

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SKYWORTH

SKYWORTH GROUP LIMITED

創維集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00751)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

SKYWORTH GROUP LIMITED (the “Company”, together with its subsidiaries referred to as the “Group”) is an investment holdings company with subsidiaries principally engaged in manufacture and sales of smart TV, home access systems, photovoltaic products, smart white appliances, intelligent manufacturing, internet value-added services, property development, property holding, modern services and trading of other products.

Highlights of Results

	For the year ended 31 December		
	<u>2025</u>	<u>2024</u>	
	RMB million	RMB million	Change
Revenue	70,324	65,013	8.2%
Gross profit	9,013	8,808	2.3%
Profit for the year	837	1,160	-27.8%
Profit for the year attributable to owners of the Company	356	568	-37.3%
Full year dividend per share (HK cents)			
— Paid interim dividend per share	-	-	N/A
— Proposed final dividend per share	-	-	N/A

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2025.

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 (the “Reporting Year”) together with the comparative figures for the year ended 31 December 2024 (the “Previous Year”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

Amounts expressed in millions of Renminbi except for earnings per share data and otherwise stated

	<u>NOTES</u>	<u>2025</u>	<u>2024</u>
Revenue			
Sales of goods		69,742	64,388
Leases		471	513
Interest under effective interest method		111	112
Total revenue	3	70,324	65,013
Cost of sales		<u>(61,311)</u>	<u>(56,205)</u>
Gross profit		9,013	8,808
Other income		1,003	1,235
Other gains and losses	5	(18)	(160)
Selling and distribution expenses		(4,112)	(3,749)
General and administrative expenses		(1,985)	(1,807)
Research and development expenses		(2,071)	(2,086)
Finance costs		(457)	(480)
Share of results of associates and joint ventures		(2)	(23)
Profit before taxation		1,371	1,738
Income tax expense	6	<u>(534)</u>	<u>(578)</u>
Profit for the year	7	<u>837</u>	<u>1,160</u>
Other comprehensive income (expense)			
<i>An item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>25</u>	<u>(4)</u>
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on investments in equity instruments at FVTOCI		(47)	183
Income tax relating to item that will not be reclassified subsequently		<u>(10)</u>	<u>(44)</u>
		<u>(57)</u>	<u>139</u>
Other comprehensive (expense) income for the year		<u>(32)</u>	<u>135</u>
Total comprehensive income for the year		<u>805</u>	<u>1,295</u>

	<u>NOTE</u>	<u>2025</u>	<u>2024</u>
Profit for the year attributable to:			
Owners of the Company		356	568
Non-controlling interests		<u>481</u>	<u>592</u>
		<u>837</u>	<u>1,160</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		303	701
Non-controlling interests		<u>502</u>	<u>594</u>
		<u>805</u>	<u>1,295</u>
Earnings per share (expressed in Renminbi cents)			
Basic	9	<u>17.79</u>	<u>24.59</u>
Diluted	9	<u>17.79</u>	<u>24.59</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

Amounts expressed in millions of Renminbi

	<u>NOTE</u>	<u>2025</u>	<u>2024</u>
Non-current Assets			
Property, plant and equipment		11,000	9,989
Right-of-use assets		3,051	2,836
Deposits paid for purchase of property, plant and equipment		233	329
Investment properties		1,525	1,464
Goodwill		443	430
Other intangible assets		321	124
Interests in associates and joint ventures		519	457
Other financial assets		3,487	2,508
Trade and other receivables	10	1,479	1,094
Deferred tax assets		1,179	1,055
		<u>23,237</u>	<u>20,286</u>
Current Assets			
Inventories and other contract costs		16,400	12,444
Stock of properties		4,975	5,699
Other financial assets		1,488	1,113
Trade and other receivables	10	17,941	18,494
Prepaid tax		193	187
Pledged and restricted bank deposits		2,976	3,437
Cash and cash equivalents		9,294	8,348
		<u>53,267</u>	<u>49,722</u>

	<u>NOTE</u>	<u>2025</u>	<u>2024</u>
Current Liabilities			
Trade and other payables	11	30,079	27,237
Other financial liabilities		1,285	286
Lease liabilities		49	41
Deferred income		122	132
Tax liabilities		240	251
Bank borrowings		<u>12,717</u>	<u>9,387</u>
		<u>44,492</u>	<u>37,334</u>
Net Current Assets		<u>8,775</u>	<u>12,388</u>
Total Assets less Current Liabilities		<u>32,012</u>	<u>32,674</u>
Non-current Liabilities			
Trade and other payables	11	2,187	1,727
Other financial liabilities		468	67
Lease liabilities		180	58
Deferred income		554	534
Bank borrowings		5,314	6,918
Deferred tax liabilities		<u>249</u>	<u>232</u>
		<u>8,952</u>	<u>9,536</u>
NET ASSETS		<u>23,060</u>	<u>23,138</u>
Capital and Reserves			
Share capital		203	235
Reserves		<u>17,276</u>	<u>18,003</u>
Equity attributable to owners of the Company		17,479	18,238
Non-controlling interests		<u>5,581</u>	<u>4,900</u>
		<u>23,060</u>	<u>23,138</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

Amounts expressed in millions of Renminbi

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Profit before taxation	1,371	1,738
Adjustments for:		
Depreciation of right-of-use assets	75	62
Depreciation of property, plant and equipment	615	513
Depreciation of investment properties	57	57
Amortisation of intangible assets	15	2
Finance costs	457	480
Government grants related to assets recognised	(66)	(65)
Impairment loss recognised in respect of financial assets	136	74
Interest income	(54)	(58)
Dividend from equity instruments	(15)	(249)
Gain from changes in fair value of financial assets at fair value through profit or loss (“FVTPL”)	(243)	(58)
Share-based payment expenses	133	71
Share of results of associates and joint ventures	2	23
Write-down of inventories	395	635
Others	190	224
Operating cash flows before movements in working capital	3,068	3,449
Increase in inventories and other contract costs	(4,610)	(2,192)
Decrease (increase) in stock of properties	513	(119)
Decrease (increase) in trade and bills receivables	1,132	(2,311)
Decrease (increase) in trade receivables at FVTOCI	97	(495)
Increase in other receivables, deposits and prepayments	(377)	(332)
Decrease in pledged and restricted bank deposits	212	732
Increase in trade and bills payables	3,068	858
(Decrease) increase in other payables	(592)	70
Increase in contract liabilities	215	305
Increase in deferred income	15	128
Cash generated from operations	2,741	93
Interest received	242	186
Hong Kong income tax paid	(5)	(7)
Overseas income tax paid	(61)	(38)
PRC income tax paid	(611)	(681)
Land appreciation tax paid	(48)	(59)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>2,258</u>	<u>(506)</u>

	<u>2025</u>	<u>2024</u>
INVESTING ACTIVITIES		
Interest received	63	143
Acquisition of right-of-use assets	(8)	(137)
Payment for property, plant and equipment	(1,395)	(1,230)
Proceeds on disposal of property, plant and equipment	86	122
Investment in associates and a joint venture	(67)	(32)
Investments in financial assets at FVTPL	(12,724)	(1,189)
Proceeds on disposal of financial assets and dividend income	11,740	2,473
Investments in financial assets at FVTOCI	(77)	(110)
Loan advanced	(28)	(158)
Repayments of loan receivables	62	47
Placement of bank deposits with original maturity of three months or more	(711)	(1,027)
Withdrawal of bank deposits with original maturity of three months or more	897	483
Proceeds on disposal of a subsidiary	(4)	347
Other investing cash flows	(15)	285
NET CASH (USED IN) FROM INVESTING ACTIVITIES	<u>(2,181)</u>	<u>17</u>
FINANCING ACTIVITIES		
Dividends paid	(283)	(431)
Interest paid	(416)	(473)
Repurchase of own shares by the Company	(978)	(467)
Purchase of shares for unvested shares under the share award scheme of the Company	(64)	(19)
Contribution to subsidiaries from non-controlling interests	218	154
New bank borrowings raised	13,799	15,998
Repayments of bank borrowings	(12,092)	(14,284)
Other new borrowings raised	513	82
Repayments of other borrowings	(10)	(6)
Payments of lease liabilities	(42)	(45)
Placement of pledged bank deposits	(79)	(1,297)
Withdrawal of pledged bank deposits	24	588
Other financing cash flows	290	(63)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>880</u>	<u>(263)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	957	(752)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,348	9,114
Effect of foreign exchange rate changes	(11)	(14)
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	<u>9,294</u>	<u>8,348</u>

NOTES:

1. GENERAL INFORMATION

Skyworth Group Limited (the “Company”) is an exempted company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and most of its subsidiaries.

The Group, comprising the Company and its subsidiaries, is principally engaged in the manufacture and sales of smart TV, home access systems, photovoltaic products, smart white appliances, intelligent manufacturing, internet value-added services, property development, property holding, modern services and trading of other products.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS - continued

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

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

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

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statement sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements and HKFRS 18 carries forward many of the requirements in HKAS 1 and introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7 Financial Instruments: Disclosures are also applicable. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers, leases and interest under effective interest method

For the year ended 31 December 2025

	Smart household appliances business RMB million	Smart systems technology business RMB million	New energy business RMB million	Modern services business and others RMB million	Total RMB million
Type of goods/services					
Contracts with customers (Note (i))	35,656	8,495	23,685	2,065	69,901
Leases	-	28	-	443	471
Interest under effective interest method (Note (ii))	-	-	-	111	111
Subtotal	35,656	8,523	23,685	2,619	70,483
Less: other business tax	(55)	(14)	(75)	(15)	(159)
Segment revenue	<u>35,601</u>	<u>8,509</u>	<u>23,610</u>	<u>2,604</u>	<u>70,324</u>
Timing of revenue recognition for contract with customers					
A point in time	34,537	8,288	22,937	1,327	67,089
Over time	1,119	207	748	738	2,812
Total	<u>35,656</u>	<u>8,495</u>	<u>23,685</u>	<u>2,065</u>	<u>69,901</u>

For the year ended 31 December 2024

	Smart household appliances business RMB million	Smart systems technology business RMB million	New energy business RMB million	Modern services business and others RMB million	Total RMB million
Type of goods/services					
Contracts with customers (Note (i))	33,469	8,484	20,334	2,263	64,550
Leases	-	27	-	486	513
Interest under effective interest method (Note (ii))	-	-	-	112	112
Subtotal	33,469	8,511	20,334	2,861	65,175
Less: other business tax	(62)	(16)	(64)	(20)	(162)
Segment revenue	<u>33,407</u>	<u>8,495</u>	<u>20,270</u>	<u>2,841</u>	<u>65,013</u>
Timing of revenue recognition for contract with customers					
A point in time	32,299	8,140	19,821	1,482	61,742
Over time	1,170	344	513	781	2,808
Total	<u>33,469</u>	<u>8,484</u>	<u>20,334</u>	<u>2,263</u>	<u>64,550</u>

Notes:

- (i) Manufacture and sales of goods mainly include manufacture and sales of smart TV, home access systems (mainly digital set-top boxes), smart white appliances, intelligent manufacturing (mainly LCD modules), automotive electronic systems, other electronic products, sales of properties, photovoltaic power stations and other products, provision of intelligent operation and maintenance services to the distributed photovoltaic power stations and provision and sales of internet value-added services of Coocaa system.
- (ii) Amount represents interest income from loan receivables under group entities in which the loan financing is a principal activity.

4. SEGMENT INFORMATION

The Group is organised into operating business units according to the nature of the goods sold or services provided. The Group determines its operating segments based on these business units by reference to the goods sold or services provided, for the purpose of reporting to the chief operating decision maker (“CODM”) (i.e. the executive directors of the Company). Individual operating segments for which discrete financial information is available are identified by the CODM and are operated by their respective management teams. These individual operating segments are aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments in the current year are as follows:

1. Smart Household Appliances Business - manufacture and sale of smart TV, smart white appliances and other smart appliances such as smart air conditioners, smart refrigerators, smart washing machines, smart kitchen appliances, intelligent manufacturing, provision and sales of internet value-added services of Coocaa system, among others
2. Smart Systems Technology Business - manufacture and sale of home access systems, intelligent manufacturing, automotive electronic systems and other electronic products
3. New Energy Business - sale and installation of distributed photovoltaic power stations for residential, commercial and industrial applications, and provision of intelligent operation and maintenance services to the distributed photovoltaic power stations

Each of the operating segments under smart household appliances, smart systems technology and new energy businesses include operations of manufacturing and/or sales of various products under the respective businesses. Each of these operations is considered as a separate operating segment by the CODM. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments as set out above in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

In addition to the above operating and reportable segments, the Group has other operating segments, which mainly include sales of properties, loan financing, leasing of properties and trading of other products, among others. These operating segments individually do not meet any of the quantitative thresholds for determining reportable segments in both current and prior year. Accordingly, these operating segments are grouped as “Modern Services Business and Others”.

4. SEGMENT INFORMATION - continued

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM no longer reviews such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and result by reportable segments:

For the year ended 31 December 2025

	Smart household appliances <u>business</u>	Smart systems technology <u>business</u>	New energy <u>business</u>	Total reportable <u>segments</u>	Modern services business <u>and others</u>	<u>Eliminations</u>	<u>Total</u>
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue							
Segment revenue from external customers	35,601	8,509	23,610	67,720	2,604	-	70,324
Inter-segment revenue	109	100	17	226	241	(467)	-
Total segment revenue	<u>35,710</u>	<u>8,609</u>	<u>23,627</u>	<u>67,946</u>	<u>2,845</u>	<u>(467)</u>	<u>70,324</u>
Results							
Segment results	<u>1,003</u>	<u>(29)</u>	<u>1,208</u>	<u>2,182</u>	<u>(34)</u>	<u>-</u>	<u>2,148</u>
Interest income							156
Other gains and losses							(18)
Unallocated corporate income/expenses							(456)
Finance costs							(457)
Share of results of associates and joint ventures							(2)
Consolidated profit before taxation of the Group							<u>1,371</u>

For the year ended 31 December 2024

	Smart household appliances <u>business</u>	Smart systems technology <u>business</u>	New energy <u>business</u>	Total reportable <u>segments</u>	Modern services business <u>and others</u>	<u>Eliminations</u>	<u>Total</u>
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue							
Segment revenue from external customers	33,407	8,495	20,270	62,172	2,841	-	65,013
Inter-segment revenue	259	154	4	417	672	(1,089)	-
Total segment revenue	<u>33,666</u>	<u>8,649</u>	<u>20,274</u>	<u>62,589</u>	<u>3,513</u>	<u>(1,089)</u>	<u>65,013</u>
Results							
Segment results	<u>995</u>	<u>170</u>	<u>1,113</u>	<u>2,278</u>	<u>305</u>	<u>-</u>	<u>2,583</u>
Interest income							187
Other gains and losses							(160)
Unallocated corporate income/expenses							(369)
Finance costs							(480)
Share of results of associates and joint ventures							(23)
Consolidated profit before taxation of the Group							<u>1,738</u>

Inter-segment sales are charged at prevailing market rates.

4. SEGMENT INFORMATION - continued

Geographical information

The Group's operations are located in the Mainland China, Asia (other than the Mainland China), Europe, Americas, Africa and other regions.

For segments other than sales of properties included in "Modern Services Business and Others", the Group's geographical analysis of revenue from external customers is determined based on the location of customers. For sales of properties included in "Modern Services Business and Others", the Group's revenue from external customers is determined based on the location of assets. Information about its non-current assets by physical location of the assets is also detailed below.

	<u>Revenue from external customers</u>		<u>Non-current assets (Note (i))</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RMB million	RMB million	RMB million	RMB million
Mainland China	51,989	49,251	16,806	15,403
Asia (other than the Mainland China) (Note (ii))	8,223	8,058	186	175
Europe	3,904	3,320	58	39
Americas	4,454	2,365	18	1
Africa	1,617	1,754	30	37
Other regions	137	265	-	-
	<u>70,324</u>	<u>65,013</u>	<u>17,098</u>	<u>15,655</u>

Notes:

- (i) Non-current assets excluded financial instruments and deferred tax assets.
- (ii) Asia (other than the Mainland China) mainly includes Hong Kong, Vietnam, Indonesia and India, each of which individually contributed less than 10% of total revenue.

Information about major customers

For the year ended 31 December 2025, no (2024: one) customer has accounted for over 10% of the Group's total revenue. The said customer for 2024 contributed to the Group's revenue amounting to RMB9,627 million for the year then ended.

5. OTHER GAINS AND LOSSES

	<u>2025</u> RMB million	<u>2024</u> RMB million
Included in gains (loss) are:		
Gain from changes in fair value of financial assets at FVTPL	243	58
(Loss) gain from changes in fair value of other derivative financial instruments	(13)	8
Impairment loss recognised, net, in respect of		
– trade receivables	(107)	(25)
– loan receivables	(17)	(38)
– other financial assets	(12)	(11)
– property, plant and equipment	(62)	(59)

6. INCOME TAX EXPENSE

	<u>2025</u> RMB million	<u>2024</u> RMB million
Tax charge (credit):		
PRC Enterprise Income Tax (“EIT”)	598	654
PRC Land Appreciation Tax (“LAT”)	6	70
PRC withholding tax	7	15
Hong Kong Profits Tax	8	2
Taxation arising in other jurisdictions	31	24
Deferred taxation	(116)	(187)
	<u>534</u>	<u>578</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

Under the Law of the People’s Republic of China (the “PRC”) on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year. For those PRC subsidiaries approved as High and New Technology Enterprise by the relevant government authorities, they are subject to a preferential rate of 15%.

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui [2008] No. 1, dividend distributed to foreign investors out of the profits generated since 1 January 2008 by the PRC entity shall be subject to EIT pursuant to Articles 3 and 27 of the EIT Law of the PRC and Article 91 of the Implementation Rules of EIT Law of the PRC. In March 2023, a new notice with the name of Cai Shui [2023] No. 7 “Notice on Further Improvements to Policies for Weighted Pre-tax Deduction of Research and Development Expenses” was released, certain PRC subsidiaries are entitled to an additional 100% (2024: 100%) tax deduction on eligible research costs incurred by them for both years.

6. INCOME TAX EXPENSE - continued

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group's estimated effective tax rates of the majority of the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Global Anti-base Erosion Rules ("Pillar Two Rules"). Based on management's best estimate, the management of the Group considers the top-up tax under the Pillar Two Rules for the years ended 31 December 2025 and 2024 borne by Group is insignificant.

7. PROFIT FOR THE YEAR

	<u>2025</u> RMB million	<u>2024</u> RMB million
Profit for the year has been arrived at after charging (crediting):		
Cost of inventories recognised as an expense including write-down of inventories of RMB178 million (2024: RMB202 million)	59,916	54,921
Cost of stock of properties recognised as an expense including write-down of stock of properties of RMB217 million (2024: RMB433 million)	1,194	1,105
Depreciation of property, plant and equipment	886	783
Less: capitalised as cost of inventories	<u>(271)</u>	<u>(270)</u>
	<u>615</u>	<u>513</u>
Depreciation of right-of-use assets	137	138
Less: capitalised as cost of inventories	(25)	(26)
capitalised as cost of construction in progress	<u>(37)</u>	<u>(50)</u>
	75	62
Depreciation of investment properties	57	57

7. PROFIT FOR THE YEAR - continued

	<u>2025</u> RMB million	<u>2024</u> RMB million
Amortisation of intangible assets	15	2
Staff costs:		
- Directors' and chief executive's emoluments	117	75
- Related staff costs for research and development activities	1,273	1,237
- Salaries, bonus, retirement benefits and others of other staffs	<u>4,143</u>	<u>4,102</u>
	5,533	5,414
Less: capitalised as		
- Cost of inventories	(1,302)	(1,397)
- Stock of properties	(6)	(16)
- Property, plant and equipment	<u>(17)</u>	<u>(21)</u>
	<u>4,208</u>	<u>3,980</u>

8. DIVIDEND

	<u>2025</u> RMB million	<u>2024</u> RMB million
Dividend recognised as distribution during the year:		
2024 - nil		
(2024: 2023 final dividend - 5 HK cents per share)	<u>-</u>	<u>111</u>

The Board has determined not to declare final dividend for the years ended 31 December 2025 and 2024.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<u>2025</u> RMB million	<u>2024</u> RMB million
<u>Earnings</u>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>356</u>	<u>568</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,000,611,493	2,309,586,352
Effect of dilutive potential ordinary shares in respect of outstanding share options of the Company	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,000,611,493</u>	<u>2,309,586,352</u>

The computation of diluted earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise prices are higher than the average market price per share for the years ended 31 December 2025 and 2024.

The weighted average number of ordinary shares shown above has been adjusted for the repurchase of shares.

10. TRADE AND OTHER RECEIVABLES

	<u>2025</u> RMB million	<u>2024</u> RMB million
Trade and bills receivables (Note (i))	11,823	13,334
Loan receivables	1,030	933
Purchase deposits paid for inventories/stock of properties	1,241	1,603
VAT and other tax recoverables	2,545	1,805
Other deposits paid and prepayments	1,271	892
Other receivables	1,510	1,021
	<u>19,420</u>	<u>19,588</u>

Note:

i. Trade and bills receivables

The following set out the details of the Group's trade and bills receivables at amortised cost and at FVTOCI:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Trade receivables at amortised cost		
- goods and services	9,573	10,821
- lease receivables	134	162
	<u>9,707</u>	<u>10,983</u>
Less: allowance for credit losses	(511)	(702)
	<u>9,196</u>	<u>10,281</u>
Trade receivables at FVTOCI	613	710
	<u>9,809</u>	<u>10,991</u>
Bills receivables	2,014	2,343
	<u>11,823</u>	<u>13,334</u>

As at 1 January 2024, trade receivables from contracts with customers, net of allowance for credit losses of RMB753 million, amounted to RMB9,483 million.

The following is an aged analysis of trade receivables at amortised cost and at FVTOCI before allowance for credit loss:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Within 30 days	4,359	5,411
31 to 60 days	2,452	2,246
61 to 90 days	979	1,135
91 to 180 days	1,193	1,066
181 to 270 days	304	201
271 to 365 days	127	279
Over 365 days	906	1,355
	<u>10,320</u>	<u>11,693</u>

10. TRADE AND OTHER RECEIVABLES - continued

Note: - continued

i. Trade and bills receivables - continued

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,413 million (2024: RMB1,944 million) which are past due as at the reporting date. Out of the past due balances, RMB704 million (2024: RMB968 million) has been past due 90 days or more and is not considered as in default based on historical experience. Other than two land parcels (2024: two land parcels) pledged for security of certain trade receivables, the Group does not hold any collateral over these balances.

As at 31 December 2025, included in the Group's trade receivables are amounts due from associates and related parties (as at 31 December 2024: an associate and related parties) of RMB38 million (2024: RMB416 million) and RMB26 million (2024: RMB6 million) respectively. The credit period is 45 days. No allowance for credit losses is made for the years ended 31 December 2025 and 2024. The following is an aged analysis presented based on the invoice date at the end of the reporting period:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Within 30 days	53	163
31 to 60 days	9	253
61 to 90 days	<u>2</u>	<u>6</u>
	<u>64</u>	<u>422</u>

For customers who used bills to settle their trade receivables upon the expiry of the initial credit period, the ageing analysis of bills receivables at the end of the reporting period was presented based on the date of issuance of the bills. The dates of issuance of all bills receivables are within one year at the end of the reporting period.

The maturity dates of bills receivables at the end of the reporting period are analysed as follows:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Within 30 days	183	268
31 to 60 days	267	239
61 to 90 days	499	754
91 days or over	<u>1,065</u>	<u>1,082</u>
	<u>2,014</u>	<u>2,343</u>

11. TRADE AND OTHER PAYABLES

	<u>2025</u> RMB million	<u>2024</u> RMB million
Trade payables (Note (i))	14,912	12,883
Bills payables (Note (ii))	4,509	4,472
Provision for warranty	611	540
Provision for rebates	687	761
Contract liabilities	2,061	1,852
Accrued staff costs	1,206	1,335
Accrued selling and distribution expenses	387	397
Deposits received from sub-contractors	2,886	2,639
Payables for purchase of property, plant and equipment	905	606
Rental deposits received	170	172
VAT and other tax payables	640	638
Other deposits received	80	92
Accruals and other payables	3,212	2,577
	<u>32,266</u>	<u>28,964</u>

Notes:

i. Trade payables

The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Within 30 days	7,424	7,014
31 to 60 days	2,152	2,128
61 to 90 days	1,075	1,230
91 to 180 days	2,448	457
181 days or over	1,813	2,054
	<u>14,912</u>	<u>12,883</u>

The credit periods of trade payables ranged from 30 days to 90 days.

ii. Bills payables

The maturity dates of bills payables at the end of the reporting period are analysed as follows:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Within 30 days	885	995
31 to 60 days	738	960
61 to 90 days	647	499
91 to 180 days	2,213	1,767
181 days or over	26	251
	<u>4,509</u>	<u>4,472</u>

All bills payables at the end of the reporting period are not yet due.

12. PLEDGE OF AND RESTRICTION ON ASSETS

At 31 December 2025, the Group's borrowings were pledged and secured by the following:

	<u>2025</u> RMB million	<u>2024</u> RMB million
Property, plant and equipment and right-of-use assets	3,376	3,883
Investment properties	1,240	1,291
Stock of properties	215	1,342
Trade and bills receivables	7	149
	<u>4,838</u>	<u>6,665</u>

The pledged and restricted bank deposits as set out in the consolidated statement of financial position are pledged to secure bank borrowings or placed in restricted bank accounts in accordance with the applicable regulations and requirements.

In addition to the above, the shareholdings of five subsidiaries as at 31 December 2025 (2024: nil) were also pledged to certain banks for bank facilities provided to the Group.

BUSINESS PERFORMANCE REVIEW

Revenue

For the year ended 31 December 2025 (the “Reporting Year”), the Group’s overall revenue amounted to RMB70,324 million, compared with an overall revenue of RMB65,013 million for the year ended 31 December 2024 (the “Previous Year”).

During the year, the global economic environment remained volatile, marked by escalating geopolitical conflicts and heightened tensions. International trade frictions intensified, particularly with the implementation of various tariff measures throughout the Reporting Year. Against the backdrop of a looming global tariff war, shifts in global supply chains and price transmission have affected manufacturing enterprises as well as the Group’s various business segments to varying degrees. The ongoing real estate downturn has further dampened overall market sentiment and consumer confidence. Amid this uncertain macro-economic landscape, the Group remained committed to its operational strategy of promoting industrial transformation and innovation-driven development. While closely monitoring the latest market trends, it seized opportunities arising from the digitalisation, intelligent transformation, and low-carbon transition across industries. Building on our solid technological foundation, we strengthened in-house research and development efforts and accelerated the commercialisation of innovations, continuing to inject fresh momentum into the high-quality development of our diverse businesses. Accurately discerning forward-looking trends and actively responding to the national goals of achieving carbon peak and carbon neutrality (the “Double Carbon”) targets, the Group expanded from its traditional TV business into smart household appliances and smart devices, while successfully venturing into the new energy sector, forging a distinctive development path: “From Smart Appliances to Double Carbon Ecology”.

During the Reporting Year, the domestic household appliances market remained highly competitive, while the prolonged downturn in the real estate sector continued to weigh on the business environment. Although supported by the national “trade-in” policy, the Group actively pursued an overseas expansion strategy to mitigate single-market risks. Benefiting from successful market expansion abroad, the smart household appliances business recorded year-on-year revenue growth. Net profit for the year was RMB837 million, representing a decrease of RMB323 million or 27.8%, from RMB1,160 million in the Previous Year. Meanwhile, the construction development business within the Group’s modern services business sector was adversely affected by the prolonged downturn in China’s real estate market, leading to impairment provision and resulted in weak business performance of this business sector. Despite the increasingly complex and volatile business environment testing the Group’s resilience, the Group adopted prudent and flexible operational strategies, including optimising resource allocation and accelerating inventory structure adjustments, to cope with intense competition. By leveraging high-quality products to strengthen brand competitiveness, the Group maintained stable operating conditions and financial performance, with all key initiatives progressing in an orderly manner.

For the below analysis, other business tax for the Reporting Year was RMB159 million (the Previous Year: RMB162 million) was not deducted from the revenue by geographical segment and revenue by business sectors.

(a) Business Review by Geographical Segment

The Group’s operations have been expanded worldwide, including the mainland China and other regions in Asia, Europe and Americas, and Africa, with the mainland China market being the primary market.

Mainland China Market

For the year ended 31 December 2025, revenue from the mainland China market amounted to RMB52,148 million, representing an increase of RMB2,735 million or 5.5% compared with RMB49,413 million for the Previous Year.

During the Reporting Year, the Group’s smart household appliances business, smart systems technology business and new energy business, each accounted for 40.7% (the Previous Year: 43.7%), 9.5% (the Previous Year: 10.0%) and 45.2% (the Previous Year: 41.1%) of its revenue from the mainland China

market, while the modern services business and others attributed the remaining 4.6% (the Previous Year: 5.2%).

Overseas Markets

For the year ended 31 December 2025, revenue from overseas markets amounted to RMB18,335 million, equivalent to 26.0% of the Group’s overall revenue, representing an increase of RMB2,573 million or 16.3% compared with RMB15,762 million recorded in the Previous Year.

Geographical Distribution of Revenue in Overseas Markets

The Group’s main overseas markets are Asia, Americas, Europe and Africa. The geographical distribution of the revenue in proportion for overseas markets is illustrated as follows:

	Year ended 31 December	
	2025 (%)	2024 (%)
Asia	45	51
Americas	24	15
Europe	21	21
Africa	9	11
Oceania	1	2
	100	100

For revenue analysis by business sectors concerning the mainland China market and overseas markets, please refer to the section headed “Business Review by Business Sectors”.

(b) Business Review by Business Sectors

In response to the needs of corporate development and the enhancement of management efficiency, the Group announced its four major business sectors following integration and optimisation including: 1. Smart Household Appliances Business, 2. Smart Systems Technology Business, 3. New Energy Business and 4. Modern Services Business, enabling various business units to integrate resources and exert synergies.

1. Smart Household Appliances Business

The Group’s smart household appliances business primarily covers, among others, smart TV, smart white appliances, other smart appliances and provision of internet connection services of Coocaa System.

For the year ended 31 December 2025, the Group’s smart household appliances business recorded revenue of RMB35,656 million, representing an increase of RMB2,187 million or 6.5% as compared to RMB33,469 million recorded in the Previous Year.

1.1 Smart TV Products (Mainland China Market)

For the year ended 31 December 2025, the Group’s smart TV products recorded revenue of RMB11,781 million in the mainland China market, representing a decrease of RMB948 million or 7.4% as compared to RMB12,729 million recorded in the Previous Year.

In the midst of frequent price wars and fierce industry competition, only a steadfast commitment to innovation and a user-centric approach can ensure sustained progress. In 2025, guided by the core philosophy of “Specialisation and Excellence, Breakthrough and Reach the Summit, the Group adhered to the three key value pillars of “health care, home entertainment and ultimate aesthetics”, and maintained a sharp focus on users’ real perceptual experiences and evolving market demands. It continued to deepen its expertise in core technological domains such as artificial intelligence (AI) visual display algorithms, picture quality, sound quality, modules, ultra-thin design, aesthetics, software, and sensors. Through these focused efforts, the Group achieved breakthrough progress in innovative applications.

After years of dedicated technological development, Skyworth Wallpaper TVs have broken traditional boundaries with their ultra-thin design, aesthetic appeal and exceptional audio-visual performance, establishing themselves as a mainstream choice for high-end homes. Complemented by consistent product quality and a well-established channel presence, Skyworth Art TVs have delivered outstanding performance across all channels, continuing to lead the industry. The Group has also leveraged differentiated screen advantages as a strategic entry point. By promoting the core selling points of displays that are “ultra-black, anti-reflection and colour-shift-free from any angle”, it has sparked a widespread adoption revolution for ultra-black wide-angle paper-like screens. With the launch of new products equipped with ultra-black wide-angle paper-like screens, such as the G7F Pro, the Group’s efforts to promote high-picture-quality differentiated products have begun to show early success. At the same time, the Group introduced the Chameleon Display Technology Platform, which emphasises true-to-colour picture reproduction rather than over-processed visuals. Through technologies such as ultra-micro OD-Mini LED, the Chameleon AI Picture Quality Chip S8, and monitor-grade calibration methods, the Group is bringing professional, cinematic-grade display standards down to the TV manufacturing level, achieving ultimate fidelity in colour, contrast, and detail layering.

During the year, the Group actively advanced the research, development, and application of cutting-edge AI algorithms in the industry. Key technological innovations including the AI smart light engine, AI omni-dimensional perception system, AI visual display algorithm, and AI panoramic preference system, have infused intelligence into TV products and reshaped their value. To strengthen product competitiveness, the Group precisely addressed diverse consumer demands by launching a range of differentiated flagship series. The AI Wallpaper A7F Pro Series integrates picture quality with home aesthetics, featuring an Ultra-Black Wide-Angle Paper-like Screen Pro with a peak brightness of 5,000 nits. Leveraging self-developed ultra-thin speaker technology, advanced heat dissipation, and an ultra-thin power architecture, the overall unit thickness is reduced to only 39.9mm. The Smart Mini LED TV G7F Pro utilises a self-developed AI visual display algorithm to effectively minimise the halo effect, and features a 2.1.2 Harman acoustic system to enhance overall audio experience. The Mini LED TV A6F Ultra Series supports 3,000-zone backlight control, achieving exceptional brightness and a wide colour gamut. Paired with a built-in 4.2.2-channel soundbar, it offers both high cost-performance and strong market appeal. The Black Knight A5F Mini Series focuses on healthy viewing, featuring an ultra-black wide-angle screen and supporting a full-channel 144Hz refresh rate, making it an ideal choice for families who value eye protection and a smooth, fluid viewing experience.

In the gaming monitor sector, the Group launched several Mini LED and QLED display products. These included the high-refresh-rate Mini LED Gaming Monitor F27G56Q Pro Max, which enhances contrast and dynamic clarity, catering to the needs of advanced gamers; the ultra-slim, high-brightness, wide-colour-gamut Mini LED Gaming Monitor F32G70U Pro, featuring a “zero” OD backlight and ultra-thin design; the Ambilight QLED AL23 Series, which utilises KSF high-colour-gamut LEDs combined with quantum dot backlighting; the cost-conscious QLED E5AQ Series, offering a compelling entry-level option for users seeking QLED quality at an accessible price point. These new products expand the e-sports and cost-performance product lines of the Group, addressing diverse user requirements in refresh rate, picture quality, and pricing.

Overall, in 2025, the Group’s domestic TV business further solidified its leadership in the Art TV and high-end large-screen market through a sustained commitment to AI-driven innovation and application, differentiated product positioning, breakthroughs in ultra-high audio and video standards, and ultra-thin high-end design. At the same time, it achieved a significant breakthrough in sales scale in the popularisation of high-picture-quality products, laying a strong foundation for the long-term value growth of its smart TV product business.

1.2 Smart TV Products (Overseas Markets)

For the year ended 31 December 2025, the Group’s smart TV products recorded revenue of RMB9,885 million in overseas markets, representing a significant increase of RMB1,770 million or 21.8% as compared to RMB8,115 million recorded in the Previous Year.

In overseas markets, the Group steadily advanced its global expansion strategy, with a primary focus on the core e-commerce markets of Southeast Asia and Europe, while accelerating its presence in other regions. Through product differentiation, precision marketing and channel synergies, its overseas business has evolved from regional breakthroughs toward comprehensive global integrated operations. This resulted in a continuous increase in sales scale and market share, contributing significant growth momentum to the overall performance.

By obtaining the exclusive trademark license for the Philips brand in North America and leveraging the market influence of this internationally renowned brand, the smart TV product business rapidly overcame market entry barriers in North America and successfully established deep cooperation with major retail channels such as Walmart and Sam's Club. During the Reporting Year, the North American business achieved leapfrog growth, marking an important milestone in the Group's globalisation strategy. In the Southeast Asian market, the Group adopted a dual-track strategy combining traditional shelf-based e-commerce with interest-based e-commerce, advancing the integrated upgrade of product, marketing, and channel capabilities. In 2025, it launched a multi-country coordinated Super Brand Day event, activating platform resources through brand investment to achieve regional sales breakthroughs. As a result, the Group ranked among the top performers on key e-commerce platforms in its three core markets: Indonesia, the Philippines and Vietnam, forming a mature and stable growth trajectory. In the European market, the Group maintained a high-end and differentiated positioning. By gaining insights into users' real needs and focusing on standout products such as 2K QLED models as its core offering, and leveraging strategic resource allocation both on and off-platform, it quickly gained traction in the mid-to-high price segment through superior price and quality advantages, establishing itself as a market benchmark. An omnichannel approach accelerated user acquisition and market penetration, leading to stable sales growth and enhanced brand recognition. Building on the success of the two major e-commerce hubs in Southeast Asia and Europe, the Group is actively developing a globally integrated growth chain. It is simultaneously expanding its e-commerce presence in Japan, Australia, South Africa, North America, India, and other regions, continuously driving growth in both sales and market share.

The Group has introduced targeted products to address the specific needs of users across different regions. The Metz Classic Primus, a high-end flagship tailored for German-speaking markets in Europe, featuring a UHD Meta-OLED display and support for mainstream HDR standards. It is equipped with a built-in 1TB hard drive, dual CI and dual recording functions, a 120W high-fidelity audio system, and a metal rotating stand, delivering a premium audio-visual experience. The P8E Series, a large-sized, all-in-one wallpaper TV designed for high-end global users. It features a black crystal glass wallpaper screen and an ultra-slim 35mm design, with a built-in artistic oil painting mode that seamlessly blends aesthetics with modern technology. The G7EU Series, targeting markets including Australia and Singapore, featuring a 4.1.2 audio system and supporting AI-powered picture and sound optimisation technologies. It also includes a customised AI karaoke function, enriching the home entertainment experience.

1.3 Smart Appliances Business

Smart appliances business is principally engaged in the research and development, production and sales of smart air conditioners, smart refrigerators, smart washing machines, smart kitchen appliances, personal care appliances and tablet computers.

For the year ended 31 December 2025, the Group recorded a revenue of RMB10,385 million from the smart appliances business, representing an increase of RMB1,499 million or 16.9% as compared to RMB8,886 million recorded in the Previous Year. Among which, revenue recorded in the mainland China market amounted to RMB6,978 million, representing an increase of RMB840 million or 13.7% as compared to RMB6,138 million recorded in the Previous Year. Driven by the Group's diversified strategy and continued expansion into overseas markets, revenue in overseas markets amounted to RMB3,407 million, representing an increase of RMB659 million or 24.0% as compared to RMB2,748 million recorded in the Previous Year.

During the Reporting Year, the Group advanced a full-category, multi-channel strategy underpinned by its research and development and innovation strengths. With a focus on ultra-thin and flat design, AI intelligence, and health-focused sterilisation as its three core pillars, it remained committed to building a full-scenario white appliances ecosystem encompassing refrigerators, washing machines, air conditioners, and kitchen appliances. Benefiting from sustained demand expansion, sales of core products such as drum washing machines and air conditioners remained robust, driving revenue growth for the smart appliances business across both domestic and international markets. In addition, the Group strategically expanded into the smart personal care segment, capturing the needs of younger consumers through a focus on premiumisation, youth-oriented design and smart innovation. Represented by Skyworth shavers, this category reflects a product philosophy of “External aesthetic design + Internal high efficiency performance”. Backed by strong product capabilities and a compelling price-to-quality ratio, these offerings have successfully attracted a broad base of young users. This has not only strengthened consumer trust and recognition of the Skyworth brand but also further enriched the Group’s full-category industrial ecosystem.

In addition to offering customers high-performance, high-quality and cost-effective, and eco-friendly products, the Group is dedicated to broadening its home appliance portfolio while actively expanding its online e-commerce presence. These initiatives have laid a strong foundation for the continued growth of the smart appliances business, enabling users to enjoy a healthier, more comfortable and higher-quality home life.

1.4 Internet Connection Services of Coocaa System

Shenzhen Coocaa Network Technology Company Limited* (深圳市酷開網絡科技股份有限公司) (“Coocaa Technology”, an indirect non wholly-owned subsidiary of the Company) has steadily developed in the internet value-added services market by leveraging the reliable and secure connectivity services, and mature and stable technology of the Coocaa system. Coocaa Technology has been dedicated to deepening the research and development and application of AI technologies. During the year, it launched China’s first intelligent system, “Coocaa Super AI Agents”, which was evaluated by the China Telecommunication Technology Laboratory of the China Academy of Information and Communications Technology to reach the “excellent” level in full-chain technical capabilities. The system covers six major scenarios, including audio and video, education, health, creation, lifestyle and devices, providing consumers with a fast, accurate and direct intelligent user experience. The Group’s industrial deployment strategy of “hardware + content internet services” has garnered favour from internet-based enterprises: Beijing iQIYI Science & Technology Co., Ltd.* (北京愛奇藝科技有限公司), an affiliate of Tencent Holdings Limited and an affiliate of Baidu Holdings Limited* (百度控股有限公司) have all successively invested in Coocaa Technology.

2. Smart Systems Technology Business

Smart systems technology business covers, among others, smart set-top boxes and solutions, broadband network communication connection equipment, XR (VR/MR/AR) / AI glasses, integration systems for automotive display, industrial control display module and Internet of Things businesses, and other operational services.

For the year ended 31 December 2025, revenue recorded for the smart systems technology business amounted to RMB8,523 million, representing a slight increase of RMB12 million or 0.1% from RMB8,511 million recorded in the Previous Year. In particular, revenue recorded in the mainland China market amounted to RMB4,934 million, representing an increase of RMB16 million or 0.3% from RMB4,918 million recorded in the Previous Year. Revenue recorded in overseas markets amounted to RMB3,589 million, representing a slight decrease of RMB4 million or 0.1% from RMB3,593 million recorded in the Previous Year.

In 2025, amid a challenging domestic and international landscape, the Group proactively explored markets while confronting headwinds and challenges. While expanding market share, it consistently increased research and development investment, focusing on core technology breakthroughs and product iterative innovation, while steadily enhancing its end-to-end integrated supply service capabilities.

Targeting both operator and consumer markets, the Group provides “Cloud-network-edge-device” integrated intelligent solutions and full-scenario smart device products, comprehensively addressing diverse and complex business requirements, thereby steadily consolidating and elevating its industry leadership position. In the mainland China market, the Group deepened engagement with telecommunications operators, digital TV operators, and retail customers through consumer channels. In overseas markets, the smart systems technology business spans regions including Europe, Africa, the Middle East, India, Southeast Asia, Latin America and other regions, serving global telecommunications and integrated operators, and striving to establishing a global business footprint and competitiveness.

With the large-scale commercial deployment of 5G-A and the forward-looking layout of 6G, the accelerated integration of next-generation information and communication technologies such as cloud computing, big data, and AI large models are undergoing rapid iteration and scenario-based implementation, laying a solid foundation for digital smart living, industrial transformation and technological innovation. During the year, the smart systems technology business showcased numerous new product highlights in the domestic operator market. Breakthroughs were achieved in new products including smart middle-screen speakers, all-in-one speaker-camera devices, cloud PADs, thin clients, smart hubs, smart enterprise gateways, multi-port enterprise gateways, FTTR, Wi-Fi7, and pluggable micro smart set-top boxes. The Group secured multiple bids in centralised procurement projects of the three major telecommunications operators, underscoring its sustained technological innovation leadership and ability to drive deep market penetration through innovative product solutions. The Group continued to expand its strategic overseas customers across markets including Europe, Southeast Asia, Northeast Asia, India, the Middle East, Africa, Latin America, and Oceania, while actively establishing ToC retail channels in Europe and North America. The Group is actively advancing its “Smart Native” strategy, with the goal of achieving significant breakthroughs in AI technology across integration depth, scenario breadth, and interaction naturalness. During the year, the Nex Playground motion-sensing gaming box delivered substantial revenue growth. A new operational model for set-top boxes featuring intelligent algorithm and cameras was successfully commercialised in Thailand. In April 2025, the Group’s first full-scenario Smart Glasses were officially launched, exploring a cross-terminal ecosystem of “Glasses as the gateway”. In July 2025, the Group won the bid for the “Guangdong Provincial Broadcasting and Television Network Co., Ltd. Smart TV Butler (Digital Human) System Project”, leveraging AI capabilities to reshape the smart home living experience. Skyworth’s smart hub ranked first in the bidding for Shanghai Mobile Smart Hub Procurement Project. The Group has also deployed a range of smart device products, including the Tencent Aurora Box 6Pro with 3.8T computing power, smart set-top boxes with screens, smart middle-screen computing hosts, mobile smart screens, and ultra-black full-colour smart cameras, forming a comprehensive smart product matrix covering entertainment, fitness, home living, security, health management and other scenarios, thereby redefining the boundaries of digital smart devices. On another front, the automotive in-vehicle professional display business achieved remarkable growth in production and sales in 2025, securing significant market expansion breakthroughs with sustained expansion in key designated projects.

3. New Energy Business

For the year ended 31 December 2025, the Group recorded a revenue of RMB23,685 million from the new energy business, representing an increase of RMB3,351 million or 16.5% as compared with RMB20,334 million recorded in the Previous Year, the cumulative installed capacity of photovoltaic power stations that have been built and under grid-connected operation exceeded 29.3GW.

The Group’s new energy business has pioneered an innovative “Photovoltaics + Inclusive development + Digital technology” business model within the industry. This model provides comprehensive solutions for a series of processes, including power station development, design, construction, operation, management and consulting services, establishing a service system that ensures both high efficiency and quality control. This approach has propelled the residential distributed photovoltaic business to the forefront of the industry, enabling rapid growth in the new energy business segment. Shenzhen Skyworth Photovoltaic Technology Co., Ltd.* (深圳創維光伏科技有限公司) (“Skyworth Photovoltaic”), an indirect non wholly-owned subsidiary of the Company, is committed to becoming a leading global provider of distributed energy products and services, with its main business activities comprising

photovoltaic power plant system integration, research and development and design, intelligent manufacturing, intelligent operation and maintenance, overseas and investment holding, and other new energy businesses. The Skyworth Photovoltaic Group possesses an integrated capability portfolio covering system integration solutions, intelligent photovoltaic manufacturing, energy storage, operations and maintenance (“O&M”), logistics, overseas operations, and smart energy management.

The Group continuously optimises its residential, commercial and industrial distributed photovoltaic product offerings, guided by a user-needs-oriented, bottom-up development approach that drives innovation and growth across the entire industrial chain. Within this framework, Skyworth Photovoltaic leverages market insights and user feedback to persistently refines its Building Integrated Photovoltaic (BIPV) products for residential use, aiming to meet higher green building standards and adapt to diverse application scenarios. During the year, in a strategic move to harness technological innovation in support of rural revitalisation, Skyworth Photovoltaic addressed key pain points in the rural market by launching an innovative residential PV solution: “Yang Lao Jin” (陽老金). This solution transforms users’ rooftops or courtyards into micro power stations, with Skyworth Photovoltaic providing the full equipment package and technical support. Upon completion, users can either consume the solar power generated to reduce electricity bills or feed all generated power into the grid, enabling ordinary households to participate in green energy development and enjoy long-term, stable environmental benefits with ease.

The Group has built a strong industry reputation through reliable product quality and high-quality service, while significantly enhancing the transparency of its energy management. By leveraging its self-developed smart O&M system and real-time digital management, the Group can systematically implement smart, real-time monitoring of power stations. This substantially improves both the efficiency and stability of both power generation and O&M, consistently delivering greater power generation income for users, while providing end-users with a practical pathway towards low-carbon, intelligent green transformation.

During the year, the Group actively expanded its presence across the upstream and downstream photovoltaic industry chain to strengthen industrial synergies. In the first half of 2025, the Group entered into investment agreements with Zhejiang Aixu Solar Energy Technology Co., Ltd.* (浙江愛旭太陽能科技有限公司) and the People’s Government of Baise* (百色市人民政府) for the implement of photovoltaic projects. Through investing in the photovoltaic project, the Group will be able to quickly deploy high-efficiency solar cell and module production and manufacturing capabilities, enhance product technical barriers and product premium capabilities in the market, and create differentiated products for the high-end market. In the second half of 2025, Skyworth Photovoltaic launched the “SKYLINK” (羲囊) ecological platform, an open and intelligent energy ecosystem integration platform. Its core function is to aggregate distributed energy nodes and enable optimal dispatch and precise matching of clean power through AI algorithms, breaking down traditional energy system barriers. By leveraging a cloud-based control systems, the “SKYLINK” platform optimise resource allocation and unlocks the synergistic value and market potential of distributed energy resources. The launch of the “SKYLINK” platform underscores Skyworth Photovoltaic’ commitment to applying digital and intelligent technologies in driving the restructuring and upgrading of the energy industry.

Amid the global wave of low-carbon and green development, Skyworth Photovoltaic has capitalised on this momentum by fully launching its “Go Global” strategy for the new energy business, aiming to bring the successful experience and strengths cultivated in the domestic market to the international stage. In recent years, the Group has actively participated in high-profile international energy exhibitions, including globally renowned events such as Intersolar Europe in Munich and IFA Berlin. These appearances have not only deepened the Group’s engagement with overseas customers but also fostered stable business connections. At the same time, leveraging the Group’s global industrial presence and manufacturing capabilities, Skyworth Photovoltaic is advancing its international expansion through a dual-brand (“Solavita” and “Skyworth”) strategy, alongside multi-models and multi-business approaches. To date, the Group’s new energy business has entered markets including Germany, Italy, and Thailand. Moving forward, it will build on the Group’s global brand recognition to further deepen Skyworth Photovoltaic’s overseas footprint. This includes establishing a comprehensive sales network for

photovoltaic products and promoting the implementation of engineering, procurement and construction services in target markets, with the aim of shaping a global development model driven by the dual engines of “Products + Services”.

Behind this technology-driven, people-centric green experience lies the comprehensive empowerment of the Skyworth AI Intelligent Management System. Through strategic partnerships, the Group has established a multi-party collaborative network involving “Industry, Academia, Research and Finance”, ensuring long-term capital support and a full-spectrum material supply chain, while its distribution network covers major global markets. Looking ahead, the Group will actively embrace industrial transformation and green technology advancements, leveraging innovative technological resources to strengthen the development of its new energy business. By delivering high-quality products, executing high-standard power station construction, and operating an efficient intelligent management system, Skyworth Photovoltaic is well-positioned to comprehensively consolidate its market-leading position.

4. Modern Services Business and Others

Modern services business covers, among others, maintenance and repair for home appliances, macro-logistics services, international trades, construction development, financial lease and property operation for industrial parks.

For the year ended 31 December 2025, the Group recorded a revenue of RMB2,619 million from the modern services business and others, representing a decrease of RMB242 million or 8.5% as compared to RMB2,861 million recorded in the Previous Year. Among which, revenue recorded in the mainland China market amounted to RMB2,409 million, representing a decrease of RMB144 million or 5.6% as compared to RMB2,553 million recorded in the Previous Year. Revenue from overseas markets during the year amounted to RMB210 million, representing a decrease of RMB98 million or 31.8% from RMB308 million recorded in the Previous Year. Impacted by the prolonged downturn and weak sales in Mainland China’s property market, the construction development business continued to face significant challenges, notwithstanding a series of policy measures introduced by the central government in 2025 to stimulate housing demand. The Group closely monitored the pace of market development and recovery in the domestic property sector and adjusted its sales strategy accordingly, launching selected regional projects in a timely manner to reduce inventory levels. In accordance with accounting standards, the Group increased impairment provision for the related property inventories during the year, which primarily reflected the Group’s response to the prevailing economic environment, while demonstrating its determination to remain agile and resilient in navigating market fluctuations.

During the year, the modern services business continued to focus on supply chain management and promote strategic cooperation with major suppliers to provide diversified services to customers. Under this philosophy, the professional teams of various business units under modern services business, including financial services, macro-logistics services, supply chain operation, foreign trades, park-based property management, park construction and development, have made significant contributions to the Group’s external business and the supply chain and operation ecology among various business units within the Group. In terms of capital operation, the Group continued to focus on the financial business platform with the finance company as the main body, supplemented by venture capital funds and small loans, and expanded the financing channels of the Group by leveraging on the advantages of the “integrated foreign and domestic currency capital pools for multinational companies” (跨國公司本外幣一體化資金池) approved by the State Administration of Foreign Exchange. The venture capital business managed the investment portfolio held by the Group and continued to seek high-quality investment opportunities in projects from upstream and downstream such as semiconductors, new materials, new equipment, supply chain transactions and service platforms, as well as emerging industries such as AI and innovative content.

The Group actively implements organisational optimisation and leverages the organisational strength of the enterprise to enhance mutual empowerment among business units, promote the accelerated integration and expansion of new businesses and new development models, create a sound foundation for the future

reform and development of Skyworth Group, and provide supports and empower synergies for the Group's scientific research, investment, production, procurement and construction.

Gross profit margin

For the year ended 31 December 2025, the overall gross profit margin of the Group was 12.8%, representing a decrease of 0.7 percentage points in comparison to 13.5% recorded in the Previous Year.

During the Reporting Year, the narrowing of gross profit margins in the modern services business dragged down the Group's overall gross profit. Raw material costs in the household appliances industry also increased due to global supply chain tensions and United States' tariff policies; cost increases for certain raw materials, such as steel and electronic components further pressured the Group's overall gross profit. On the other hand, the new energy business continued to introduce more financing partners and optimise cooperation models during the year to improve its gross profit margin. However, given its lower margin compared to traditional household appliances business, while serving as a key driver of the Group's sustained revenue growth, it diluted the Group's overall gross profit margin. The Group will continue to advance refined management practices of operations and adopt various comprehensive measures such as appropriately adjusting the business portfolio, focusing on sales of its own brand products and the high-end product market, to enhance product gross margins, reduce operating costs and ensure the healthy operation of the enterprise.

Expenses

For the year ended 31 December 2025, the Group's selling and distribution expenses amounted to RMB4,112 million, representing an increase of RMB363 million or 9.7% as compared to RMB3,749 million for the Previous Year. The selling and distribution expenses to revenue ratio for the year ended 31 December 2025 was 5.8%, which unchanged from 5.8% recorded in the Previous Year.

For the year ended 31 December 2025, the Group's general and administrative expenses amounted to RMB1,985 million, representing an increase of RMB178 million or 9.9% compared with RMB1,807 million for the Previous Year. The general and administrative expenses to revenue ratio for the year ended 31 December 2025 was 2.8%, unchanged from 2.8% in the Previous Year.

During the year, the Group continued to allocate appropriate funds to research and develop various high-intelligence, high-quality products to enhance corporate competitiveness. For the year ended 31 December 2025, the Group's research and development expenses amounted to RMB2,071 million, representing a slight decrease of RMB15 million or 0.7% as compared to RMB2,086 million for the Previous Year. The research and development expenses to revenue ratio for the year ended 31 December 2025 was 2.9%, a decrease of 0.3 percentage points from 3.2% in the Previous Year.

LIQUIDITY, FINANCIAL RESOURCES AND CASH FLOW MANAGEMENT

The Group adopts a prudent financial policy to maintain stable financial conditions. As at 31 December 2025, net current assets amounted to RMB8,775 million, representing a decrease of RMB3,613 million or 29.2% as compared to RMB12,388 million as at 31 December 2024. As at 31 December 2025, bank balances and cash amounted to RMB9,294 million, representing an increase of RMB946 million or 11.3% as compared to RMB8,348 million as at 31 December 2024. As at 31 December 2025, pledged and restricted bank deposits amounted to RMB2,976 million, representing a decrease of RMB461 million or 13.4% as compared to RMB3,437 million as at 31 December 2024.

The Group secured certain assets against its certain trade facilities and loans granted from various banks. As at 31 December 2025, such secured and restricted assets included bank deposits of RMB2,976 million (as at 31 December 2024: RMB3,437 million), trade receivables and bills receivables of RMB7 million (as at 31 December 2024: RMB149 million), investment properties of RMB1,240 million (as at 31 December 2024: RMB1,291 million), stock of properties of RMB215 million (as at 31 December 2024:

RMB1,342 million), as well as certain prepaid lease payments on land use rights, lands and properties and construction in progress in mainland China and Hong Kong, with an aggregate net book value of RMB3,376 million (as at 31 December 2024: RMB3,883 million).

As at 31 December 2025, total bank borrowings and other interest-bearing financial liabilities of the Group amounted to RMB19,511 million (as at 31 December 2024: RMB16,383 million). The equity attributable to owners of the Company amounted to RMB17,479 million (as at 31 December 2024: RMB18,238 million). The debt to equity ratio revealed as 84.6% (as at 31 December 2024: 70.8%).

TREASURY POLICY

The Group's major investments and revenue streams are derived from mainland China. The Group's assets and liabilities are mainly denominated in RMB, others are denominated in Hong Kong dollars, US dollars and Euros. The Group uses general trade financing to fulfil the needs in operating cash flow. In order to reduce finance costs, the Group exploits the currency-based and income-based financial management tools introduced by banks to offset such costs.

Since the second half of 2025, the U.S. Federal Reserve has implemented multiple interest rate cuts, prompting the market to adopt a more cautious outlook on the scope for further rate cuts. In response to foreign exchange rate fluctuations and evolving domestic and overseas interest rate environments, the Group's management maintained a high level of vigilance throughout the year and took proactive measures to strengthen its foreign exchange risk monitoring and assessment mechanisms. The Group flexibly utilised hedging instruments such as forward foreign exchange contracts and swaps, and promptly adjusted its foreign currency asset and liability structure to effectively lock in certain exchange rate risks. Concurrently, the Group continued to optimise cross-border fund management, improving the efficiency of foreign exchange settlement and fund utilisation, thereby safeguarding overall financial stability and operational sustainability.

For the year ended 31 December 2025, the Group recorded a net exchange gain generated from general operations of RMB4 million (for the year ended 31 December 2024: RMB14 million).

In addition, the Group still held the following investments during the Reporting Year:

(a) Unlisted equity securities

As at 31 December 2025, the Group held investments in 89 unlisted companies. The total value (at fair value) of these investments (reflecting the changes in fair value and costs) was RMB3,072 million.

(b) Listed equity securities

As of 31 December 2025, the Group held investments in eight (as at 31 December 2024: nine) listed equity securities, details of which are as follows:

Listed company	Shareholding percentage as of 31 December 2025	Value of investment as of 31 December 2025 (RMB million)	Value of investment as of 31 December 2024 (RMB million)	Exchange on which the securities are listed	Principal business of the listed company
Bank of Gansu Co., Ltd.	0.66%	22.0	23.1	The Stock Exchange of Hong Kong Limited	Financial services
Amlogic (Shanghai) Co., Ltd.	Nil	-	22.9	Shanghai Stock Exchange	Research, design, development and manufacture of chips

Linklogis Inc.	0.39%	16.9	13.2	The Stock Exchange of Hong Kong Limited	Provide supply chain fintech solutions services
Anhui Coreach Technology Co., Ltd.	0.55%	28.2	43.8	Shenzhen Stock Exchange	Research and development, design, production and sales of optoelectronic systems and technical services
Guizhou Zhenhua E-chem Inc.	0.28%	19.9	15.8	Shanghai Stock Exchange	Research and development, design, production and sales of lithium-ion battery cathode materials
Shanghai Anlogic Infotech Co., Ltd.	1.78%	194.0	220.3	Shanghai Stock Exchange	Research, design, development and manufacture of chips
United Nova Technology Co., Ltd.	0.73%	353.5	40.2	Shanghai Stock Exchange	Research, design, development and manufacture of chips
Grand Kangxi Communication Technologies (Shanghai) Co., Ltd.	0.42%	21.9	22.9	Shanghai Stock Exchange	Research, design, development and manufacture of wireless network equipment related chips
Huitongda Network Co., Ltd.	1.61%	80.6	159.3	The Stock Exchange of Hong Kong Limited	Provide a one-stop supply chain trading and service platform

To utilise advantages of products from the smart systems technology products and innovative content services, Skyworth Group opted to invest in business partners in relation to building a smart household platform, aiming to create a new ecosystem for its smart human habitat business.

In addition to the listed equity securities mentioned above, the Group maintains a stable portfolio of listed equity investments. These investments are primarily positioned as medium to long-term strategic allocations, focusing on emerging high-tech sectors such as semiconductors, new materials and advanced equipment, which are either closely aligned with the Group's core business or positioned along the upstream and downstream of the industry chain. Leveraging its deep understanding of these industries, the Group is able to make reasonably sound judgments and conduct effective benchmarking analyses regarding the operating performance of its investee companies.

The aforementioned sectors are all strategic emerging industries prioritised by the PRC government for support and encouragement, offering relatively strong policy backing and substantial long-term growth potential. However, the actual returns on these investments remain subject to uncertainties such as macroeconomic fluctuations, intensifying market competition, and industry cyclical changes. The management will continue to uphold the principle of prudence, regularly review the performance of the investment portfolio, and adaptively implement risk management measures in response to changes in the market environment and the Company's overall strategic needs to safeguard investment value and maximise the Group's overall interests.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

During the Reporting Year, in order to cope with the increased production scale and improved output ratio of smart products, the Group invested a total of RMB785 million in construction projects, including the expansion of its production plants in Shenzhen, Guangzhou, Huizhou and Qianhai, and RMB870 million for acquisition of other property, plant and equipment. The Group plans to further invest in building properties, plants, office premises and purchasing new equipment, with a view to further increasing productivity, improving operation efficiency for its products, as well as catering for future business needs in the development of smart, diversified and internationalised strategy.

CONTINGENT LIABILITIES

There are individual legal disputes which arise in the ordinary course of business of the Group. The Group is in the course of processing these matters. The directors are of the view that these legal disputes will not have a material adverse impact on the consolidated financial statements of the Group.

HUMAN RESOURCES CAPITAL

As at 31 December 2025, the Group had around 29,300 employees (as at 31 December 2024: 30,800) in the PRC (Hong Kong and Macau inclusive) and overseas, among which more than 90% of Skyworth employees are located in business and production locations in various provinces and cities in China, and the rest are stationed in the Hong Kong head office or overseas branches, including Southeast Asian countries, such as the Philippines, Indonesia, Thailand, Vietnam, Malaysia, as well as European and American markets such as Germany, the Netherlands, France, Italy, the United Kingdom and the United States. The Group places high emphasis on fundamental employee benefits, appraisal systems, long-term and short-term incentive schemes, in an effort to motivate and recognise staff with outstanding contributions and performance. The Group allocates substantial resources for staff development, focusing on pre-employment and on-the-job trainings, providing periodical updates on the latest industrial trends, policies and guidelines to improve the quality of human capital. Meanwhile, the Group continues to strengthen the infrastructure of human resources, provides guidance on position titles, salary norms, and gradually establishes a long-term centralised mechanism for the selection, training and development of industry leaders. It also sets up a specified department to enhance the professionalism of general staff and the leadership skills of its senior management.

The Group's remuneration policy is determined with reference to individual performance, functions and conditions of human resources market.

OUTLOOK

Looking back at 2025, the global political and economic landscape remained highly complex and volatile. Multiple uncertainties including heightened geopolitical risks, ongoing tariff disputes, and persistent trade conflicts posed extremely formidable challenges to the Group. In the face of rapidly evolving macroeconomic headwinds, the Group maintained a cautiously optimistic outlook on the market prospects of its industries, while adhering to a prudent management strategy to navigate operational uncertainties and industry competition, thereby extending its resilience. Beyond geopolitical shifts and monetary policy adjustments, advances in AI and the low-carbon green transition have emerged as key drivers reshaping the global market landscape. Driven by China's significant demand for intelligent manufacturing, the digital economy and green and environmentally friendly industries, as well as strong government support policies, the Group leveraging its strengths in manufacturing and technology, upholds the brand philosophy and practice of "Sky-high Ambitions, Boldness in Action". With an open mindset and strong innovation capabilities, and guided by user-oriented demand, the Group follows the technological development concept of "5G + AI +Device" in product development, thereby driving technological innovation across its full product range.

Looking ahead to the coming year, the Group will fully leverage its inherent strengths to continuously strengthen research and development and industrial synergy, further enhancing its technological capabilities and core brand competitiveness. AI, as a strategic technology driving a new wave of transformation, serves as a critical engine for advancing high-quality corporate development. The Group began its strategic initiatives in the AI field several years ago, progressing from the accumulation of equipment data to the development of a native AIOS, from building intelligent audio-visual systems to upgrading its full range of products with smart capabilities. The overarching goal is to seamlessly integrate AI into daily life, delivering a more attentive and convenient user experience. The year 2026 marks not only a pivotal moment for AI to reshape industries, but also a significant milestone for Skyworth to redefine user experience through technology and connect globally through its ecosystem. The Group's AI strategy is rooted in positioning technological innovation as the core logic of its operations, leveraging AI to achieve precise product planning and user insights, enabling Skyworth's products to more effectively meet the diverse needs of consumers.

As a photovoltaic company committed to advancing the Double Carbon goals, the Group leverages its brand advantages cultivated over 30 years in the household appliances business to capture key opportunities presented by the green technology transformation. Amid a highly competitive landscape, the Group has demonstrated strong operational resilience and robust expansion momentum. With the rapid growth of domestic photovoltaic power generation, the industry is now poised to explore a broader range of application scenarios. The Group will not only actively extend its new energy industry chain and related businesses, but also proactively invest in green industries, thereby unlocking new value in the transition towards a green economy.

In addition to actively extending the industrial chain across its various business segments, the Group will advance three major transformations: technological advancement, scenario-based evolution, and ecosystem development, while promoting the "Global expansion" of its operations. In 2026, Skyworth and Panasonic officially established a deep strategic cooperation. The two parties will focus on deep collaboration in core areas such as high-end OLED, Mini LED, intelligent system integration and picture quality algorithms, while strengthening the presence in Europe and North America. Upholding rigorous quality standards and a comprehensive service system, the partnership will deliver more innovative and high-quality audio-visual experiences to consumers worldwide. As a pioneer among Chinese enterprises in international expansion, Skyworth's global strategy has evolved from product exports to a dual-drive model of "Technology expansion + Localised ecosystem development". The "Going Global" strategy also represents a key growth direction for Skyworth Photovoltaic. Leveraging the Group's established global brand presence, Skyworth Photovoltaic will enter overseas markets through a model of "Mature business driving emerging business". By tailoring its approach to meet local demands abroad, Skyworth Photovoltaic will develop photovoltaic products and services suited to regional conditions, thereby

strengthening its overseas strategic layout and advancing a globally integrated development model, contributing to the worldwide energy transition and the achievement of Double Carbon goals.

Rooted in China while maintaining a global vision, the Group continuously creates value for users and markets across different regions through ongoing technological and product innovation, achieving a diversified product portfolio and sales channel layout while enhancing brand premium capabilities. Looking ahead, the Group will further accelerate its global expansion by optimising the allocation of international resources, deepening cross-border cooperation, and establishing localised teams in key countries and regions to support local business development. Despite rising economic uncertainties, the Group will navigate market challenges with a steady approach and respond to market dynamics with proactive strategies. With a strong emphasis on proprietary technology innovation and high-quality industrial development, the Group will continue to focus on cultivating the high-end market, refining channel layouts, and leveraging forward-looking strategic planning to accelerate globalisation and industrial upgrading through diversified, multi-channel business models. At the same time, the Group will uphold pragmatic and prudent strategies with an open mindset, actively positioning itself in the emerging blue oceans of smart technologies and green industries. It aims not only to lead industry development but also to drive an efficient, intelligent, and green low-carbon transformation, translating these efforts into long-term competitiveness and sustainable growth momentum for the Skyworth Group.

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2026, the Company published an announcement (the “Rule 3.5 Announcement”) in relation to, among other things, the proposal for the delisting of the Company by way of a share buy-back scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (as amended) (the “Share Buy-back Scheme”) and the distribution of the H shares of Shenzhen Skyworth Photovoltaic Technology Co., Ltd.* (深圳創維光伏科技有限公司) held by the Company (the “Distribution”, collectively with the Share Buy-back Scheme, the “Proposal”). Upon completion of the Proposal, the listing of the shares of the Company on the Main Board of the Stock Exchange will be withdrawn.

The making of the Proposal, and the implementation of the Share Buy-back Scheme and the Distribution, are subject to the satisfaction or waiver (as applicable) of certain pre-conditions, scheme conditions and distribution conditions as set out in the Rule 3.5 Announcement.

For more information on the Proposal, please refer to the Rule 3.5 Announcement and the announcements of the Company dated 20 February 2026 and 20 March 2026.

Save for the above, up to the date of this announcement, the Group did not have any material events.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises the importance of a publicly listed company's responsibilities to enhance its transparency and accountability, and is committed to maintaining a high standard of corporate governance in the interests of its shareholders. The Company devotes to best practice on corporate governance, and to comply to the extent practicable, with the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

During the Reporting Year and up to the date of this announcement, the Company has complied with the code provisions as set out in the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established by the Board since the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited on 7 April 2000. The Audit Committee currently comprises 3 independent non-executive Directors. The chairperson of the Audit Committee is Mr. Cheong Ying Chew, Henry and the other members are Mr. Hung Ka Hai, Clement and Mr. Sun Wei Yung, Kevin.

The Audit Committee has its written terms of reference adopted since its establishment. The terms of reference were subsequently revised on 30 March 2012 and 15 December 2015 in order to comply with the then adopted amendments to the CG Code. In light of the amendments made to the CG Code with effect from 1 July 2025, the Board has further adopted the revised terms of reference of the Audit Committee on 28 August 2025 in accordance with such CG Code amendments. The terms of reference of the Audit Committee was published on the Company's website (<http://investor.skyworth.com/en/index.php>) and the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>).

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the review of the annual results of the Group for the Reporting Year.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the code of conduct regarding securities transactions by Directors (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, the Company received confirmation from each of the Directors that he/she had complied with the Code of Conduct throughout the Reporting Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Year, the Board considered that repurchases of Shares would lead to an enhancement of the earnings per Share and overall shareholders return, thus the Company has purchased a total of 342,206,688 Shares of the Company on The Stock Exchange at an aggregate consideration of approximately HK\$1,064.25 million (excluding expenses). 944,000 Shares were cancelled as of 13 January 2025 and 341,262,688 Shares were cancelled as of 17 June 2025. As at 31 December 2025, the total number of Shares in issue was 1,892,004,732.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including treasury Shares, if any) during the Reporting Year. During the Reporting Year, the Company did not hold any treasury Shares (has the meaning ascribed to it under the Listing Rules).

PROPOSED PRE-CONDITIONAL SHARE BUY-BACK OF THE COMPANY BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF THE COMPANIES ACT, PROPOSED DISTRIBUTION OF SKYWORTH PHOTOVOLTAIC SHARES BY THE COMPANY AND PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY

On 20 January 2026, the Company published an announcement (the "Rule 3.5 Announcement") in relation to, among other things, the proposal for the delisting of the Company by way of a share buy-back scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (as amended) (the "Share Buy-back Scheme") and the distribution of the H shares of Shenzhen Skyworth Photovoltaic Technology Co., Ltd.* (深圳創維光伏科技有限公司) held by the Company (the "Distribution", collectively with the Share Buy-back Scheme, the "Proposal"). Upon completion of the Proposal, the listing of the shares of the Company on the Main Board of the Stock Exchange will be withdrawn.

The making of the Proposal, and the implementation of the Share Buy-back Scheme and the Distribution, are subject to the satisfaction or waiver (as applicable) of certain pre-conditions, scheme conditions and distribution conditions as set out in the Rule 3.5 Announcement.

For more information on the Proposal, please refer to the Rule 3.5 Announcement and the announcements of the Company dated 20 February 2026 and 20 March 2026.

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal will only become effective after all of the pre-conditions and scheme conditions being satisfied or waived (as applicable) and thus the Proposal may or may not be implemented and the Share Buy-back Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

FINAL DIVIDEND

The Board has determined not to declare any final dividend for the Reporting Year with a view to preserving cash for the Group's development and corporate planning (2024: Nil). The Company constantly monitors and reviews the Group's operations. It may therefore utilise cash for development and expansion of its operations and businesses.

CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Friday, 8 May 2026 to Wednesday, 13 May 2026 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for attendance at the 2025 annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 7 May 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement is published on the Company's website (<http://investor.skyworth.com/en/index.php>) and the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>). The Company's 2025 annual report will be made available on the websites of the Company and Hong Kong Exchanges and Clearing Limited and will be despatched to the shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our shareholders and business associates for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions throughout the Reporting Year.

By order of the Board
Skyworth Group Limited
Lin Jin
Chairman of the Board

Hong Kong, 27 March 2026

As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Lin Jin (Chairman), Mr. Shi Chi (Chief Executive Officer), Ms. Lin Wei Ping, Mr. Wu Qinan and Mr. Lam Shing Choi, Eric; and three independent non-executive Directors, namely Mr. Cheong Ying Chew, Henry, Mr. Hung Ka Hai, Clement and Mr. Sun Wei Yung, Kevin.

** For identification purposes only*