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TCL ELECTRONICS HOLDINGS LIMITED

TCL 電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board is pleased to announce the consolidated results and financial position of the Group for the year ended 31 December 2024 with comparative figures for the corresponding period of the preceding financial year.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	Change
	HK\$ Million	HK\$ Million	
Revenue	99,322	78,986	25.7%
Gross profit	15,554	13,674	13.8%
Profit after tax	1,849	827	123.6%
Profit attributable to owners of the parent	1,759	744	136.6%
Non-HKFRS measure:			
Adjusted profit attributable to owners of the parent	1,606	803	100.1%
Proposed final dividend per share (HK cents)	31.80	16.00	98.8%

BUSINESS REVIEW AND OUTLOOK

1. Overview

Economic Recovery Amidst Uncertainties, Adherence to Maintaining Existing Strategies and Enhancing Operational Efficiency for Sustainable Growth

In 2024, the global economy experienced a gradual recovery, with the International Monetary Fund (IMF) predicting a 3.2% global economic growth¹, lower than the pre-pandemic level but stabilising overall. The application of emerging technologies such as AI has injected new momentum into economic growth. However, challenges such as trade protectionism, geopolitical conflicts and financial market volatility remained. China's economy made steady progress, driven by export growth and government stimulus measures, achieving a full-year GDP growth target of 5.0%².

According to Omdia's data, the shipment of global TV industry grew by 3.7% year-on-year in 2024, driven by multiple factors such as global economic recovery and major sports events. Notably, the global shipment of 75-inch and above TV and Mini LED TV increased by 32.9%³ and 107.2%⁴ year-on-year, respectively, becoming the core driver of market growth. Meanwhile, market consolidation amongst leading enterprises in the industry continued, with the combined market share of the top four global TV brands further rising to 54.6% in 2024⁵, up from 53.8% in 2023. In the PRC market, the "trade-in" policy effectively stimulated replacement demand, leading to growth beating expectations in penetration of large-screen TV and Mini LED TV, driving a double-digit increase in the industry's average retail price⁶.

¹ Source: *World Economic Outlook*, International Monetary Fund, January 2025.

² Source: National Bureau of Statistics of the PRC.

³ Source: Global brand TV shipment of 2024 from Omdia.

⁴ Source: Global brand TV shipment of 2024 from Sigmaintell.

⁵ Source: Global brand TV shipment from 2023 to 2024 from Omdia.

⁶ Source: Brand TV retail sales volume of 2024 in the PRC market from CMM's omni-channel data.

The global large home appliance market remained stable in scale. However, consumption upgrading trends favouring high-end, intelligent and eco-friendly products have become the mainstream direction of the industry, promoting the popularisation, replacement and upgrade of large home appliances. Meanwhile, the photovoltaic market maintained its rapid growth trajectory, with the photovoltaic industry in China witnessing an addition of 277.6GW in new grid-connected capacity in 2024, representing a 28.3% year-on-year increase. Notably, the distributed photovoltaic industry saw a year-on-year increase of 22.7% in new grid-connected capacity, reaching 118.2 GW⁷. In addition, the rapid development of new technologies such as AR/VR/AI has brought broad application prospects for the market, as well as new opportunities and growth trends for business development. Amongst them, the scale of the global AR/VR market is expected to reach US\$83 billion by 2029, with a compound annual growth rate of 45%⁸. The global market scale for companion robot is also expected to exceed RMB300 billion by 2029, with a compound annual growth rate of 21%⁹.

Navigating a market environment characterised by both opportunities and challenges, the Group adhered to the strategic direction of “Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, Thrive on Global Vitality” in 2024, focusing on enhancing core competitiveness. Through strategies of mid-to-high-end and globalisation operations, the Group deeply cultivated the smart device market, actively seized opportunities brought by China’s “trade-in” policy for home appliances and major international sporting events, steadily advancing high-quality growth in the display business. Simultaneously, the Group continued to expand into innovative business areas such as photovoltaic business and all-category marketing business, as well as took the lead in entering innovative fields including AR/XR smart glasses and companion robot, achieving revenue diversification and maintaining high-speed growth, thereby further enhancing overall operational quality.

⁷ Source: National Energy Administration of the PRC.

⁸ Source: Sigmaintell/China IRN/Research and Markets.

⁹ Source: Market Monitor.

Global Scale Surges with Profit Doubling, Maintaining High Dividend Policy to Reward Shareholders

For the year ended 31 December 2024, the Group achieved revenue of HK\$99,322 million, representing a year-on-year increase of 25.7%. During the year, the Group's "TCL + Falcon" dual brand and "Mid-to-High-End + Large-Screen" strategies yielded significant results. Meanwhile, the Group actively seized policy opportunities, fully leveraging its display business, with the scale effect of its innovative business gradually strengthened, driving a year-on-year increase of 13.8% in gross profit to HK\$15,554 million. In terms of cost control, the Group continuously optimised its operational efficiency. In 2024, the selling and distribution expense ratio decreased by 1.0 percentage point year-on-year to 7.6% owing to the precision marketing strategy, whilst the administrative expense ratio decreased by 0.9 percentage points year-on-year to 4.2%, resulting in a year-on-year decrease of 1.9 percentage points in overall expense¹⁰ ratio to 11.8%. The Group's profit after tax in 2024 increased by 123.6% year-on-year to HK\$1,849 million. Profit attributable to owners of the parent grew by 136.6% year-on-year to HK\$1,759 million, and adjusted profit attributable to owners of the parent reached HK\$1,606 million, representing a year-on-year increase of 100.1%. In recognition of the long-term support from Shareholders, the Board proposed a final dividend of HK31.80 cents per Share in cash, representing a dividend payout ratio of approximately 50.0% of the adjusted profit attributable to owners of the parent, fully demonstrating the Group's sincerity in sharing development results with Shareholders.

During the year, the Group's overall financial position remained healthy. As at 31 December 2024, the Group's net gearing ratio¹¹ remained at 0.0%. Adhering to a strategic direction prioritising efficiency, the Group continued to optimise its supply chain, logistics and service capabilities, and partner ecosystem through globalisation, enhancing its global operational capabilities, and improving operational efficiency. During the year, the Group's inventory turnover days¹² was 65 days, down by 3 days year-on-year, demonstrating robust and comprehensive operational capabilities and financial strength, laying a solid foundation for the Group's sustainable development in the future.

¹⁰ Overall expenses include selling and distribution expenses and administrative expenses.

¹¹ Gearing ratio (net) is calculated as net debt (i.e. total interest-bearing bank and other borrowings and lease liabilities less cash and cash equivalents, and restricted cash and pledged deposits) divided by equity attributable to owners of the parent.

¹² Inventory turnover days is calculated based on the average balance over 12 months.

Sales Volume and Revenue of Large-Sized Display Business Outpace the Industry, Mini LED TV Surpasses Expectations with Scale Tripled Year-on-Year, Innovative Business Shows Strong Growth Momentum

Leveraging effective enhancement of brand influence, active development in the global market and continuous optimisation of product structure, the Group's display business revenue increased by 22.8% year-on-year to HK\$69,440 million in 2024. The Group continued to expand and deepen the coverage of key channels in multiple regions such as North America, Europe and Emerging Market, driving TCL TV to rank among the top three in terms of shipment in nearly 20 countries around the world¹³. In 2024, shipment of global TV industry grew by 3.7%¹⁴ year-on-year, while the shipment of the Group's TCL TV increased by 14.8% year-on-year to 29 million sets, with the market share increasing by 1.4 percentage points year-on-year to 13.9%, ranking among the top two TV brands in the world¹⁵ and significantly outperforming the industry average. In the Mini LED TV segment, shipment scale of the global industry doubled in 2024. Benefitting from the significant effectiveness of the mid-to-high-end strategy, the Group's TV product structure was further improved. Global shipment of TCL Mini LED TV exceeded 1.7 million sets, with a year-on-year growth of 194.5%, and its global market share in terms of shipment increased by 9.9 percentage points year-on-year to 22.5%, ranking second in the world¹⁶.

Meanwhile, the Group continued to leverage the brand strength, globalised channel resources, and advantages of vertical integration across the entire industry chain accumulated from the display business to drive the rapid development of innovative business such as photovoltaic business and all-category marketing business. During the year, the revenue from innovative business rapidly increased by 44.9% year-on-year to HK\$27,009 million, with the gross profit increasing by 30.5% year-on-year to HK\$3,347 million. Notably, the revenue and gross profit of the photovoltaic business grew significantly by 104.4% and 104.4% year-on-year to HK\$12,874 million and HK\$1,230 million, respectively. The revenue of the all-category marketing business increased by 19.6% year-on-year to HK\$12,446 million, with the gross profit increasing by 8.9% year-on-year to HK\$1,733 million.

¹³ Source: U.S./Canada/Mexico retail market survey report of Circana, global market survey report of GfK, based on TV retail sales volume in January 2024 to December 2024.

¹⁴ Source: Global brand TV shipment of 2024 from Omdia.

¹⁵ Source: Global brand TV shipment of 2024 from Omdia.

¹⁶ Source: Global Mini LED TV shipment of 2024 from Sigmaintell.

Diverse Brand Marketing and Global Customer Management, Driving Enhancement in Both Marketing Efficiency and Brand Value

In 2024, benefitting from the continuous launch of smart device products with market-leading advantages and a firm branding strategy of localisation and precision marketing tactics, the Group successfully drove the continuous improvement of brand awareness and reputation. Meanwhile, the Group strengthened global marketing across multiple aspects, including brand marketing, channel management, retail management, and user and e-commerce management, through sports marketing, diversified event sponsorships, and the establishment of a global customer management system, effectively enhancing marketing efficiency and brand value. In 2024, the global brand index of TCL TV increased by 5.0% year-on-year to 89¹⁷, and the TCL brand was recognised in the “Google x Kantar BrandZ Top 50 Chinese Global Brand Builders” for the eighth consecutive year. In February 2025, TCL was officially announced to be a Worldwide Olympic Partner. In future collaboration, TCL will provide technology, product and service support for the Olympic Games, focusing on smart device segments such as TVs, air conditioners, refrigerators and washing machines. By becoming a highest-level global partner of the International Olympic Committee, TCL not only showcases the global brand strength and influence but also further activates the brand marketing potential and limitless possibilities of TCL across the globe in the future.

With Enhancement of Product Competitiveness and R&D Efficiency as Key Focus, Active Deployment in the New AI Racetrack, Continuous Technological Innovation to Improve User Experience

In 2024, the R&D costs of the Group amounted to HK\$2,335 million. The Group continued to focus on the smart device field, prioritising investment in cutting-edge display technologies such as Mini LED and QLED, as well as forward-looking innovative products like AR/XR smart glasses and AI robot. The Group achieved several breakthroughs in key technological fields, including display, AI and IoT, further consolidating its industry-leading position.

¹⁷ The brand index is calculated by dividing the market share of global brand TV sales revenue by the market share of global brand TV shipment of 2024 from Omdia.

During the year, the Group launched a wide array of products including Mini LED TVs, tablets, AR/XR glasses, air conditioners, refrigerators and washing machines, which have been widely recognised for their outstanding performance and innovative designs, and won numerous international accolades. In January 2025, at CES, the Group introduced the X11K QD-Mini LED TV for the North American market, representing the “top-tier image quality”, showcasing the continuous breakthroughs in display technologies. This TV model utilises world-leading QD-Mini LED technology, featuring 14,000-level local dimming zones, a peak brightness of 6,500 nits, and All-domain Halo Control Technology, combined with proprietary lenses, high-efficiency light-emitting chips, ultra-close OD, backlight response algorithms, and a 7,000:1 ultra-high native contrast ratio screen, elevating Mini LED display to new heights in the industry. The TCL X11K TV also received the CES 2025 “Mini LED Display Technology Innovation Award”. Meanwhile, the Group unveiled the world’s first modular AI companion robot, TCL Ai Me, marking a significant step in its innovative exploration in the smart home field and demonstrating its technological prowess in the area of AI and IoT integration.

Additionally, TCL X11 QD-Mini LED TV was awarded the “AWE Gold Award”, and NXTPAPER 14 Pro tablet received both the “AWE Excellent Product Award” and the “Eye Protection Display Technology Innovation Award”, showcasing the Group’s leading position in the next-generation display technology. TCL Fresh Air P7 air conditioner, and TCL Free Built-in Refrigerator R540P12-DQ were honoured with the “AWE Innovation Award” and the “AWE Excellent Product Award”, respectively. RayNeo X2 Lite AR glasses were recognised with the “AR Glasses Innovation Award of the Year 2023-2024”, highlighting the Group’s innovative achievements in the smart home appliance and AR/XR sectors, and cementing the Group’s status as one of the global frontrunners in consumer-grade AR/XR hardware. Furthermore, 10 products and designs including the TCL X11 QD-Mini LED TV were awarded the prestigious “2024 iF Design Award”, further demonstrating the Group’s outstanding prowess in product design.

2. Display Business

2.1 Large-Sized Display

TCL TV Sales Volume and Revenue Soar, Outpacing the Industry with Mini LED TV Sales Exceeding Expectations and Tripling Year-on-Year

In 2024, driven by major sporting events like the Euro Cup and the Olympic Games, shipment of global TV industry grew by 3.7%¹⁸ year-on-year. By deepening “TCL + Falcon” dual-brand and the “Mid-to-High-End + Large-Screen” strategic layout, the Group continued to innovate in Mini LED display technology and actively seized domestic policy opportunities, successfully consolidating its industry-leading position. In 2024, global shipment of TCL TV reached 29 million sets, up by 14.8% year-on-year, setting a historical high. The revenue for the large-sized display business increased by 23.6% year-on-year to HK\$60,108 million, significantly outperforming the market in terms of both sales volume and revenue.

According to the latest report from Omdia¹⁹, TCL TV’s global market share in terms of shipment grew from 5.6% in 2015 to 13.9% in 2024, ranking among the top two globally. Moreover, the market share in terms of sales revenue reached 12.4%, representing a year-on-year increase of 1.7 percentage points, ranking among the top three globally, achieving the highest year-on-year growth in terms of market share for both sales volume and revenue among the top 10 TV brands. In the fourth quarter of 2024, global shipment of TCL TV increased by 19.3% year-on-year and 20.0% quarter-on-quarter, maintaining a high growth momentum throughout the year.

In 2024, the Group continued to grasp the large-screen and high-end global market trends, maintaining double-digit growth in large-screen TV shipment. The global shipment of TCL TV of 65-inch and above increased by 21.3% year-on-year, with the proportion rising by 1.4 percentage points year-on-year to 26.0%; shipment of 75-inch and above TCL TV grew by 39.8% year-on-year, with the proportion increasing by 2.4 percentage points year-on-year to 13.2%. The global average size of TCL TV shipped increased by 1.3 inches year-on-year to 52.4 inches. Global shipment of the Group’s mid-to-high-end products, i.e., QLED TV and Mini LED TV, significantly increased by 69.5% and 194.5% year-on-year, respectively, whilst maintaining leading position worldwide in terms of Mini LED TV scale.

¹⁸ Source: Global brand TV shipment of 2024 from Omdia.

¹⁹ Source: Global brand TV shipment and sales revenue from 2015 to 2024 from Omdia.

At the same time, the Group continuously deepened the application of AI technologies in products by further expanding cooperation with Google. The Group will integrate Gemini, Google’s AI large-language model, into the overseas flagship TV series, which enables precise analysis of users’ viewing habits and interest preferences, and personalised recommendations, offering users a smarter and more convenient product experience.

The PRC Market

According to CMM’s omni-channel data²⁰, the retail sales volume of the nationwide TV market declined by 1.8% year-on-year due to weak overall consumer demand. The Group continued to deepen the “TCL + Falcon” dual-brand strategy, comprehensively increasing the market share. In 2024, shipment of TCL TV in the PRC market grew against the trend by 5.8% year-on-year, with shipment of Falcon-branded TV increasing by 38.5% year-on-year, showing particularly impressive performance. Meanwhile, benefitting from the advancement of the mid-to-high-end strategy, product structure continued to improve, with the average domestic shipment price of TCL TV increasing by 12.4% year-on-year, driving revenue growth of 18.9% year-on-year to HK\$19,046 million. In terms of gross profit margin, due to the relatively large increase of the shipment proportion of Falcon-branded TV when compared to that in the corresponding period in 2023, the gross profit margin²¹ in the PRC market decreased by 1.6 percentage points year-on-year to 19.8% in 2024.

Starting from August 2024, various municipal departments in China successively implemented “trade-in” policies, further stimulating market demand. From August to the end of 2024, retail sales revenue and volume of TCL TV in the PRC market increased by 35.2% and 16.0% year-on-year respectively, significantly outperforming the market’s year-on-year growth of 23.6% and 3.0%²² during the same period. This achievement fully demonstrated the Group’s strong product competitiveness and brand influence, further solidifying its leading position in the PRC market.

²⁰ Source: Retail sales volume of TV brand of 2024 in the PRC market from CMM’s omni-channel data.

²¹ To provide investors with more comparable data with peers, the Group voluntarily adopted the requirements in the *Interpretation No. 18 of Accounting Standards for Business Enterprises* of the Chinese Accounting Standards for Business Enterprises, making corresponding changes to the originally adopted accounting policies, to reclassify the guarantee-type quality assurance costs from selling and distribution expenses to cost of sales, effective from 1 January 2024, and restated the comparative figures for 2023.

²² Source: Aggregated data from CMM’s online and offline weekly reports, week 31 to week 52 in 2024.

Propelled by the “trade-in” policies, the Group achieved significant breakthroughs in the mid-to-high-end market, with the increase in the retail sales volume of TCL Mini LED TV exceeding expectations. In 2024, TCL Mini LED TV ranked first in retail sales volume in the PRC market²³, with shipment increasing by 264.7% year-on-year, and its shipment proportion rising by 10.9 percentage points year-on-year to 15.3%. In the fourth quarter of 2024, the shipment proportion of TCL Mini LED TV increased significantly by 19.3 percentage points year-on-year to 24.4%. The large-screen trend continued to expand, with the average screen size of TCL TV shipment in the PRC market reaching 63.3 inches in 2024, up by 1.9 inches year-on-year. Notably, shipment of 75-inch and above TCL TV grew by 23.1% year-on-year, with its shipment proportion increasing by 5.3 percentage points year-on-year to 37.7%, reflecting strong consumer demand for large-screen high-end products.

International Market

Leveraging precision marketing in the global market, TCL TV continuously enhanced its global brand influence, while the mid-to-high-end strategy drove improvement in product competitiveness. In 2024, the growth in the business scale of TCL TV’s international market accelerated, with a year-on-year shipment growth of 17.6% for the year, and a year-on-year shipment growth of 23.7% for the second half of the year. The average shipment price increased by 7.0% year-on-year, and revenue grew by 25.9% year-on-year to HK\$41,062 million. The gross profit margin basically remained stable at 13.5%²⁴. Notably, shipment of TCL Mini LED TV grew rapidly at a year-on-year rate of 135.5%, and shipment of 75-inch and above TCL TV increased significantly by 79.7% year-on-year. The average screen size of shipment of TCL TV in international market reached 49.4 inches, up by 1.5 inches year-on-year. TCL TV’s product structure in the international market continued to optimise, demonstrating strong market competitiveness.

Taking advantage of major sporting events like the Euro Cup and the Olympic Games, the Group increased its precision brand marketing investments and strengthened channel coverage in key regions such as North America, Europe and Emerging Market. According to data from GfK and Circana, TCL TV ranked among the top three in terms of retail sales volume in nearly 20 countries overseas, further consolidating the Group’s global market position.

²³ Source: Retail sales volume of TV brand of 2024 in the PRC market from CMM’s omni-channel data.

²⁴ To provide investors with more comparable data with peers, the Group voluntarily adopted the requirements in the *Interpretation No. 18 of Accounting Standards for Business Enterprises* of the Chinese Accounting Standards for Business Enterprises, making corresponding changes to the originally adopted accounting policies, to reclassify the guarantee-type quality assurance costs from selling and distribution expenses to cost of sales, effective from 1 January 2024, and restated the comparative figures for 2023.

- **North American Market:** The Group successfully enhanced the competitiveness of TCL brand through a series of effective localisation tactics. During the year, the Group collaborated with influential local brands like NFL, integrating TCL brand with local culture and bringing North American consumers closer through sports marketing, which effectively increased brand awareness and reputation. The Group also proactively optimised channel layouts and product structure to better meet the diverse demand of North American consumers. As a result, shipment of TCL TV grew by 6.4% year-on-year in 2024, exceeding the TV industry's overall growth rate of 4.0%²⁵ during the same period. Notably, shipment of 75-inch and above TCL TV increased by 67.6% year-on-year. According to Circana's data²⁶, for market share in terms of retail sales volume, TCL TV maintained a top two position in the U.S. and ranked third in Canada.
- **Emerging Market:** Despite signs of overall economic recovery, some regions still faced challenges such as inflation and geopolitical instability. According to Omdia's data²⁷, shipment of the TV industry in 2024 grew by 3.0% year-on-year. In 2024, the Group further cultivated the Latin American market and actively developed channels in the Middle East and Africa market, while strengthening brand marketing efforts. In 2024, shipment of TCL TV in Latin America and the Middle East and Africa grew by 17.6% and 39.6% year-on-year, respectively, with overall Emerging Market shipment increasing by 12.7% year-on-year, significantly surpassing industry levels. According to GfK's data²⁸, TCL TV maintained the top one position in the industry in terms of retail sales volume in Australia, the Philippines, Myanmar and Pakistan, ranked second in Brazil and Saudi Arabia, and rose to the third in markets such as Argentina, Vietnam, Thailand and South Korea.

²⁵ Source: Brand TV shipment of 2024 in North American Market from Omdia.

²⁶ Source: U.S./Canada/Mexico retail market survey report of Circana, based on TV retail sales volume in January 2024 to December 2024.

²⁷ Source: Brand TV shipment of 2024 in Emerging Market from Omdia.

²⁸ Source: Global market survey report of GfK, based on TV retail sales volume in January 2024 to December 2024.

- **European Market:** Benefitting from major sporting events such as the Euro Cup and the Olympic Games, as well as continued economic recovery, the shipment of the TV industry grew by 9.3%²⁹ year-on-year in 2024. The Group continued to break through channels and expand store presence, complemented by precision marketing of sporting events. Shipment of TCL-branded TV grew by 33.8% year-on-year, with shipment of 75-inch and above TCL TV growing particularly strongly by 104.9% year-on-year. According to GfK's data³⁰, TCL TV ranked second in terms of retail sales volume in France and Sweden, the third in Spain, Poland, Greece and the Czech Republic.

2.2 Small-and-Medium-Sized Display

Focus on Key Countries with Steady Operation, Achieve Full Coverage among First-Tier Carriers in North America and Europe

According to IDC's data³¹, the global shipment of mobile phones and tablets saw a year-on-year growth of 4.2% and 12.4% in 2024, respectively. In this market environment, the Group's small-and-medium-sized display business adhered to the strategy of "Products-Driven, Breakthrough-Oriented", focusing on key countries, and achieved solid growth by driving differentiated innovation and improving operational efficiency. In 2024, the revenue from the Group's small-and-medium-sized display business increased by 19.9% year-on-year to HK\$8,459 million, with gross profit and gross profit margin reaching HK\$1,301 million and 15.4%, respectively. Notably, the tablet business performed exceptionally well, with revenue growing significantly by 31.1% year-on-year to HK\$3,087 million.

2.3 Smart Commercial Display

Provide Multi-Scenario Intelligent Commercial Service Solutions to Empower Long-Term Steady Growth

In 2024, the Group leveraged core display technologies such as Mini LED and QLED, with TCL's commercial OS as the link, connecting multiple display categories, and focused on the IFPD market, providing efficient product solutions for various scenarios, including smart education, smart conferences, and smart commerce. Additionally, in the digital signage field, the Group successfully expanded its business with flagship clients like Starbucks, Luckin Coffee and Honor, further consolidating the market position. In 2024, the expansion into the overseas education market was also fruitful, with the number of major IFPD clients increasing to over 10.

²⁹ Source: Brand TV shipment of 2024 in European Market from Omdia.

³⁰ Source: Global market survey report of GfK, based on TV retail sales volume in January 2024 to December 2024.

³¹ Source: Global shipment data of mobile phones and tablets of 2024 from IDC.

Through the deep integration of technological innovation and ecosystem cooperation, the Group achieved breakthroughs in multiple areas during the year, which not only enhanced brand influence but also laid a solid foundation for future sustainable development.

With this foundation, the Group based on its existing supply chain resources and the advantages of vertical integration within the industry chain, deepened cooperation with leading overseas IFPD brands, and launched multiple innovative products, such as the sixth-generation eye-protection IFPD 98X60A, the sixth-generation smart blackboard 86C60M, as well as the new category of smart displays for office use, i.e., the M series and E series. These new products are equipped with innovative designs such as cutting-edge paper-like display technology, second-level 4K high-definition screen, and the TCL Enterprise Edition OS, fully satisfying the lightweight and diversified needs of the office environment.

In 2024, the Group's smart commercial display business recorded a year-on-year growth of 2.1% in revenue, reaching HK\$873 million, with a gross profit margin year-on-year increase of 2.4 percentage points to 13.3%. This demonstrates the Group's product competitiveness in the field and continuous optimisation of operational efficiency.

3. Internet Business

Continuously Enhance User Experience and Services, Strengthen Overseas Market Penetration and Solidify Monetisation Capabilities

The Group is committed to expanding the global presence of its home internet business and strives to provide users with products and services that allow multi-screen real-time interaction and smart sensing across all scenarios. For the year ended 31 December 2024, the Group's global internet business revenue reached HK\$2,627 million, representing a year-on-year decline of 4.9%, primarily due to domestic large-screen content operation industry being in a temporary rectification phase. However, the profitability of the Group's internet business continued to strengthen, with the gross profit margin increasing by 1.3 percentage points year-on-year to 56.2%.

3.1 The PRC Market

In 2024, the Group's internet business in the PRC market centred around intelligence, convenience and innovation, focusing on optimal user experience, highlighting display advantages, and achieving breakthrough innovations in areas like AI scenario application. Through continuously enriching platform content and optimising operation efficiency, the Group further enhanced user loyalty and satisfaction. In terms of product innovation, as an innovator in the OTT field, the Group upgraded the "TCL LINGKONG UI 2.0" during the year, which greatly enhanced the convenience and comfort of use through functional optimisation like simplified control, customisable user profile system, ad-free, visual upgrade, etc., as well as functions like large-and-small-screen connection and editing of TV home screens by using mobile phones. Meanwhile, the Group has created its proprietary IP of "Lei Dong Dong" based on the AI large-language model and cooperated with leading children's IPs to introduce AI animation for children's education, continuing to provide users with rich and diversified platform content. During the year, the Group's internet business in the PRC generated revenue of HK\$1,807 million.

3.2 The International Market

In 2024, the Group continued to strengthen its close cooperation with internet giants such as Google, Roku and Netflix, further enhancing user service experience, and comprehensively upgraded TCL Channel, the Group's integrated content application, continuously enhancing the traffic monetisation capacity of the overseas business. As at the end of 2024, TCL Channel has covered overseas market globally, with more than 32.60 million cumulative users. The Group's internet business revenue from the international market amounted to HK\$820 million, representing a year-on-year increase of 16.8%, showing steady growth momentum.

4. Innovative Business

4.1 Photovoltaic Business

Enter the First Tier in Industry with Continuous Improvement in Operational Efficiency and Profitability, Build Up Capabilities as Foundation for Going Global

In 2024, the Group adhered to its strategic positioning as a “User-Oriented, World-Leading Intelligent Distributed Energy Solutions Service Provider”. It fully leveraged its advantages, such as upstream industrial chain resources, financial partnerships, industrial and commercial project reserves, and comprehensive channel coverage. The Group stayed aligned with the “Relatively Light Asset” model, focused resources on seizing high-quality markets, driving high-quality growth in the distributed photovoltaic business, and successfully entered the first tier in the household business. During the year, the Group’s photovoltaic business revenue increased significantly by 104.4% year-on-year to HK\$12,874 million, with gross profit rising substantially by 104.4% year-on-year to HK\$1,230 million, while gross profit margin remained at 9.6%. As at the end of 2024, the Group’s photovoltaic business has covered 23 key provinces and cities in the PRC, with over 220 industrial and commercial contracted projects, over 2,110 distribution channels, and more than 170,000 contracted rural residents.

Looking forward, the Group will continue to deepen the high-quality development of the distributed photovoltaic business, steadily increase market share, and actively explore innovative application scenarios. At the same time, the Group will accelerate expansion into key overseas markets, focusing on professional distributors and installer channels for solar energy storage, improving the product mix, and strengthening the organisational layout to stimulate business efficiency. The Group aims to grasp the opportunities arising from the global energy transformation and carbon-neutral development, striving to become an integrated global new energy solution provider.

4.2 All-Category Marketing

Brand and Channel Synergies Facilitate Solid Double-Digit Growth in All-Category Distribution Scale

Leveraging the global brand influence accumulated by the display business over the years and the trans-regional market channels, the Group's global distribution business of smart products, such as air conditioner, refrigerator, and washing machine, has achieved solid growth, with particularly outstanding performance in overseas market. In 2024, the all-category marketing revenue increased by 19.6% year-on-year to HK\$12,446 million. Notably, the overseas revenue scale grew significantly, increasing by 51.5% year-on-year to HK\$7,018 million. Gross profit increased by 8.9% year-on-year to HK\$1,733 million, and the distribution gross profit margin reached 13.9%. During the year, several new products of the Group have been honoured with awards, such as the "AWE Innovation Award" and the "AWE Excellent Product Award", further consolidating the Group's brand influence.

During the "Double Eleven" shopping festival in 2024, the online retail sales volume of the Group's air-conditioner, refrigerator, and washing machine grew by 47.3%, 6.0% and 62.4% year-on-year, respectively, while the corresponding online retail sales volume of the industry during the same period declined by 9.1%, 2.0% and 2.4% year-on-year, respectively³². The Group demonstrated its industry-leading advantages by significantly outperforming the average performance of the industry against market trends.

4.3 Smart Connection and Smart Home

Take the Industry Lead in Deploying AI Robot, with Smart Glasses Maintaining the Frontrunner Position

In 2024, the revenue of the Group's smart connection and smart home business reached HK\$1,689 million, declining by 12.6% year-on-year, but the gross profit margin increased by 3.5 percentage points year-on-year to 22.7%, as profitability further improved. For the smart connection business, the Group continued to cultivate carrier channels in 2024 while proactively developing 4G and 5G product lineups. For the smart home business, the Group launched new smart door lock products such as the K7G series and X9S PRO in 2024, and entered overseas market in the fourth quarter of the year, listing three smart door locks and camera products on Amazon.

³² Source: CMM's e-commerce weekly monitoring reports, week 42 to week 46 in 2023 and 2024.

In addition, the Group has consistently focused on the development of AR and XR technologies. RayNeo, a company internally incubated by the Group, ranked first in China’s consumer-grade AR market with a remarkable 35.6% market share³³. In 2024, RayNeo launched RayNeo Air 2s, the first AR glasses in the PRC market that have passed the ZREAL certification for ultra-high-definition video quality, which features Sony Micro OLED screen, enabling users to enjoy 3D stereoscopic videos. In addition, RayNeo launched more affordable consumer-grade AR glasses – RayNeo Air 3 and RayNeo Air 2 Champion Edition, creating opportunities for more consumers to experience AR innovative lifestyle. During CES 2025, RayNeo released several new innovative products, including V3 AI shooting glasses, Air 3 and X3 Pro, further improving its product matrix.

During CES 2025, the Group also showcased another significant achievement in the smart home field – the world’s first modular AI companion robot, TCL Ai Me. This product features a bionic appearance design and a mobile space capsule base, and possesses multimodal natural interaction capabilities that enable emotional companionship and personified interactions, intelligently controlling home appliances to significantly enhance the convenience and comfort of daily life. The launch of TCL Ai Me marks a new development stage in the Group’s innovative exploration of the smart home field and demonstrates its technological capabilities in integrating AI and IoT technologies.

5. Outlook

Grasp Market Opportunities, Deepen “Mid-to-High-End + Globalisation” Layout, Pursue High-Quality Growth

Looking ahead to 2025, despite many uncertainties in global economic development, the global TV market is expected to recover with moderate growth momentum as emerging technologies like AI and IoT continue to penetrate and be applied. The “Mid-to-High-End + Globalisation” trend will further deepen, with mid-to-high-end products such as 75-inch and above TV, as well as Mini LED TV, maintaining high growth, industry concentration is expected to increase further. Additionally, driven by opportunities brought by global energy transition and AI development, innovative products such as photovoltaic business, AR/XR smart glasses and AI companion robot are thriving, bringing new growth momentum to the global energy and consumer electronics industries.

³³ Source: Online retail sales volume of AR market in China from RUNTO.

Facing the new market environment and opportunities, the Group will firmly adhere to existing strategies and continue to deepen the “Mid-to-High-End + Globalisation” layout. On the one hand, the Group will increase investment in core technologies, using product competitiveness as the primary driver to establish a moat in the mid-to-high-end market and drive high-quality growth. In the display business, the Group will seize the commercialisation opportunities of cutting-edge display technologies such as Mini LED, continuously enrich the mid-to-high-end product mix, and further enhance brand recognition and reputation through precision marketing tactics. This will help continuously expand the global market share and global influence of the TCL brand. On the other hand, the Group will leverage its advantages in vertical industry chain and global channel layout to actively develop innovative business. In the distributed photovoltaic market, the Group will seize development opportunities and accelerate business expansion. In frontier technology fields such as AR/XR smart glasses and AI companion robot, the Group will continue to deeply cultivate and create new growth engines.

Consolidate Core Advantages, Strengthen Globalised Operations, Achieve Sustainable Growth

The Group will continue to adhere to the strategic direction of “Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, Thrive on Global Vitality”, focusing on strengthening core competitiveness. In terms of branding, the Group will continuously enhance the global influence of the TCL brand and consolidate its position in the mid-to-high-end market. Technologically, the Group will increase R&D investments to lead technological innovation in the industry. Operationally, the Group will further optimise its global supply chain, logistics, and service systems to improve operational efficiency. In marketing, the Group will continue to advance precision marketing tactics to achieve dual improvement in marketing efficiency and brand value. Organisationally, the Group will optimise its globalisation framework and cultivate an international team of talents. Through multi-dimensional capability building, the Group will continuously enhance its comprehensive global competitiveness.

The Group will adhere to the long-term operational goal of “net profit growth > gross profit growth > revenue growth”, continuously optimising industry layout, driving revenue diversification, and achieving leapfrog business growth. Looking forward, the Group will continue to uphold the concept of sustainable development, firmly following the path of “deepening global operations and achieving optimal operational efficiency” for high-quality development. The Group aims to create value for customers, build platforms for employees, generate returns for Shareholders, and take social responsibilities, striving towards the vision of becoming a “world-leading smart device enterprise”.

MANAGEMENT DISCUSSION AND ANALYSIS

Comparison between 2024 and 2023

The table below lists and compares the figures of 2024 and 2023:

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
		<i>(restated)</i>
REVENUE	99,322,325	78,986,064
Cost of Sales	(83,768,340)	(65,312,286)
Gross Profit	15,553,985	13,673,778
Other income and gains	1,959,846	1,809,376
Selling and distribution expenses	(7,504,064)	(6,817,662)
Administrative expenses	(4,145,105)	(4,012,973)
Research and development costs	(2,335,052)	(2,326,980)
Other operating expenses	(294,382)	(243,614)
Impairment losses of financial and contract assets, net	(47,666)	(138,731)
	3,187,562	1,943,194
Finance costs	(786,914)	(885,497)
Shares of profits and losses of:		
Joint ventures	5,886	(2,220)
Associates	107,989	92,707
Profit before tax	2,514,523	1,148,184
Income tax	(666,012)	(321,375)
Profit for the year	1,848,511	826,809
Profit attributable to owners of the parent	1,759,366	743,633
Non-HKFRS measure:		
Adjusted profit attributable to owners of the parent	1,605,828	802,704

Revenue

The Group's revenue increased by 25.7% year-on-year from HK\$78,986 million in 2023 to HK\$99,322 million in 2024. The following table shows the Group's revenue by business segment for the years ended 31 December 2024 and 31 December 2023:

	For the year ended 31 December			
	2024	2023	2024	2023
	HK\$ Million	Proportion of the total revenue	HK\$ Million	Proportion of the total revenue
Display Business³⁴	69,440	69.9%	56,540	71.6%
Large-Sized Display	60,108	60.5%	48,632	61.6%
– The PRC Market	19,046	19.2%	16,016	20.3%
– International Market	41,062	41.3%	32,616	41.3%
Small-and-Medium-Sized Display	8,459	8.5%	7,053	8.9%
Smart Commercial Display	873	0.9%	855	1.1%
Internet Business³⁵	2,627	2.6%	2,763	3.5%
The PRC Market	1,807	1.8%	2,061	2.6%
International Market	820	0.8%	702	0.9%
Innovative Business³⁶	27,009	27.2%	18,640	23.6%
Photovoltaic Business	12,874	13.0%	6,299	8.0%
All-Category Marketing	12,446	12.5%	10,409	13.2%
Smart Connection and Smart Home	1,689	1.7%	1,932	2.4%
Others	246	0.3%	1,043	1.3%
Total Revenue	99,322	100.0%	78,986	100.0%

³⁴ “Display business” (including large-sized display (i.e. TV business), small-and-medium-sized display and smart commercial display) corresponds to both (i) the “TV” segment; and (ii) the display business in both “Smart mobile, connective devices and services” segment and “Smart commercial display, smart home and other businesses” segment as set out in the operating segment information of the notes to the financial statements.

³⁵ “Internet business” refers to “Internet business” as set out in the operating segment information of the notes to the financial statements.

³⁶ “Innovative business” (including photovoltaic business, all-category marketing, smart connection and smart home business) corresponds to (i) “All-category marketing” segment; (ii) “Photovoltaic business” segment; and (iii) the remaining business after excluding the display business in the “Smart mobile, connective devices and services” segment and the “Smart commercial display, smart home and other businesses” segment as set out in the operating segment information of notes to the financial statements.

Display Business

Revenue from the display business increased by 22.8% year-on-year from HK\$56,540 million in 2023 to HK\$69,440 million in 2024. The growth was mainly attributable to the Group's proactive expansion in the global market and the effective enhancement of its brand influence, coupled with grasping domestic policy opportunities, contributing to a year-on-year growth in global shipment of TCL TV during the year, with continuous improvement in product structure, the revenue scale of the large-sized display business expanded by 23.6% year-on-year to HK\$60,108 million. Meanwhile, the small-and-medium-sized business recovered as the industry stabilised, with its revenue rising 19.9% year-on-year to HK\$8,459 million.

Internet Business

Revenue from internet business decreased by 4.9% year-on-year from HK\$2,763 million in 2023 to HK\$2,627 million in 2024, which was primarily due to the impact of the temporary rectification of the domestic business in the PRC, causing the domestic revenue of the internet business to decrease by 12.3% year-on-year to HK\$1,807 million during the year. Meanwhile, the commercialisation capability of the overseas internet business continued to improve, with the revenue of the overseas internet business increasing by 16.8% year-on-year to HK\$820 million during the year.

Innovative Business

The Group's innovative business revenue increased by 44.9% year-on-year from HK\$18,640 million in 2023 to HK\$27,009 million in 2024. The growth was mainly attributable to the quality expansion of the photovoltaic business regions and channels during the year, as well as the Group's diversification of designs targeting different building structures to meet market demand, which led to a rapid year-on-year growth of 104.4% in revenue scale. Meanwhile, the all-category marketing business developed rapidly, benefitting from the Group's global brand power and synergistic channel advantages, with a year-on-year increase of 19.6% in scale during the year.

Gross Profit and Gross Profit Margin³⁷

Overall gross profit increased by 13.8% year-on-year from HK\$13,674 million in 2023 to HK\$15,554 million in 2024. The year-on-year growth in gross profit was mainly attributable to the Group's effective global scale expansion and improvement in product mix. The gross profit margin for 2024 was 15.7%, representing a year-on-year decrease of 1.6 percentage points when compared to that for 2023, mainly due to the decrease in the gross profit margin of the display business.

³⁷ To provide investors with more comparable data with peers, the Group voluntarily adopted the requirements in the *Interpretation No. 18 of Accounting Standards for Business Enterprises* of the Chinese Accounting Standards for Business Enterprises, making corresponding changes to the originally adopted accounting policies, to reclassify the guarantee-type quality assurance costs from selling and distribution expenses to cost of sales, effective from 1 January 2024, and restated the comparative figures for 2023.

Display Business

In 2024, the gross profit margin of the display business decreased by 1.4 percentage points year-on-year to 15.4%. This was mainly attributable to the Group's continuous promotion of the "TCL + Falcon" dual brand strategy, changes in the proportion of domestic brands and overseas regions for the large-sized display business, coupled with the impact of the increase in panel costs. Meanwhile, the proportion of products with low gross profit margin of the small-and-medium-sized display business increased.

Internet Business

Gross profit margin of the internet business in 2024 was 56.2%, representing an increase of 1.3 percentage points year-on-year, mainly attributable to the Group consolidating and enhancing product experience of its domestic internet business, leading to an increase in the proportion of domestic internet business with high gross profit margin, while the revenue scale of overseas internet business with high gross profit margin further expanded.

Innovative Business

Gross profit margin of the innovative business in 2024 was 12.4%, representing a decrease of 1.4 percentage points year-on-year. This was mainly attributable to the decrease in the gross profit margin of the Group's all-category marketing business as a result of the change in product mix.

Other Income and Gains

Other income and gains increased by 8.3% year-on-year from HK\$1,809 million in 2023 to HK\$1,960 million in 2024, mainly due to the increase in realised gain on settlement of derivative financial instruments and the increase in fair value gain on foreign exchange derivatives.

Selling and Distribution Expenses

Selling and distribution expenses increased by 10.1% year-on-year from HK\$6,818 million in 2023 to HK\$7,504 million in 2024. This was mainly due to the Group strategically increasing its investments in brand marketing, product promotion and related activities.

Administrative Expenses

Administrative expenses increased by 3.3% year-on-year from HK\$4,013 million in 2023 to HK\$4,145 million in 2024, mainly due to the foreign exchange loss in 2024.

R&D Costs

R&D costs increased slightly by 0.3% year-on-year from HK\$2,327 million in 2023 to HK\$2,335 million in 2024.

Other Operating Expenses

Other operating expenses increased by 20.8% year-on-year from HK\$244 million in 2023 to HK\$294 million in 2024, which was mainly due to the impairment of goodwill recognised by the Group during the year. For details, please refer to note 11 to the financial statements set out in this announcement.

Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets, net decreased by 65.6% year-on-year from HK\$139 million in 2023 to HK\$47.67 million in 2024, mainly due to the impact of the provision for trade receivables from a commercial retailer (which is a listed company) in 2023.

Finance Costs

Finance costs decreased by 11.1% year-on-year from HK\$885 million in 2023 to HK\$787 million in 2024, mainly due to the decrease in factoring interest expense.

Share of Profits and Losses – Joint Ventures and Associates

Share of profits increased by 25.8% year-on-year from HK\$90.49 million in 2023 to HK\$114 million in 2024, which was mainly attributable to the improvement in the results and the growth in profitability of joint ventures and associates, leading to an increase in share of profits and losses of the Group's joint ventures and associates.

Profit before Tax

Profit before tax increased by 119.0% year-on-year from HK\$1,148 million in 2023 to HK\$2,515 million in 2024. This was mainly attributable to the significant improvement in the quality of operations of a number of business sectors including the display business and the innovative business during the year, as well as the effective reduction in the overall expense ratio and continuous increase in operational efficiency as a result of economies of scale and improvement in operating efficiency.

Income Tax

Income tax increased by 107.2% year-on-year from HK\$321 million in 2023 to HK\$666 million in 2024, mainly due to the significant increase in profit before tax of certain subsidiaries of the Group during the year.

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

Profit for the year increased by 123.6% year-on-year from HK\$827 million in 2023 to HK\$1,849 million in 2024. Profit attributable to the owners of the parent increased by 136.6% year-on-year from HK\$744 million in 2023 to HK\$1,759 million in 2024. The increase was mainly attributable to the Group's scale expansion and the improvement in the quality of operation, which led to rebound in profitability.

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

Adjusted profit attributable to owners of parent increased by 100.1% year-on-year from HK\$803 million in 2023 to HK\$1,606 million in 2024. This was mainly attributable to the significant improvement in the operating results of various business sectors during the year, including the display business and the innovative business, as well as the effective reduction in the overall expense ratio and continuous increase in operational efficiency as a result of economies of scale and improvement in operating efficiency.

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

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

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

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Profit attributable to owners of the parent, as reported	1,759,366	743,633
(Gain)/loss from investment companies, net ³⁸	(69,389)	(62,750)
(Gain)/loss on disposal and liquidation of subsidiaries, net ³⁹	(64,709)	(20,998)
(Gain)/loss related to call options and put options, net ⁴⁰	(20,749)	111,129
(Gain)/loss on disposal of non-current assets, net ⁴¹	1,933	13,228
Income tax effect ⁴²	(624)	18,462
	<hr/>	<hr/>
Non-HKFRS measure:		
adjusted profit attributable to owners of the parent	1,605,828	802,704
	<hr/> <hr/>	<hr/> <hr/>

³⁸ (Gain)/loss from investment companies, net includes net (gains)/losses on deemed disposals, disposals, liquidations, deemed partial purchases/disposals of investment companies.

³⁹ (Gain)/loss on disposal and liquidation of subsidiaries, net includes gains on bargain purchase, net (gains)/losses on deemed disposals, disposals and liquidation of subsidiaries.

⁴⁰ (Gain)/loss related to call options and put options, net includes changes in fair value of call options and put options, imputed interests on a financial liability arising from a put option and net (gains)/losses on settlement of expired call options.

⁴¹ (Gain)/loss on disposal of non-current assets, net includes net (gains)/losses on disposal of fixed assets, other intangible assets, right-of-use assets and other assets.

⁴² Income tax effect refers to the income tax effect of non-HKFRS adjustments.

FINANCIAL REVIEW

Significant Investments, Acquisitions and Disposals

On 24 December 2024 (after trading hours), TCL SEMP (an indirect non wholly-owned subsidiary of the Company) entered into (i) a share purchase agreement with TCL Home Appliances and TCL SEMP Condicionadores, pursuant to which TCL SEMP agreed to sell, and TCL Home Appliances agreed to purchase, 75% of the issued shares of TCL SEMP Condicionadores, free and clear of any and all liens, at the consideration of approximately R\$159,981,000 (equivalent to approximately HK\$207,992,000), subject to adjustment; and (ii) another share purchase agreement (with STA and TCL SEMP Condicionadores, pursuant to which TCL SEMP agreed to sell, and STA agreed to purchase, 25% of the issued shares of TCL SEMP Condicionadores, free and clear of any and all liens, at the consideration of approximately R\$53,327,000 (equivalent to approximately HK\$69,330,000) subject to adjustment. The transaction was completed in December 2024. For details, please refer to the announcement of the Company dated 24 December 2024.

On 27 December 2024 (after trading hours), Huizhou TCL Mobile (an indirect wholly-owned subsidiary of the Company) entered into an equipment transfer agreement with TCL Yuxin Zhixing, pursuant to which Huizhou TCL Mobile agreed to sell, and TCL Yuxin Zhixing agreed to purchase, the production line equipment at the consideration of RMB18,000,000 (equivalent to HK\$19,492,000). For details, please refer to the announcement of the Company dated 27 December 2024 and the supplemental announcement of the Company dated 10 January 2025.

Save as disclosed above, the Group had no other significant investment held as at 31 December 2024, and did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2024.

Liquidity and Financial Resources

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

The cash and cash equivalents of the Group as at 31 December 2024 amounted to approximately HK\$8,771,691,000, decreasing by 18.3% year-on-year, of which 49.2% was in U.S. dollars, 28.0% was in Renminbi, 10.6% was in Euros, 1.5% was in Hong Kong dollars and 10.7% was in other currencies for overseas operations.

For the purpose of day-to-day liquidity management and future expansion, the Group has access to bank and other borrowings. The bank and other borrowings of the Group as at 31 December 2024 were approximately HK\$4,610,059,000, which were interest-bearing at fixed and floating rates ranging from 1.95% to 5.77% and denominated in U.S. dollars, Renminbi, Euros and Vietnamese Dong. The maturity profile of borrowings was on demand to within fifteen years. It is the intention of the Group to maintain a mix of equity and debt to ensure an efficient capital structure and in view of the reasonable interest rate. There was no material change in available credit facilities when compared with the year ended 31 December 2023 and there was no asset held under finance lease as at 31 December 2024.

As at 31 December 2024, the Group's gearing ratio was 0% since the Group's cash and cash equivalents, and restricted cash and pledged deposits of approximately HK\$9,441,601,000 were higher than the total interest-bearing bank and other borrowings and lease liabilities of approximately HK\$4,967,471,000. Gearing ratio was calculated by net borrowings (i.e. total interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents, and restricted cash and pledged deposits), divided by equity attributable to owner. The maturity profile of such borrowings ranged from on demand to within fifteen years.

Pledge of Assets

As at 31 December 2024, the Group had restricted cash and pledged deposits balance of approximately HK\$669,910,000 (31 December 2023: HK\$57,432,000), inventories of approximately HK\$400,087,000 (31 December 2023: Nil), debt investments at amortised cost of approximately HK\$107,637,000 (31 December 2023: Nil) and prepayments, other receivables and other assets of approximately HK\$4,428,000 (31 December 2023: Nil) pledged as the balance of performance and quality guarantees, financial assets and banking facilities for the Group.

Capital Commitments and Contingent Liabilities

As at 31 December 2024, the Group had the following capital commitments:

	2024	2023
	HK\$'000	HK\$'000
Contracted, but not provided for	539,899	599,510
Authorised, but not contracted for	—	—
	539,899	599,510

As at 31 December 2024, the Group had the following contingent liabilities which have not been provided for in the financial statements:

TCL SEMP Eletroeletronicos is currently a respondent in a tax assessment dispute in Brazil with Brazil tax authority for alleged improper application of tax credits for the financial years of 2012 and 2013. As at 31 December 2024, the tax assessment dispute was still ongoing. The information usually required by HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that such disclosure can be expected to prejudice seriously the outcome. Based on the response from the independent attorney in charge, it is expected that the dispute will last for 3 to 8 years. The Group has not made any provision as the Group, based on the advice from its legal counsel, believes that TCL SEMP Eletroeletronicos has a valid defence against the allegation.

Pending Litigation

Save as disclosed above, the Group was not involved in any material litigation as at 31 December 2024.

Foreign Exchange Exposure

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

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

Employee and Remuneration Policy

As at 31 December 2024, the Group had a total of 30,510 dynamic and talented employees. During the year ended 31 December 2024, the total staff costs amounted to approximately HK\$6,385,500,000. The employees of the Group were all dedicated to contributing to the growth and development of the Group. The Group promotes individuals based on their performance in the positions held and development potential. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual employees' performance. In addition, training and development programmes are provided on an on-going basis throughout the Group. The remuneration policy of the Group was reviewed regularly, making reference to current legislation, market condition and both the performance of individual employees and the Group.

In order to align the interests of staff with those of Shareholders, share options were granted to relevant grantees, including employees of the Group, under the 2016 Share Option Scheme. No share options carrying rights to subscribe for Shares remained outstanding as at 31 December 2024. On 3 November 2023, the Company adopted the 2023 Share Option Scheme that complies with the new Chapter 17 of the Listing Rules, whereas the 2016 Share Option Scheme was terminated on the same date. No share option has been granted under the 2023 Share Option Scheme since its adoption up to 31 December 2024.

The 2023 Share Award Scheme was also adopted by the Company on 3 November 2023 in view of the expiry of the 2008 Share Award Scheme on 5 February 2023. Pursuant to the 2023 Share Award Scheme, existing Shares may be purchased from the market or new Shares may be subscribed for by the designated trustee out of cash contributed by the Company, and would be held on trust by the designated trustee for the relevant selected persons until such shares are vested with the relevant selected persons in accordance with the rules of the 2023 Share Award Scheme. Awarded shares granted and subsisting under the 2008 Share Award Scheme prior to its expiry shall continue to be in full force and effect in accordance with the 2008 Share Award Scheme and their terms of grant. On 25 January 2024, 82,270,000 awarded Shares (all to be satisfied in the form of existing shares) have been granted under the 2023 Share Award Scheme. There remained a total of 82,278,550 awarded Shares granted but remained outstanding as at 31 December 2024, of which 2,928,550 shares were granted under the 2008 Share Award Scheme and 79,350,000 shares were granted under the 2023 Share Award Scheme.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended	
		31 December	
	Notes	2024	2023
		HK\$'000	HK\$'000
			(restated)
REVENUE	5	99,322,325	78,986,064
Cost of sales		<u>(83,768,340)</u>	<u>(65,312,286)</u>
Gross profit		15,553,985	13,673,778
Other income and gains		1,959,846	1,809,376
Selling and distribution expenses		(7,504,064)	(6,817,662)
Administrative expenses		(4,145,105)	(4,012,973)
Research and development costs		(2,335,052)	(2,326,980)
Other operating expenses		(294,382)	(243,614)
Impairment losses on financial and contract assets, net		<u>(47,666)</u>	<u>(138,731)</u>
		3,187,562	1,943,194
Finance costs	6	(786,914)	(885,497)
Share of profits and losses of:			
Joint ventures		5,886	(2,220)
Associates		<u>107,989</u>	<u>92,707</u>
PROFIT BEFORE TAX	7	2,514,523	1,148,184
Income tax	8	<u>(666,012)</u>	<u>(321,375)</u>
PROFIT FOR THE YEAR		<u>1,848,511</u>	<u>826,809</u>

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of the hedging instruments arising during the year	(8,940)	89,493
Reclassification adjustments for (gains)/losses included in the consolidated statement of profit or loss	116,748	(110,228)
Income tax effect	1,215	2,855
	<u>109,023</u>	<u>(17,880)</u>
Exchange differences:		
Exchange differences on translation of foreign operations	(1,013,899)	(105,490)
Reclassification adjustments for foreign operations disposed of or liquidated during the year	(583)	(930)
Reclassification adjustments for associates deemed partial disposed or disposed of during the year	107	3,496
Reclassification adjustments for a joint venture liquidated during the year	3,381	–
	<u>(1,010,994)</u>	<u>(102,924)</u>
Financial assets at fair value through other comprehensive income:		
Changes in fair value of bills receivable, net of income tax	(2,063)	(2,547)
Share of other comprehensive income/(loss) of associates and a joint venture	8,764	(413)
Reclassification adjustments for an associate disposed of during the year	(5,781)	–
Reclassification adjustments for a joint venture disposed of during the year	1,312	–
	<u>(899,739)</u>	<u>(123,764)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(899,739)</u>	<u>(123,764)</u>

	<i>Note</i>	For the year ended 31 December	
		2024	2023
		HK\$'000	HK\$'000
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of income tax		15,981	24,247
Share of other comprehensive loss of associates		(498)	(1,493)
Remeasurements of post-employment benefit obligations		–	(1,052)
		<hr/>	<hr/>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		15,483	21,702
		<hr/>	<hr/>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(884,256)	(102,062)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		964,255	724,747
		<hr/> <hr/>	<hr/> <hr/>
Profit attributable to:			
Owners of the parent		1,759,366	743,633
Non-controlling interests		89,145	83,176
		<hr/>	<hr/>
		1,848,511	826,809
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		1,032,075	606,798
Non-controlling interests		(67,820)	117,949
		<hr/>	<hr/>
		964,255	724,747
		<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	10		
Basic		HK72.39 cents	HK30.65 cents
		<hr/> <hr/>	<hr/> <hr/>
Diluted		HK69.72 cents	HK30.01 cents
		<hr/> <hr/>	<hr/> <hr/>

Details of the dividends for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	31 December 2024 HK\$'000	31 December 2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,439,532	2,384,306
Investment properties		413,818	544,530
Right-of-use assets		827,107	846,034
Goodwill	11	2,947,380	3,193,639
Other intangible assets		1,499,256	1,377,238
Investments in joint ventures		4,331	101,223
Investments in associates		1,437,839	1,252,557
Equity investments designated at other fair value through comprehensive income		366,098	323,592
Financial assets at fair value through profit or loss		37,656	–
Debt investments at amortised cost		198,757	–
Deferred tax assets		471,530	490,690
Contract assets		365,201	–
Other deferred assets		818,931	749,247
Derivative financial instruments		6,041	1,071
		11,833,477	11,264,127
TOTAL non-current assets			
CURRENT ASSETS			
Inventories		15,288,555	12,211,524
Trade receivables	12	22,332,884	15,547,888
Bills receivable		4,436,662	3,458,107
Contract assets		22,470	147,702
Prepayments, other receivables and other assets		9,451,215	10,143,709
Tax recoverable		147,255	78,378
Financial assets at fair value through profit or loss		2,861,035	943,102
Derivative financial instruments		552,250	187,604
Restricted cash and pledged deposits		669,910	57,432
Cash and cash equivalents		8,771,691	10,736,877
		64,533,927	53,512,323
TOTAL current assets			

	<i>Notes</i>	31 December 2024 HK\$'000	31 December 2023 HK\$'000
CURRENT LIABILITIES			
Trade payables	13	26,646,451	19,115,674
Bills payable		5,839,326	4,892,498
Other payables and accruals		18,521,480	15,108,788
Interest-bearing bank and other borrowings	14	4,172,399	4,922,828
Lease liabilities		137,367	163,836
Tax payable		332,855	183,295
Derivative financial instruments		353,309	96,518
Provisions		1,125,749	1,052,159
		<hr/>	<hr/>
Total current liabilities		57,128,936	45,535,596
		<hr/>	<hr/>
NET CURRENT ASSETS		7,404,991	7,976,727
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,238,468	19,240,854
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	14	437,660	888,826
Lease liabilities		220,045	243,480
Deferred tax liabilities		324,803	340,361
Other long-term payables		94,568	52,986
Other non-current liabilities		296,308	140,114
Financial liability associated with put option		188,666	269,001
		<hr/>	<hr/>
Total non-current liabilities		1,562,050	1,934,768
		<hr/>	<hr/>
Net assets		17,676,418	17,306,086
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	2,520,935	2,507,569
Reserves		14,683,433	14,200,085
		<hr/>	<hr/>
Non-controlling interests		17,204,368	16,707,654
		472,050	598,432
		<hr/>	<hr/>
Total equity		17,676,418	17,306,086
		<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, certain financial assets and equity investments which have been measured at fair value. These financial statements are presented in HK\$ and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill) and liabilities, any non-controlling interest and the exchange fluctuation reserve and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments did not have any significant impact on the Group’s financial statements.

The Group has changed the accounting policy voluntarily for assurance-type warranty costs since 1 January 2024 and presented assurance-type warranty costs in costs of sales rather than selling and distribution expenses to provide more reliable and relevant financial information.

As HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* does not address the classification of assurance-type warranty in specific account of expenses in the consolidated statement of profit or loss, in the past, the Group presented assurance-type warranty costs in selling and distribution expenses in order to keep consistent accounting policy with its PRC holding parent as well as most of the peers which are mainly A listed or A+H listed entities.

On 5 December 2024, Ministry of Finance of the People’s Republic of China published the *Interpretation No. 18 of Accounting Standards for Business Enterprises* (the “Interpretation”) and clarified that assurance-type warranty costs need to be recorded in cost of sales. Given that the PRC holding parent and the peers have followed the Interpretation and changed its accounting policy for assurance-type warranty costs, to enhance the comparability of financial information with the competitors and provide more relevant information to the users of its financial statements, the Group has modified the presentation of assurance-type warranty costs from selling and distribution expenses to cost of sales in the financial statements.

The Group has adopted this change in accounting policy retrospectively and the effects on the consolidated statement of profit or loss are as below:

	Increase/(decrease)	
	For the year ended	
	31 December	
	2024	2023
	HK\$’000	HK\$’000
Cost of sales	1,255,483	1,081,917
Selling and distribution expenses	(1,255,483)	(1,081,917)
Profit for the year	—	—

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 18	<i>Presentation and Disclosure in Financial Statement</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows:* The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their geographical TV segments and other product types and has six reportable operating segments as follows:

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

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

The presentation of reportable operating segments has been revised as detailed on page 42 of this announcement, and accordingly the comparative figures of such reportable operating segments have been restated, as the management believes that the information regarding such restated segments would be useful to the users of these financial statements.

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

	TCL TV - the PRC market		TCL TV - international market		Internet business		Smart mobile, connective devices and services		All-category marketing		Photovoltaic business*		Smart commercial display, smart home and other businesses		Total		Eliminations		Consolidated		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
Segment revenue:																					
Sales to external customers	19,046,463	16,016,765	41,061,903	32,615,812	2,627,155	2,762,526	9,588,059	8,278,969	12,446,454	10,408,969	12,873,481	6,299,104	1,678,810	2,603,919	99,322,325	78,986,064	-	-	99,322,325	78,986,064	
Intersegment sales	3,912,606	2,881,163	352,190	373,960	24,095	21,941	4,360	2,508	25,141	27,857	48,780	11,035	165,006	36,738	4,532,778	3,355,202	(4,532,778)	(3,355,202)	-	-	
Total	22,959,069	18,897,928	41,414,093	32,989,772	2,651,850	2,784,467	9,592,419	8,281,477	12,471,595	10,436,826	12,922,261	6,310,139	1,843,816	2,640,657	103,855,103	82,341,266	(4,532,778)	(3,355,202)	99,322,325	78,986,064	
Gross profit	3,762,689	3,419,871	5,536,260	4,428,505	1,476,050	1,517,748	1,585,967	1,824,480	1,732,884	1,591,108	1,230,252	602,028	229,883	290,038	15,553,985	13,673,778	-	-	15,553,985	13,673,778	

* Photovoltaic business segment has been reclassified to a separate segment from smart commercial display, smart home and other businesses segment for better decision making of management of the Company.

5. REVENUE

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers	<u>99,322,325</u>	<u>78,986,064</u>

Disaggregated revenue information for revenue from contracts with customers

For the year ended 31 December 2024

Segments	TV and others* HK\$'000	Internet business HK\$'000	Total HK\$'000
Type of goods or services			
Sale of goods	95,891,517	109,789	96,001,306
Construction services	803,653	–	803,653
Video-on-demand services	–	499,072	499,072
Advertising, vertical application and other new businesses	–	2,018,294	2,018,294
Total revenue from contracts with customers	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>
Geographical markets			
Chinese mainland	39,669,040	1,807,388	41,476,428
Europe	12,999,936	119,487	13,119,423
North America	16,953,820	363,667	17,317,487
Emerging Market	27,072,374	336,613	27,408,987
Total revenue from contracts with customers	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>
Timing of revenue recognition			
Goods transferred at a point in time	95,891,517	109,789	96,001,306
Services transferred over time	803,653	499,072	1,302,725
Services transferred at a point in time	–	2,018,294	2,018,294
Total revenue from contracts with customers	<u>96,695,170</u>	<u>2,627,155</u>	<u>99,322,325</u>

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

For the year ended 31 December 2023

Segments	TV and others* HK\$'000	Internet business HK\$'000	Total HK\$'000
Type of goods or services			
Sale of goods	75,191,230	162,447	75,353,677
Construction services	1,032,308	–	1,032,308
Video-on-demand services	–	511,262	511,262
Advertising, vertical application and other new businesses	–	2,088,817	2,088,817
	<u>76,223,538</u>	<u>2,762,526</u>	<u>78,986,064</u>
Total revenue from contracts with customers	<u><u>76,223,538</u></u>	<u><u>2,762,526</u></u>	<u><u>78,986,064</u></u>
Geographical markets			
Chinese mainland	30,185,354	2,060,447	32,245,801
Europe	8,986,714	–	8,986,714
North America	16,121,607	359,828	16,481,435
Emerging Market	20,929,863	342,251	21,272,114
	<u>76,223,538</u>	<u>2,762,526</u>	<u>78,986,064</u>
Total revenue from contracts with customers	<u><u>76,223,538</u></u>	<u><u>2,762,526</u></u>	<u><u>78,986,064</u></u>
Timing of revenue recognition			
Goods transferred at a point in time	75,191,230	162,447	75,353,677
Services transferred over time	1,032,308	511,262	1,543,570
Services transferred at a point in time	–	2,088,817	2,088,817
	<u>76,223,538</u>	<u>2,762,526</u>	<u>78,986,064</u>
Total revenue from contracts with customers	<u><u>76,223,538</u></u>	<u><u>2,762,526</u></u>	<u><u>78,986,064</u></u>

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

6. FINANCE COSTS

	2024	2023
	HK\$'000	HK\$'000
Interest on:		
Bank loans	743,851	817,023
Deposits and loans from companies controlled by TCL Industries Holdings	23,269	36,234
Interest expense on lease liabilities	19,794	17,024
Imputed interests on financial liabilities arising from put option	–	15,067
Deposits and loans from an affiliate of TCL Industries Holdings	–	129
Deposits and loan from a company controlled by TCL Technology	–	20
	<hr/>	<hr/>
Total finance costs for the year	786,914	885,497
	<hr/> <hr/>	<hr/> <hr/>

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	HK\$'000	HK\$'000
		<i>(restated)</i>
Cost of inventories sold and services provided	83,768,340	65,312,286
Depreciation of property, plant and equipment	382,840	405,726
Depreciation of investment properties	14,679	14,749
Depreciation of right-of-use assets	202,672	209,177
Amortisation on other deferred assets	36,530	24,855
Research and development costs	2,335,052	2,326,980
Amortisation of other intangible assets	518,603	540,620
Lease payments not included in the measurement of lease liabilities	112,101	106,651
Auditor's remuneration	11,512	11,937
Employee benefits expenses (including directors' remuneration):		
Wages and salaries	5,786,943	5,253,561
Employee share-based compensation benefits under the TCL Share Award Schemes	82,531	83,636
Defined contribution expenses	516,026	501,369
	6,385,500	5,838,566
Foreign exchange differences, net***	160,368	(202,476)
Impairment of financial and contract assets, net:		
Impairment of trade receivables	33,290	123,523
Impairment of other receivables	14,240	15,127
Impairment of contract assets	136	81
	47,666	138,731
Impairment of items of property, plant and equipment**	2,084	1,538
Impairment of items of other intangible assets**	30,179	21,927
Impairment of goodwill**	127,910	–
Impairment of investment in associates**	–	32,884
Write-down of inventories to net realisable value	145,784	302,580
Rental income, net	(34,469)	(34,060)
Interest income	(773,444)	(794,171)
Government grants*:		
Credited to other revenue and gains	(405,971)	(535,252)
Deducted from cost of sales and relevant expenses	(77,359)	(108,701)
	(483,330)	(643,953)

	2024	2023
	HK\$'000	HK\$'000
Fair value (gains)/losses, net:		
Derivative instruments – transactions not qualifying as hedges***	(92,266)	198,944
Financial assets at fair value through profit or loss	(35,358)	(25,072)
Call options and put options**	44,445	47,177
Financial assets at fair value through profit or loss – equity investment	(5,332)	–
Realised (gain)/loss on settlement, net:		
Derivative financial instruments	(221,136)	(25,259)
Financial assets at fair value through profit or loss***	(21,590)	1,684
Gain related to put options	(65,194)	–
Loss on settlement of expiration call options**	–	48,885
Ineffectiveness of fair value hedges***	17,442	30,094
Loss on disposal of items of property, plant and equipment, net**	10,127	20,968
(Gain)/loss on disposal of items of other intangible assets, net**	3,672	(2,344)
Gain on disposal of items of right-of-use assets, net	(11,623)	(5,255)
Gain on disposal of items of other deferred assets, net	(243)	(141)
(Gain)/loss on liquidation of subsidiaries**	221	(1,051)
Gain on disposal of subsidiaries	(52,807)	(19,947)
Gain on disposal of associates	(8,035)	(57,063)
Deemed gain on partial disposal of an associate	(217)	(5,687)
Loss on liquidation of a joint venture**	3,381	–
Gain on disposal of a joint venture	(59,186)	–
Gain on bargain purchase of a subsidiary	(12,123)	–

Notes:

- * Certain government grants have been received related to the Group's day-to-day activities. Government grants including VAT refund and national patent subsidies are recorded in "Other revenue and gains" in the consolidated statement of the profit and loss and other comprehensive income. There are no unfulfilled conditions or contingencies relating to these grants.
- ** Loss of these items are included in "Other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.
- *** Loss of these items are included in "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2024	2023
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the year	115,987	11,097
(Overprovision)/Underprovision in prior years	(552)	5,580
Current – Elsewhere		
Charge for the year	564,256	344,021
Underprovision in prior years	38,348	9,260
Pillar Two income taxes – current tax	4,309	–
Deferred	(56,336)	(48,583)
	<hr/>	<hr/>
Total tax charge for the year	666,012	321,375
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDENDS

	2024	2023
	HK\$'000	HK\$'000
Proposed final dividend – HK31.80 cents (2023: HK16.00 cents) per ordinary share	801,657	401,211
	<hr/>	<hr/>
	801,657	401,211
	<hr/> <hr/>	<hr/> <hr/>

The above amount of proposed final dividend for the year ended 31 December 2024 was calculated based on the number of shares of the Company as at 31 December 2024 for illustration. The proposed final dividend for the year is subject to the approval of the Shareholders at the forthcoming AGM. These consolidated financial statements do not reflect this dividend payable.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,430,547,191 (2023: 2,426,406,730) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	2024	2023
	HK\$'000	HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations:	1,759,366	743,633
	<u><u>1,759,366</u></u>	<u><u>743,633</u></u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue less shares held for TCL Share Award Schemes during the year used in the basic earnings per share calculation	2,430,547,191	2,426,406,730
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	78,175
Awarded shares	92,935,887	51,501,651
	<u><u>92,935,887</u></u>	<u><u>51,501,651</u></u>
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	2,523,483,078	2,477,986,556
	<u><u>2,523,483,078</u></u>	<u><u>2,477,986,556</u></u>

11. GOODWILL

	HK\$'000
At 1 January 2024:	
Cost	3,256,671
Accumulated impairment	<u>(63,032)</u>
Net carrying amount	<u>3,193,639</u>
Cost at 1 January 2024, net of accumulated impairment	3,193,639
Disposal of a subsidiary	(24,687)
Impairment during the year	(127,910)
Exchange realignment	<u>(93,662)</u>
Cost and net carrying amount at 31 December 2024	<u>2,947,380</u>
At 31 December 2024:	
Cost	3,138,322
Accumulated impairment	<u>(190,942)</u>
Net carrying amount	<u><u>2,947,380</u></u>

For the year ended 31 December 2024, impairment loss of HK\$127,910,000 on goodwill was charged to consolidated statement of profit or loss and other comprehensive income resulting from changes in the market environment forecast of the smart mobile, connective devices and services cash-generating unit.

12. TRADE RECEIVABLES

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Due from third parties		<u>15,504,528</u>	<u>11,792,769</u>
Due from related parties:			
Companies controlled by TCL Industries			
Holdings	(a)	4,127,684	2,092,248
Affiliates of TCL Industries Holdings	(a)	147,794	379,120
Companies controlled by TCL Technology	(a)	1,128,966	647,213
Joint ventures	(a)	547,733	535,761
Associates	(a)	<u>1,143,130</u>	<u>399,745</u>
		<u>7,095,307</u>	<u>4,054,087</u>
Impairment allowance		<u>(266,951)</u>	<u>(298,968)</u>
		<u>22,332,884</u>	<u>15,547,888</u>

Note:

- (a) As at 31 December 2024 and 2023, the amounts were interest-free, unsecured and repayable within one year.

The majority of the Group's sales in Chinese mainland were mainly made on the cash-on-delivery basis or on commercial bills guaranteed by banks within credit periods ranging from 30 to 90 days. For overseas sales, the Group usually requires settlement by letters of credit with tenures ranging from 90 to 180 days. Sales to certain long-term strategic customers were made on the open-account basis with credit terms of no more than 180 days.

Save for those amounts due from the related parties, in view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group holds a commercial property and certain government bonds from two groups of customers as collaterals for trade receivables of HK\$171,323,000 (2023: HK\$354,540,000) and HK\$104,213,000 (2023: Nil) due by them respectively. The Group does not hold any collaterals or other credit enhancements over its remaining trade receivables.

Included in the Group's trade receivables are (i) receivables to be factored of HK\$1,758,335,000 (2023: HK\$910,616,000), as well as (ii) the assets and the associated liabilities representing the extent of the Group's continuing involvement in the factored trade receivables of which the Group neither retained nor transferred substantially all of the risks and rewards, amounted to HK\$11,927,000 (2023: HK\$26,964,000). The above receivables are classified as financial assets at fair value through profit or loss. The remaining trade receivables with a gross carrying amount of HK\$20,829,573,000 (2023: HK\$14,909,276,000) are measured at amortised cost.

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

	2024	2023
	HK\$'000	HK\$'000
Current to 90 days	16,595,138	10,740,047
91 to 180 days	2,857,168	3,186,071
181 to 365 days	2,059,204	916,826
Over 365 days	1,088,325	1,003,912
	22,599,835	15,846,856
Impairment allowance	(266,951)	(298,968)
	22,332,884	15,547,888

13. TRADE PAYABLES

	<i>Note</i>	2024	2023
		HK\$'000	HK\$'000
Due to third parties		<u>14,926,811</u>	<u>11,838,216</u>
Due to related parties:			
Companies controlled by TCL Industries			
Holdings	(a)	4,049,782	2,208,371
Affiliates of TCL Industries Holdings	(a)	363,220	398,403
Companies controlled by TCL Technology	(a)	5,815,891	3,812,639
Joint ventures	(a)	57,517	122,124
Associates	(a)	<u>1,433,230</u>	<u>735,921</u>
		<u>11,719,640</u>	<u>7,277,458</u>
		<u>26,646,451</u>	<u>19,115,674</u>

Note:

- (a) As at 31 December 2024 and 2023, the amounts were interest-free, unsecured and repayable within one year.

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

	2024	2023
	HK\$'000	HK\$'000
Current to 90 days	21,779,822	15,712,598
91 to 180 days	3,852,823	2,502,257
181 to 365 days	860,845	731,302
Over 365 days	<u>152,961</u>	<u>169,517</u>
	<u>26,646,451</u>	<u>19,115,674</u>

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

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Current		
Bank loans – unsecured	3,755,295	4,344,214
Bank loans – secured	400,318	–
Advances from banks as consideration for factored trade receivables	11,927	26,964
Loans from companies controlled by TCL Industries Holdings	4,859	551,650
	<u>4,172,399</u>	<u>4,922,828</u>
Non-current		
Bank loans – unsecured	434,423	888,826
Bank loans – secured	3,237	–
	<u>437,660</u>	<u>888,826</u>
	<u>4,610,059</u>	<u>5,811,654</u>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	4,167,540	4,371,178
In the second year	219,283	665,290
In the third to fifth years, inclusive	216,066	223,536
After fifth years	2,311	–
	<u>4,605,200</u>	<u>5,260,004</u>
Analysed into:		
Other loans repayable:		
Within one year or on demand	4,859	551,650
	<u>4,859</u>	<u>551,650</u>
	<u>4,610,059</u>	<u>5,811,654</u>

Notes:

- (a) As at 31 December 2024 and 2023, the carrying amounts of the Group's bank and other borrowings were approximated to their fair values.
- (b) TCL Industries Holdings has individually guaranteed certain of the Group's bank loans up to HK\$1,838,914,000 (2023: HK\$4,006,479,000) and TCL Technology has not individually guaranteed the Group's bank loans (2023: HK\$80,888,000) as at the end of the reporting period.
- (c) Certain of the Group's bank loans are secured by the pledge of certain of the Group's inventories amounting to HK\$400,087,000 (31 December 2023: Nil) and future receivables amounting to HK\$3,468,000 (31 December 2023: Nil).

15. SHARE CAPITAL

	2024 HK\$'000	2023 HK\$'000
Authorised:		
3,000,000,000 (2023: 3,000,000,000) shares of HK\$1.00 each	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
2,520,935,155 (2023: 2,507,568,733) shares of HK\$1.00 each	<u>2,520,935</u>	<u>2,507,569</u>

On 28 May 2024, the Company allotted and issued 8,788,507 shares pursuant to award granted in the form of new shares under the 2008 Share Award Scheme.

During the year, share options carrying rights to subscribe for 4,577,915 shares were exercised at the exercise price of HK\$3.57 per share, pursuant to the terms of the 2016 Share Option Scheme, resulting in the issue of an aggregate of 4,577,915 shares of HK\$1.00 each for a total cash consideration of approximately HK\$16,344,000 before expenses.

16. COMPARATIVE AMOUNTS

Certain comparative amounts have been restated to conform with current year's presentation and disclosure.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company (including sale of treasury shares) during the year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

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

FINAL DIVIDEND

The Board has proposed a final dividend of HK31.80 cents (2023: HK16.00 cents) in cash per Share for the year ended 31 December 2024. Subject to approval at the forthcoming AGM to be held on 6 June 2025, Friday, the said final dividend will be payable on or about 30 July 2025, Wednesday to Shareholders whose names appear on the register of members of the Company on 15 July 2025, Tuesday.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlements to attend and vote at the forthcoming AGM, Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 2 June 2025, Monday for registration. Shareholders whose names are recorded in the register of members of the Company at the close of business on 2 June 2025, Monday are entitled to attend and vote at the forthcoming AGM.

The Hong Kong register of members of the Company will be closed on 15 July 2025, Tuesday, for the purposes of determining the entitlements of the Shareholders to the proposed final dividend for the year ended 31 December 2024 upon the passing of relevant resolution. No transfer of the shares of the Company may be registered on the said date. The record date for determining the entitlements of the Shareholders to the proposed final dividend is 15 July 2025, Tuesday. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 14 July 2025, Monday.

AGM

The AGM of the Company will be held on 6 June 2025, Friday. The notice of AGM will be published on the websites of the Company and the Hong Kong Stock Exchange and disseminated to the Shareholders in due course.

CORPORATE GOVERNANCE

The Company has established and will continue to optimise its risk management and internal control system. The management reports to the Board and the subordinated Audit Committee the governance situation and the improvement progress of the Company regularly to strengthen the collaboration on corporate governance between the Board and the management continuously, and fulfill their respective responsibilities in terms of corporate governance.

Throughout the year ended 31 December 2024, the Company has complied with the Code Provisions of the CG Code.

SCOPE OF WORK OF THE COMPANY'S AUDITOR EY

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by EY to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on this announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024, including the accounting principles adopted by the Group, with the Company's management. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. LAU Siu Ki (chairperson), Dr. TSENG Shieng-chang Carter and Professor WANG Yijiang, all being independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code. Specific enquiries have been made with all Directors and all of them have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the year ended 31 December 2024.

COMPLIANCE WITH DEED OF NON-COMPETITION

The Company has received a written confirmation from TCL Industries Holdings and T.C.L. Industries (H.K.) confirming that for the period from 1 January 2024 to 31 December 2024 (both dates inclusive), they had fully complied with the Deed of Non-competition in favour of the Company.

The Company has received a written confirmation from TCL Technology confirming that for the period from 1 January 2024 to 31 December 2024 (both dates inclusive), it had fully complied with the Deed of Termination (2020).

The independent non-executive Directors have reviewed the relevant confirmations on Deed of Non-Competition (2020) and Deed of Termination (2020), and all of them are satisfied that Deed of Non-Competition (2020) and the Deed of Termination (2020) have been complied with during the period from 1 January 2024 to 31 December 2024 (both dates inclusive).

DEFINITIONS

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

“2008 Share Award Scheme”	the restricted share award scheme adopted by the Company on 6 February 2008 (as amended from time to time), which expired on 5 February 2023;
“2016 Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2016, which was terminated on 3 November 2023;
“2023 Share Award Scheme”	the share award scheme adopted by the Company on 3 November 2023;
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 3 November 2023;
“AGM”	annual general meeting of the Company;
“AI”	artificial intelligence;
“AR”	augmented reality;
“Audit Committee”	the audit committee of the Company;

“AWE Award”	an award presented during the Appliance and Electronics World Expo, which is one of the top three global home appliance and consumer electronics exhibitions;
“Board”	the board of Directors;
“CES”	Consumer Electronics Show;
“CG Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules;
“China IRN”	Shenzhen Zhongyan Puhua Management Consulting Co., Ltd., a professional consulting firm based in Shenzhen, providing industrial research, industry research, market research and market survey services;
“Circana”	Circana Group, a market research company that provides global data, industry expertise and analysis from a variety of perspectives. It is formed through the merger of NPD Group L.P. and Information Resources Corporation;
“CMM”	China Market Monitor Co., Ltd., a research institute focusing on the research of consumer goods and the retail home appliance market in the PRC;
“Code Provision(s)”	the code provision(s) of the CG Code;
“Company” or “TCL Electronics”	TCL Electronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01070);
“Deed of Non-Competition (2020)”	the deed executed by TCL Industries Holdings, T.C.L. Industries (H.K.) and the Company on 29 June 2020 in favour of the Company whereby each of TCL Industries Holdings and T.C.L. Industries (H.K.) has undertaken not to (save for the exception as defined on page 39 of the announcement of the Company dated 29 June 2020), directly or indirectly, carry on or be engaged or interested in the manufacture and assembly of TCL brand TV sets and smart phones;

“Deed of Termination (2020)”	the deed executed by TCL Technology, T.C.L. Industries (H.K.) and the Company on 29 June 2020 pursuant to which the parties agreed to terminate the Deed of Non-Competition (1999) as amended from time to time and TCL Technology has undertaken not to (save for the Exception as defined on page 39 of the announcement of the Company dated 29 June 2020), directly or indirectly, carry on or be engaged or interested in the manufacture and assembly of TV sets bearing TCL brand;
“Director(s)”	the director(s) of the Company;
“Emerging Market”	regions including Asia-Pacific (excluding the PRC), Latin America, Middle East and Africa;
“GDP”	gross domestic product;
“GfK”	Gesellschaft für Konsumforschung, a consumer goods and global market research organisation headquartered in Nuremberg, Germany;
“Group”	collectively the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKAS(s)”	Hong Kong Accounting Standard(s);
“HKFRS(s)”	Hong Kong Financial Reporting Standards;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Huizhou TCL Mobile”	Huizhou TCL Mobile Communication Co., Ltd.* (惠州TCL移動通信有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“IDC”	International Data Corporation, a global provider of market information and consulting services related to the information technology, telecommunications and consumer technology markets;
“IFPD”	interactive flat panel display;
“IoT”	Internet of Things;
“IP”	intellectual property;
“LED”	light emitting diode;
“Listing Rules”	the rules governing the listing of securities on the Hong Kong Stock Exchange;
“Market Monitor”	Hunan Beizhesi Information Consulting Co., Ltd., a consulting firm that offers data services such as industry trend forecasting, market monitoring, customised research and competitive intelligence;
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules;
“NFL”	the National Football League;
“OD”	optical distance;
“Omdia”	a global technology research organisation formed through the merger of the research divisions (Ovum/Heave Reading and Tractica) and the acquisition of IHS Markit International;
“OS”	operating system;
“OTT”	Over The Top, an acronym for a variety of media services provided directly to viewers via the internet;

“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” and “China” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan, China;
“QLED” or “QD”	quantum dot display technology;
“R\$”	Brazilian Real, the lawful currency of Brazil;
“R&D”	research and development;
“RayNeo”	RayNeo Co., Ltd., a company established under the laws of the PRC with limited liability, which primarily operates the Group’s smart glasses business and of which the Group held 10.39% equity interest as at 31 December 2024;
“Research and Markets”	a market research company based in Ireland that offers market research reports, industry analysis, business intelligence and data analysis;
“RMB”	Renminbi, the lawful currency of the PRC;
“RUNTO”	Beijing Runto Technology Co., Ltd., a third-party organisation in the PRC that provides data products and research and advisory services;
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Sigmaintell”	Sigmaintell Consulting Co., Ltd., a service company in the PRC specialising in research and consulting for the global high-tech industry;
“STA”	SEMP Amazonas S.A., a company incorporated under the laws of Brazil with limited liability;
“subsidiary(ies)”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;

“TCL Home Appliances”	TCL Home Appliances Holding Company Limited, a company incorporated under the laws of Hong Kong with limited liability, and a non wholly-owned subsidiary of TCL Industries Holdings;
“TCL Industries Holdings”	TCL Industries Holdings Co., Ltd.* (TCL 實業控股股份有限公司), formerly known as TCL Industries Holdings (Guangdong) Inc.* (TCL 實業控股(廣東)股份有限公司), a joint stock limited company established under the laws of the PRC;
“T.C.L. Industries (H.K.)”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, an immediate controlling Shareholder, and a wholly-owned subsidiary of TCL Industries Holdings;
“TCL NL”	TCL Netherlands B.V., a company established under the laws of the Netherlands with limited liability and an indirect wholly-owned subsidiary of the Company;
“TCL SEMP”	TCL SEMP Indústria e Comércio de Eletroeletrônicos S.A. (formerly known as SEMP TCL Indústria e Comércio de Eletroeletrônicos S.A.), a company incorporated under the laws of Brazil with limited liability, an indirect non wholly-owned subsidiary of the Company;
“TCL SEMP Condicionadores”	TCL SEMP Indústria e Comércio de Condicionadores de ar S.A., a company incorporated under the laws of Brazil with limited liability, a then direct subsidiary of TCL SEMP;
“TCL SEMP Eletroeletronicos”	TCL SEMP Eletroeletronicos Ltda. (formerly known as SEMP TCL Mobilidade Ltda.), a company incorporated under the laws of Brazil with limited liability, an indirect subsidiary of the Company;
“TCL Share Award Schemes”	collectively the 2008 Share Award Scheme and the 2023 Share Award Scheme;

“TCL Technology”	TCL Technology Group Corporation (TCL 科技集團股份有限公司), formerly known as TCL Corporation (TCL 集團股份有限公司), a joint stock limited company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100.SZ);
“TCL Yuxin Zhixing”	TCL Yuxin Zhixing Technology (Huizhou) Co., Ltd.* (TCL 馭新智行科技(惠州)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of TCL Industries Holdings;
“TV”	television(s);
“U.S.”	the United States of America;
“VR”	virtual reality;
“XR”	extended reality; and
“%”	per cent.

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

Hong Kong, 21 March 2025

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

As at the date of this announcement, the Board comprises Ms. DU Juan, Mr. ZHANG Shaoyong, Mr. PENG Pan and Mr. SUN Li as executive Directors and Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.