completely block access to the North American market. All of these pose a dual high-pressure threat to TCL, which primarily relies on hardware exports.

Compared to high economic compensation in the U.S., courts in Brazil, Europe, and India tend to resolve IP infringement disputes through injunctions. Brazilian courts may issue preliminary injunctions before final judgment to prohibit the produc-

tion, sales, and import of the products involved, with high daily fines imposed for non-compliance. European courts and the Unified Patent Court maintain a flexible standard for reviewing injunction applications, making it relatively accessible for SEP holders to obtain injunctions in patent disputes. Indian courts have also strengthened enforcement in recent years, with a growing inclination to impose injunctions against infringing parties. Such injunctions directly cut off local distribution channels and pose a deterrent effect far exceeding that of monetary damages, significantly increasing the likelihood of reaching a patent licensing agreement between both parties.

Faced with global IP risks, TCL needs to build targeted prevention and control mechanisms. At the outset, the Company needs to strengthen its proprietary patent reserves. This involves increasing R&D in core technologies and strategically positioning high-value and defensive patents to fortify technical barriers and enhance bargaining power in negotiations. Secondly, specific risk provisions must be made. From a financial perspective, the Company will set aside contingency funds in advance to buffer against the potential risks of substantial monetary damages. Thirdly, deepening local resource engagement. This includes liaising with professional law firms and industry bodies across various jurisdictions to gain insights into local judicial rules. The Company will also establish pre-emptive risk screening and early warning mechanisms to mitigate disputes at their source, ensuring the steady advancement of its global operations.

Financial Risks

Foreign Exchange Risks

Anchored in its “Globalisation” strategy, the Company engages in a wide array of economic activities, including raw material procurement, manufacturing, sales, and investment and financing, across regions such as China, Europe, North America, Latin America, Southeast Asia, and the Middle East and Africa. International operations constitute a pivotal component of the Company's business, with foreign sales revenue accounting for approximately 60% in 2025. Amid the turbulent global situation, frequent geopolitical conflicts, and significant global exchange rate volatility in 2025, and with the continued expansion of the Company's overseas ventures, assets and liabilities denominated in foreign currencies, as well as foreign currency transactions, the Company is likely to remain exposed to pronounced exchange rate fluctuation risks. In navigating the dynamic foreign exchange market, the Company adheres to the “risk-neutral” principle, devising hedging strategies aligned with its operational model. It employs a multifaceted approach leveraging natural hedging, supplemented by derivative instruments such as foreign exchange forwards and swaps, to mitigate the impact of exchange rate volatility on its financial performance, thereby reducing associated uncertainties. Concurrently, the Company actively manages its foreign exchange capital operations, enhancing its capabilities in foreign exchange risk management and capital efficiency. This ensures the preservation of foreign exchange asset value, providing robust support for the Company's stable operations within the global market.

Liquidity Risks

The Company places paramount importance on liquidity management, ensuring stable business operations by continuously optimising cash reserves and capital structure. As of the end of the reporting period, the Company's current ratio stood at 1.1, with a quick ratio of 0.7, and its asset-liability ratio at 80.8%, reflecting a year-on-year decrease of 1.9 percentage points. The interest-bearing liability ratio was 17.7%, marking a year-on-year decrease of 1.4 percentage points. The Company's total interest-bearing liabilities balance amounted to CNY 26.40 billion, with maturities distributed as follows: CNY 12.06 billion due within one year, CNY 3.85 billion due in one to two years, CNY 6.83 billion due in two to five years, and CNY 3.67 billion due beyond five years. To manage liquidity risk more effectively, the finance department dynamically monitors both short- and long-term funding requirements at the group level, based on cash flow forecasts provided by each subsidiary. This ensures the Company maintains sufficient cash and highly liquid assets to comprehensively support its business development needs. Additionally, the Company proactively engages in capital planning and sustains strong cooperative relationships with banks and other financial institutions. In the event of short-term cash flow fluctuations, the Company is well-positioned to secure the necessary operational funds promptly through measures such as short-term borrowing.



06

Financial
Statements

Financial Statements

TCL Industries Holdings Co., Ltd Consolidated Financial Statements (Notes)

(From January 1, 2025, to December 31, 2025)

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Note *Financial data is disclosed in this report based on Chinese accounting standards and audited

Consolidated Balance Sheet

CNY'000

Assets	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	20,053,240	15,843,733
Trading financial assets	9,788,499	8,529,942
Derivative financial assets	243,651	530,242
Notes receivable	2,727,199	5,066,895
Accounts receivable	32,521,604	29,499,832
Prepayments	1,470,412	1,603,176
Other receivables	4,936,931	4,701,285
Receivables financing	697,242	583,921
Inventories	28,185,178	23,827,575
Contract assets	73,759	25,194
Assets held for sale	-	-
Non-current assets due within one year	611,001	703,917
Other current assets	9,280,296	9,865,052
Total current assets	110,589,012	100,780,764
Non-current assets:		
Loans and advances	150,265	407,071
Debt investments	272,621	913,306
Long-term receivables	1,740,170	1,082,918
Long-term equity investments	4,557,220	4,224,646
Other equity investments	997,664	1,586,546
Other non-current financial assets	992,358	1,706,302
Investment properties	5,135,557	6,255,865
Fixed assets	12,240,419	10,238,663
Construction in progress	1,009,577	1,265,155
Right-of-use assets	1,225,226	1,313,056
Intangible assets	3,084,318	2,225,641
Development expenses	282,915	278,922
Goodwill	3,293,929	3,032,251
Long-term unamortised expenses	984,013	847,602
Deferred income tax assets	1,274,142	990,726
Other non-current assets	1,025,403	1,250,097
Total non-current assets	38,265,797	37,618,766
Total assets	148,854,809	138,399,530

Legal representative: DU Juan

CEO: DU Juan

CFO: PENG Pan

Consolidated Balance Sheet (Continued)

CNY'000

Consolidated Balance Sheet	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	10,817,996	8,917,998
Held-for-trading financial liabilities	-	10,000
Derivative financial liabilities	214,647	575,059
Notes payable	9,488,155	10,059,771
Accounts payable	48,909,293	41,230,810
Advances from customers	357,813	381,588
Contract liabilities	3,001,367	3,819,708
Financial assets sold under repurchase	192,786	489,774
Payroll payable	5,280,565	4,796,226
Taxes payable	1,763,649	1,495,938
Other payables	18,140,983	20,835,572
Non-current liabilities due within one year	2,403,006	1,997,306
Other current liabilities	3,348,681	2,094,729
Total current liabilities	103,918,941	96,704,480
Non-current liabilities:		
Long-term borrowings	13,231,741	15,324,004
Bonds payable	150,000	
Projected liabilities	884,012	269,076
Lease liabilities	998,920	1,062,823
Long-term payables	28,903	175,126
Long-term payroll payable	134,483	116,066
Deferred income	232,761	178,048
Deferred income tax liabilities	495,125	491,843
Other non-current liabilities	260,950	184,200
Total non-current liabilities	16,416,895	17,801,186
Total liabilities	120,335,836	114,505,664
Owner's equity (shareholders' equity):		
Share capital	3,225,000	3,225,000
Capital reserve	275,068	590,547
Special reserves	25	25
Other comprehensive income	-1,733,880	-1,704,944
Surplus reserve	378,799	258,384
General risk reserves	54,339	54,339
Undistributed profit	8,013,158	5,383,364
Equity attributable to shareholders of the parent company	10,212,509	7,806,714
Minority interests	18,306,464	16,087,150
Total shareholders' equity	28,518,973	23,893,864
Total liabilities and shareholders' equity	148,854,809	138,399,530

Legal representative: DU JuanCEO: DU JuanCFO: PENG Pan

Consolidated Income Statement

CNY'000

	Current period amount	Comparative period amount
1. Total operating income	170,693,915	150,034,637
Of which: Operating income	170,693,915	150,034,637
2. Total costs of sales	162,669,011	143,556,523
Of which: Costs of sales	140,635,176	123,230,181
Taxes and surcharges	762,689	759,670
Sales expenses	10,318,551	9,382,721
Administrative expenses	5,687,617	5,437,395
R&D expenses	4,659,869	4,372,326
Financial expenses	605,109	374,230
Of which: Interest expenses	1,414,195	1,493,192
Interest income	765,857	985,609
Plus: Other income	666,105	588,631
Investment income	152,283	291,896
Of which: Investment income from associates and joint ventures	64,399	155,015
Gain on derecognition of financial assets measured at amortised cost	-	-
Net gain on hedges of net exposures	-26,470	-15,910
Gain from changes in fair value	187,774	130,902
Credit impairment loss	-254,517	-669,015
Asset impairment loss	-360,573	-627,436
Income from asset disposal	17,638	14,152
3. Operating profit	8,407,144	6,191,334
Plus: Non-operating income	125,838	131,900
Less: Non-operating expenditures	139,068	169,235
4. Total profit	8,393,914	6,153,999
Less: Income tax expenses	1,873,112	1,225,236
5. Net profit	6,520,802	4,928,763
(一) Classified by operating continuity		
1. Net profit from continuing operations	6,520,802	4,928,763
2. Net profit from discontinued operations	-	-
(二) Classified by ownership		
1. Net profit attributable to shareholders of the parent company	3,074,932	1,957,688
2. Profit or loss attributable to minority shareholders	3,445,870	2,971,075

Legal representative: DU JuanCEO: DU JuanCFO: PENG Pan

Consolidated Cash Flow Statement

CNY'000

	Current period amount	Comparative period amount
1. Cash flow from operating activities:		
Proceeds from sales of commodities and rendering of services	190,631,289	175,430,147
Tax and levy rebates	5,740,874	4,401,041
Cash from other operating activities	5,119,948	4,333,186
Total cash inflow from operating activities	201,492,111	184,164,374
Payments for commodities and services	160,397,258	147,253,341
Cash paid to and for employees	16,545,140	14,119,749
Taxes and surcharges paid	6,084,289	4,619,978
Cash used in other operating activities	9,831,956	9,434,228
Total cash outflow from operating activities	192,858,643	175,427,296
Net cash flow from operating activities	8,633,468	8,737,078

2. Cash flow from investment activities		
Proceeds from disinvestments	68,747,924	28,539,883
Proceeds from return on investments	713,090	648,262
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	54,900	54,542
Net proceeds from disposal of subsidiaries and other business units	52,848	120,513
Cash from other investing activities	399,453	912,802
Total cash inflow from investment activities	69,968,215	30,276,002
Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets	3,348,670	3,214,756
Payments for investments	67,217,941	33,268,173
Payments for acquisition of subsidiaries and other business units	268,357	-
Cash used in other investing activities	207,652	630,066
Total cash outflow from investing activities	71,042,620	37,112,995
Net cash flow from investing activities	-1,074,405	-6,836,993

3. Cash flow from financing activities		
Cash received from capital injection	1,854,400	1,032,510
Cash received from borrowings	30,206,161	23,159,999
Cash received from issuance of bonds	177,000	-
Cash from other financing activities	231,141	412,022
Total cash inflow from financing activities	32,468,702	24,604,531
Cash paid for debt repayment	27,900,433	22,776,566
Cash paid for distribution of dividends and profits or payment of interests	2,914,422	2,854,205
Of which: Dividends and profits paid by subsidiaries to minority shareholders	1,717,897	1,305,781
Other cash paid in relation to financing activities	4,581,499	1,924,637
Total cash outflow from financing activities	35,396,354	27,555,408
Net cash flow from financing activities	-2,927,652	-2,950,877

Legal representative: DU JuanCEO: DU JuanCFO: PENG Pan

Consolidated Cash Flow Statement (Continued)

CNY'000

	Current period amount	Comparative period amount
4. Effect of exchange rate changes on cash and cash equivalents	-16,904	95,495
5. Net increase of cash and cash equivalents	4,614,507	-955,297
Plus: Beginning balance of cash and cash equivalents	13,627,427	14,582,724
6. Closing balance of cash and cash	18,241,934	13,627,427

Legal representative: DU JuanCEO: DU JuanCFO: PENG Pan

Definitions

Term	means	Definition
TCL Industries, the Company	means	TCL Industries Holdings Co., Ltd.
TCL Electronic	means	TCL Electronics Holdings Limited, a subsidiary of the Company listed on the HKEX (stock code: 01070.HK)
TCL Smart Home	means	Guangdong TCL Smart Home Co., Ltd., formerly known as Guangdong Homa Appliances Co., Ltd., a subsidiary of the Company listed on the SZSE (stock code: 002668.SZ)
TCL Air Conditioner	means	TCL Air Conditioner (Zhongshan) Co., Ltd.
Tonly Technology	means	Tonly Technology Co., Ltd.
TCL Environmental Technology	means	TCL Environmental Technology Co., Ltd.
TCL Financial Service	means	TCL Financial Service Holding Group (Guangzhou)Co., Ltd.
TCL Industrial Park	means	TCL Technology Industrial Park Co., Ltd.
Getech	means	Getech Technology Co., Ltd.
Hefei Household Appliances	means	TCL Household Electric Appliance (Hefei) Co., Ltd.
Homa Refrigerator	means	Guangdong Homa Refrigerator Co., Ltd.
JDH	means	JDH Information Technology (Zhuhai) Co., Ltd.

Exchange Rate

CNY/HKD	2025.01-12	2024.01-12
Average rate	0.9152	0.9122
CNY/HKD	2025.12.31	2024.12.31
Closing rate	0.9029	0.9258



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