SKYWORTH GROUP LIMITED
創 維 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00751)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

	Six months ended 30 June		
	2026	2025	
	RMB million	RMB million	Change
Revenue	**38,035**	36,264	4.9%
Gross profit	**5,082**	4,468	13.7%
Profit for the period	**1,025**	365	180.8%
Profit for the period attributable to owners of the Company	**624**	125	399.2%
Proposed interim dividend per share (HK cents)	**-**	-	N/A

Taking into account the Company's profitability and capital required for future development, the Board does not recommend the payment of interim dividend for the Current Period.

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2026 (the "Current Period"), together with the comparative figures for the corresponding period in 2025 (the "six months ended 30 June 2025" or "Same Period of Previous Year"). The interim results have been reviewed by the audit committee of the Company (the "Audit Committee"). The Company's auditor, Messrs. Deloitte Touche Tohmatsu, has reviewed the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and notes to condensed consolidated financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

	NOTES	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Revenue			
Sales of goods		37,735	35,969
Leases		249	243
Interest under effective interest method		51	52
Total revenue	3	38,035	36,264
Cost of sales		(32,953)	(31,796)
Gross profit		5,082	4,468
Other income		521	502
Other gains and losses		387	(145)
Selling and distribution expenses		(2,193)	(2,030)
General and administrative expenses		(1,015)	(900)
Research and development expenses		(1,027)	(1,000)
Finance costs		(262)	(227)
Share of results of associates and joint ventures		(27)	(10)
Profit before taxation		1,466	658
Income tax expense	5	(441)	(293)
Profit for the period	6	1,025	365
Other comprehensive (expense) income			
An item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(42)	5
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		(20)	(55)
Income tax relating to item that will not be reclassified subsequently		(1)	2
		(21)	(53)
Other comprehensive expense for the period		(63)	(48)
Total comprehensive income for the period		962	317

	NOTE	Six months ended 30 June 2026 (unaudited)	2025 (unaudited)
Profit for the period attributable to:			
Owners of the Company		624	125
Non-controlling interests		401	240
		1,025	365
Total comprehensive income for the period attributable to:			
Owners of the Company		576	71
Non-controlling interests		386	246
		962	317
Earnings per share (expressed in Renminbi cents)			
Basic	8	33.05	5.66
Diluted	8	33.05	5.66

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
Amounts expressed in millions of Renminbi

	NOTE	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
Non-current Assets			
Property, plant and equipment		11,260	11,000
Right-of-use assets		2,904	3,051
Deposits paid for purchase of property, plant and equipment		176	233
Investment properties		1,487	1,525
Goodwill		439	443
Other intangible assets		312	321
Interests in associates and joint ventures		493	519
Other financial assets		4,238	3,487
Trade and other receivables	9	1,566	1,479
Deferred tax assets		1,206	1,179
		24,081	23,237
Current Assets			
Inventories and other contract costs		21,931	16,400
Stock of properties		4,858	4,975
Other financial assets		1,472	1,488
Trade and other receivables	9	21,752	17,941
Prepaid tax		209	193
Pledged and restricted bank deposits		2,796	2,976
Cash and cash equivalents		9,994	9,294
		63,012	53,267

	NOTE	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
Current Liabilities			
Trade and other payables	10	33,888	30,079
Other financial liabilities		989	1,285
Lease liabilities		46	49
Deferred income		155	122
Tax liabilities		226	240
Bank borrowings		15,075	12,717
		50,379	44,492
Net Current Assets		12,633	8,775
Total Assets less Current Liabilities		36,714	32,012
Non-current Liabilities			
Trade and other payables	10	2,336	2,187
Other financial liabilities		991	468
Lease liabilities		90	180
Deferred income		414	554
Bank borrowings		8,676	5,314
Deferred tax liabilities		384	249
		12,891	8,952
NET ASSETS		23,823	23,060
Capital and Reserves			
Share capital		203	203
Reserves		17,764	17,276
Equity attributable to owners of the Company		17,967	17,479
Non-controlling interests		5,856	5,581
		23,823	23,060

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *"Interim Financial Reporting"* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and, disclosure of contingent liabilities at the end of the reporting period and the reported amount of revenue and expenses during the reporting period.

The Group's operations are seasonal. The revenue from September to January (the peak season for sales of consumer electronic products in the Mainland China) is relatively higher than the revenue from the rest of the year. Results for interim periods are not necessarily indicative of the results for the entire financial year. This interim report should be read, where relevant, in conjunction with the annual report of the Group for the year ended 31 December 2025.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

<u>Application of amendments to HKFRS Accounting Standards</u>

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

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

For the six months ended 30 June 2026 (unaudited)

	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))	17,750	5,335	13,935	790	37,810
Leases	-	14	-	235	249
Interest under effective interest method (Note (ii))	-	-	-	51	51
Subtotal	17,750	5,349	13,935	1,076	38,110
Less: other business tax	(27)	(7)	(35)	(6)	(75)
Segment revenue	17,723	5,342	13,900	1,070	38,035

For the six months ended 30 June 2025 (unaudited)

	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))	17,074	4,081	13,836	1,057	36,048
Leases	-	13	-	230	243
Interest under effective interest method (Note (ii))	-	-	-	52	52
Subtotal	17,074	4,094	13,836	1,339	36,343
Less: other business tax	(30)	(7)	(35)	(7)	(79)
Segment revenue	17,044	4,087	13,801	1,332	36,264

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, solar products (mainly distributed solar power plant systems integrated solutions) and other products, provision of intelligent operation and maintenance services to the distributed solar power plant systems 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 interim period 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 solar power plant system integrated solutions, provision of smart green energy operation services and intelligent manufacturing and sales of solar products

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. Accordingly, these operating segments are grouped as "Modern Services Business and Others".

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

4. SEGMENT INFORMATION – continued

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

For the six months ended 30 June 2026 (unaudited)

	Smart household appliances business RMB million	Smart systems technology business RMB million	New energy business RMB million	Total reportable segments RMB million	Modern services business and others RMB million	Eliminations RMB million	Total RMB million
Revenue							
Segment revenue from external customers	17,723	5,342	13,900	36,965	1,070	-	38,035
Inter-segment revenue	35	167	6	208	290	(498)	-
Total segment revenue	17,758	5,509	13,906	37,173	1,360	(498)	38,035
Results							
Segment results	590	149	748	1,487	42	-	1,529
Interest income							54
Other gains and losses							387
Finance costs							(262)
Share of results of associates and joint ventures							(27)
Unallocated corporate income/expenses							(215)
Consolidated profit before taxation of the Group							1,466

For the six months ended 30 June 2025 (unaudited)

	Smart household appliances business RMB million	Smart systems technology business RMB million	New energy business RMB million	Total reportable segments RMB million	Modern services business and others RMB million	Eliminations RMB million	Total RMB million
Revenue							
Segment revenue from external customers	17,044	4,087	13,801	34,932	1,332	-	36,264
Inter-segment revenue	59	53	8	120	313	(433)	-
Total segment revenue	17,103	4,140	13,809	35,052	1,645	(433)	36,264
Results							
Segment results	426	13	808	1,247	(95)	-	1,152
Interest income							88
Other gains and losses							(145)
Finance costs							(227)
Share of results of associates and joint ventures							(10)
Unallocated corporate income/expenses							(200)
Consolidated profit before taxation of the Group							658

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB million (unaudited)	RMB million (unaudited)
Tax charge (credit):		
PRC Enterprise Income Tax ("EIT")	317	356
PRC land appreciation tax ("LAT")	-	4
PRC withholding tax	-	4
Hong Kong Profits Tax	2	2
Taxation arising in other jurisdictions	15	19
Deferred taxation	107	(92)
	441	293

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2026 and 2025.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. 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% (for the six months ended 30 June 2025: 100%) tax deduction on eligible research costs incurred by them.

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

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 its best estimate, the management of the Group considered the top-up tax under the Pillar Two Rules for the six months ended 30 June 2026 and 2025 borne by Group is insignificant.

6. PROFIT FOR THE PERIOD

	Six months ended 30 June 2026 RMB million (unaudited)	Six months ended 30 June 2025 RMB million (unaudited)
Profit for the period has been arrived at after charging (crediting):		
Cost of inventories recognised as an expense including write-down of inventories of RMB189 million (for the six months ended 30 June 2025: RMB15 million)	32,644	30,775
Cost of stock of properties recognised as an expense including write-down of stock of properties of RMB36 million (for the six months ended 30 June 2025: RMB201 million)	188	935
Depreciation of right-of-use assets	70	68
Less: capitalised as cost of inventories	(12)	(12)
capitalised as cost of construction in progress	(4)	(26)
	54	30
Depreciation of investment properties	31	29
Depreciation of property, plant and equipment	466	433
Less: capitalised as cost of inventories	(116)	(135)
	350	298
Staff costs, including directors' emoluments	2,798	2,674
Less: capitalised as		
- Cost of inventories	(627)	(666)
- Stock of properties	(1)	(3)
- Property, plant and equipment	(14)	(10)
	2,156	1,995
Rental income from leases less related outgoings of RMB121 million (for the six months ended 30 June 2025: RMB86 million)	(127)	(158)
(Gain) loss from changes in fair value of financial assets at FVTPL (included in other gains and losses)	(530)	28
(Gain) loss from changes in fair value of derivative financial instruments (included in other gains and losses)	(14)	11

7. DIVIDENDS

During the current interim period, no final dividend in respect of the year ended 31 December 2025 (2025: no final dividend in respect of the year ended 31 December 2024) was declared and paid to owners of the Company.

The board of directors has resolved not to recommend an interim dividend in respect of the six months ended 30 June 2026 to the shareholders of the Company (for the six months ended 30 June 2025: nil).

8. 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:

	Six months ended 30 June	
	2026	2025
	RMB million	RMB million
	(unaudited)	(unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	624	125
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,888,196,732	2,207,759,337

The computation of diluted earnings per share does not assume the exercise of certain of the outstanding potential ordinary shares of the Company and certain subsidiaries as the relevant exercise prices are higher than the average market price per share for the six months ended 30 June 2026 and 2025.

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

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Trade and bills receivables (Note (i))	14,419	11,823
Loan receivables	1,076	1,030
Purchase deposits paid for inventories/stock of properties	1,628	1,241
VAT and other tax recoverables	3,395	2,545
Other deposits paid and prepayments	1,745	1,271
Other receivables	1,055	1,510
	23,318	19,420

Notes:

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:

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Trade receivables at amortised cost		
- goods and services	13,413	9,573
- lease receivables	144	134
	13,557	9,707
Less: allowance for credit losses	(512)	(511)
	13,045	9,196
Trade receivables at FVTOCI	3	613
	13,048	9,809
Bills receivables	1,371	2,014
	14,419	11,823

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

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Within 30 days	6,846	4,359
31 to 60 days	2,653	2,452
61 to 90 days	1,551	979
91 to 180 days	1,126	1,193
181 to 270 days	320	304
271 to 365 days	149	127
Over 365 days	915	906
	13,560	10,320

As at 30 June 2026, included in the trade receivables are amounts due from associates and related parties of RMB66 million (as at 31 December 2025: RMB38 million) and RMB15 million (as at 31 December 2025: RMB26 million) respectively with aggregative amounts of RMB74 million aged within 30 days, RMB4 million aged from 31 to 60 days and RMB3 million aged from 91 to 180 days (as at 31 December 2025: RMB53 million aged within 30 days, RMB9 million aged from 31 to 60 days and RMB2 million from 61 to 90 days). The credit period is 45 days. No allowance for credit losses is made for the six months ended 30 June 2026 and 2025.

9. TRADE AND OTHER RECEIVABLES – continued

Notes: - continued

i. Trade and bills receivables - continued

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

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Within 30 days	129	183
31 to 60 days	183	267
61 to 90 days	170	499
91 days or over	889	1,065
	1,371	2,014

10. TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Trade payables (Note (i))	17,174	14,912
Bills payables (Note (ii))	5,175	4,509
Provision for warranties and performance guarantees	620	611
Provision for rebates	715	687
Contract liabilities	2,469	2,061
Accrued staff costs	949	1,206
Accrued selling and distribution expenses	436	387
Deposits received from sub-contractors	2,858	2,886
Payables for purchase of property, plant and equipment	807	905
Rental deposits received	181	170
VAT and other tax payables	1,266	640
Other deposits received	56	80
Accruals and other payables	3,518	3,212
	36,224	32,266
Analysed for reporting propose as		
Current liabilities	33,888	30,079
Non-current liabilities	2,336	2,187
	36,224	32,266

10. TRADE AND OTHER PAYABLES – continued

Notes:

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

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Within 30 days	8,551	7,424
31 to 60 days	2,750	2,152
61 to 90 days	1,179	1,075
91 days or over	4,694	4,261
	17,174	14,912

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

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Within 30 days	1,114	885
31 to 60 days	664	738
61 to 90 days	772	647
91 days or over	2,625	2,239
	5,175	4,509

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

11. PLEDGE OF AND RESTRICTION ON ASSETS

At the end of reporting period, the Group's borrowings were pledged and secured by the following:

	As at 30 June 2026 RMB million (unaudited)	As at 31 December 2025 RMB million (audited)
Right-of-use assets, leasehold land and buildings and construction in progress	4,674	3,376
Investment properties	1,364	1,240
Stock of properties	215	215
Inventories	260	-
Trade and bills receivables	55	7
	6,568	4,838

The pledged and restricted bank deposits as set out in the condensed consolidated financial statements 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 two subsidiaries as at 30 June 2026 (as at 31 December 2025: five subsidiaries) were also pledged to certain banks for bank facilities provided to the Group.

BUSINESS PERFORMANCE REVIEW

Revenue

For the six months ended 30 June 2026 (the "Current Period"), the Group's overall revenue amounted to RMB38,035 million, representing an increase of RMB1,771 million or 4.9% compared with an overall revenue of RMB36,264 million for the Same Period of Previous Year.

During the Current Period, the global economic environment remained complex and volatile, with ongoing deepened geopolitical turmoil and trade tensions. In particular, the normalisation of tariff measures implemented by major markets such as the United States and Europe has led to an escalation of international trade friction. Under the gloom of the global tariff war and the accelerating realignment of global supply chains, the production capacity shift and cost pass-through have posed ongoing challenges to manufacturing enterprises and various business sectors of the Group. At the same time, the real estate market in Mainland remained in a phase of deep adjustment and bottoming out, particularly in third- and fourth-tier city-level and county-level markets. The lingering effects of heavy inventory-reduction pressures on real estate developers and the slow recovery in sales have further dampened overall market sentiment and consumer confidence. Amid an unclear macro-economic landscape, the Group remained committed to driving industrial transformation and innovative development strategies, leveraging the various opportunities brought by digitisation, intelligence and low-carbon transformation to continue deepening the research and development backed by its proprietary technology. At the same time, keeping pace with the evolution of artificial intelligence (AI) user ecosystems and application scenarios, we focus on the commercialisation of cutting-edge technological achievements, continuing to inject new momentum into the high-quality development of various industries. The Group has accurately anticipated forward-looking trends and actively responded to the goal of achieving carbon peak and carbon neutrality (the "Double Carbon") targets. It has expanded from the traditional TV sector into smart household appliances and smart devices, and successfully ventured into the new energy sector, embarking on a distinctive path "From Smart Appliances to Double Carbon Ecology".

During the reporting period, the domestic household appliances market remained mired in intense competition. Coupled with the long-tail effects of a shrinking real estate sector, the overall business environment continues to face challenges. Although the household appliances business was still supported by the national "trade-in" policy, the Group actively pursued an overseas expansion strategy that began to yield results in the first half of 2026, leading to an increase in overall revenue and mitigating single-market risks. Benefiting from a significant rebound in market valuations within the semiconductor industry at the end of the Current Period, the fair value of certain listed and unlisted equity securities held by the Group's venture capital business—part of its modern services business sector—rose substantially, resulting in a significant gain from changes in fair value; this gain constitutes an unrealised, non-cash accounting adjustment and does not affect the Group's actual cash flows for the Current Period. During the Current Period, the Group closely monitored market developments and 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.

The Group's net profit for the Current Period was RMB1,025 million, representing a significant increase of RMB660 million, or 180.8%, compared with RMB365 million for the Same Period of Previous Year.

For the below analysis, other business tax for the Current Period of RMB75 million (the Same Period of Previous Year: RMB79 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 being the primary market.

Mainland China Market

For the six months ended 30 June 2026, revenue from the Mainland China market amounted to approximately RMB27,812 million, representing a decrease of RMB478 million or 1.7% as compared to RMB28,290 million for the Same Period of Previous Year.

During the Current Period, the Group's smart household appliances business, smart systems technology business and new energy business, each accounted for 35.3% (the Same Period of Previous Year: 37.8%), 11.2% (the Same Period of Previous Year: 9.3%) and 49.9% (the Same Period of Previous Year: 48.7%) of its revenue from the Mainland China market, while the modern services business and others attributed the remaining 3.6% (the Same Period of Previous Year: 4.2%).

Overseas Markets

For the six months ended 30 June 2026, revenue from overseas markets amounted to RMB10,298 million, equivalent to 27.0% of the Group's overall revenue, representing an increase of RMB2,245 million or 27.9% compared with RMB8,053 million recorded in the Same Period of 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:

	Six months ended 30 June	
	2026	2025
	(%)	(%)
Asia	**46**	45
Americas	**22**	22
Europe	**19**	23
Africa	**12**	9
Oceania	**1**	1
	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 six months ended 30 June 2026, the Group's smart household appliances business recorded revenue of RMB17,750 million, representing an increase of RMB676 million or 4.0% as compared to RMB17,074 million recorded in the Same Period of Previous Year.

1.1 Smart TV Products (Mainland China Market)

For the six months ended 30 June 2026, the Group's smart TV products recorded revenue of RMB5,691 million in the Mainland China market, representing an increase of RMB155 million or 2.8% as compared to RMB5,536 million recorded in the Same Period of Previous Year.

During the first half of 2026, the domestic TV business entered a period of intense competition in the mature market, with the overall market facing significant pressure. Data from All View Cloud (AVC) showed that in the first half of the year, the domestic TV retail volume decreased by 9.2% year-on-year, while retail sales declined by 8.2% year-on-year. Against the backdrop of a persistently declining industry, Skyworth remained firmly committed to its three core value pillars "Healthy Display, Home Aesthetics, and Edge-Cloud AI" (健康顯示、家居美學、端雲 AI), continuously advancing technological innovation and product implementation. By propelling the evolution of televisions into smart companions integrated into family life, the Group achieved counter-trend sales growth and a year-on-year increase in total unit shipments.

In terms of the product portfolio, the Group has cultivated a deep foothold in the Wallpaper TV market for a decade, building a comprehensive product matrix and establishing differentiated product advantages, which have driven year-on-year increases in Skyworth's Wallpaper TV full-channel sales and average online prices. The ultra-flagship A10H series features a 27.9mm ultra-slim design and a four-sided bezel-less display, equipped with the self-developed Chameleon AI Picture Quality Chip S8, SQD Mini LED technology, and a 6.2.2-channel surround sound system, delivering a high-spec presentation in both visuals and audios. The high-end modular Q8H series highlights ultra-macro OD10 RGB-Mini LED technology and 108-bit colour control precision. Combining with ultra-low reflection colour-blocking glass, it effectively addresses pain points such as whitening and colour distortion, while enhancing the anti-reflective and glare-free viewing experience. The flagship Q7H series, promoting the concept of "slim yet powerful", integrates three core advantages: ultra-micro-distance OD-Mini LED, Art Display Screen, and the Chameleon AI chip, achieving dual breakthroughs in slim design and picture quality. With the cutting-edge technological advancements such as Chameleon full-link AI dimming and AI environmental sensing, the Q7H series was honoured with the "Technology Innovation Award" by the China Video Industry Association. The Group launched the brand new Q9H series in July, which further incorporates a starlight separated main unit, a 2.7cm ultra-thin wall-mounting design, the sixth-generation ultra-macro OD-Mini LED, Art Display Screen Ultra, and dual-layer RGB wide-colour-gamut filters, continuously pushing the boundaries of Wallpaper TV technology. Additionally, in the 98-inch and above ultra-large-screen segment, the Group captured the market for large-screen upgrades with multiple 100-inch models such as the L100F and 100H5F Pro, driving year-on-year growth in ultra-large-screen sales across full-channels and effectively accelerating the product mix's transition toward high-end and large-screen models. In the gaming monitor segment, the Group simultaneously launched products such as the G70U Max, G25Q Pro and G24 GT2, broadening the application scenarios for technologies featuring high refresh rates, high colour depth, and high colour accuracy.

In terms of channel operations, the Group has deepened the refined management of its primary channels and implemented the "one channel, one best-seller" (一渠道一爆品) strategy. By developing models exclusively for consignment sales and exclusive best-sellers, the Group has avoided price competition while simultaneously increasing channel gross margins and the brand's overall sales volume. The Group's ecommerce channels experienced steady growth against the market trend in the first half of 2026. This year, the Group will continue to advance product portfolio upgrades and strengthen the promotion of high-end models, such as Wallpaper TVs and ultra-large-screen TVs, and thereby elevate the average selling price of products across channels.

1.2 Smart TV Products (Overseas Markets)
For the six months ended 30 June 2026, the Group's smart TV products recorded revenue of RMB4,977 million in overseas markets, representing an increase of RMB877 million or 21.4% as compared to RMB4,100 million recorded in the Same Period of Previous Year.

In the first half of 2026, costs across the global television industrial chain continued to rise, impacting the sales of end products. The growth momentum in Latin America and newly emerging markets was constrained by rising costs, while geopolitical conflicts in the Middle East have also brought significant negative impact on regional sales and logistics costs. Faced with a complex external environment, the overseas marketing team steadily advanced business adjustments, achieving counter-cyclical growth in overseas sales.

In terms of brand and network development, following the acquisition of the exclusive trademark license for the Philips brand in North America last year, the Group has leveraged the market influence of internationally renowned brands to continue advancing a multi-brand synergy strategy centred on Skyworth brand. By clearly defining the differentiated positioning of each brand across different regions, the Group has achieved multi-tiered coverage of the global market, ranging from high-end to mainstream segments. At the same time, guided by a focus on growth and efficiency, the Group plans to establish a new subsidiary in Brazil and multiple overseas offices this year, extending its business network to core markets such as Nigeria, Chile, Morocco, and Saudi Arabia, and leveraging localised teams to drive the expansion of retail resources into local markets.

In terms of marketing and technology promotion, the Group leveraged the 2026 football fever to join forces with four key markets—South Africa, Italy, Mexico, and Vietnam. Through differentiated marketing strategies that integrate each market's unique football culture and consumer characteristics, the Group aims to continuously amplify its brand influence and convert tournament-driven traffic into retail sales. At the same time, the Group conducted comprehensive promotions centred on technological hallmarks such as Super QD-Mini LED and Black Crystal Display, developing multiple localised marketing campaigns and training programmes. The Group also convened its first Global Training Managers Conference and hosted a Global Customer Conference during the Canton Fair to launch its Glare-Free Mini LED products, showcasing the Group's core technological competitiveness to global partners and further strengthening synergy and collaboration within the global supply chain and among partners.

In terms of product offerings, the Group launched the all-new wallpaper-style Mini LED X7H, the high-end Mini LED X6H, and the QLED Q4H series in overseas markets. Among these, the X7H features a 49mm ultra-slim design and a Black Crystal wide-angle matte screen, with built-in Art Time mode and AI image generation capabilities, offering entertainment experiences such as deep bass and AI karaoke. The X6H, on the other hand, utilises a QD-Mini LED backlight solution and a high-performance AI SOC, enabling it to automatically calibrate picture quality through AI algorithms and reproduce true-to-life images across a variety of viewing scenarios.

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 six months ended 30 June 2026, revenue recorded from smart appliances business in the Mainland China market amounted to RMB2,926 million, representing a decrease of RMB1,010 million or 25.7% as compared to RMB3,936 million recorded in the Same Period of Previous Year. The decline in revenue in the Mainland China market was primarily due to a significant drop in demand for contract manufacturing orders for air conditioning products. Driven by the Group's diversified strategy and continued expansion into overseas markets, revenue in overseas markets amounted to RMB2,420 million, representing an increase of RMB726 million or 42.9% as compared to RMB1,694 million recorded in the Same Period of Previous Year. Notably, the washing machine business recorded significant growth in both the domestic and European markets, demonstrating a strong market competitiveness of the Group. Although domestic sales of air conditioning products declined during the Current Period, the overseas market still recorded growth.

The smart appliances business of the Group was supported by a diversified product portfolio and flexible channel strategies, has maintained a growth trajectory across other smart appliance products, such as consumer electronics products, which mitigated market volatility associated with any single product category effectively. The Group continues to consolidate its core markets and drive steady growth across all business lines.

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. 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 six months ended 30 June 2026, revenue recorded for the Group's smart systems technology business in the Mainland China market amounted to RMB3,102 million, representing a year-on-year increase of RMB460 million or 17.4% from RMB2,642 million recorded in the Same Period of Previous Year. Revenue recorded in overseas markets amounted to RMB2,247 million, representing a year-on-year increase of RMB795 million or 54.8% from RMB1,452 million recorded in the Same Period of Previous Year.

In the first half of 2026, despite facing global macroeconomic uncertainties, the Group seized opportunities presented by technological advancements within the industry, consistently increasing research and development investment to promote the enhancement and iterations of smart device products towards greater intelligence and multimodal capabilities. While maintaining its market share in traditional stronghold segments, the Group substantially expanded its presence in the new business segments including smart devices, XR and automotive display, resulting in the achievement of substantial growth in the operating results. The smart device sales volume, revenue scale and profit of the smart systems technology business increased significantly as compared to the Same Period of Previous Year.

In the Mainland China market, the Group deepened engagement with telecommunications operators and digital TV operators, excelling in key centralised procurement projects from major clients to achieve comprehensive breakthroughs across multiple product categories. Shipments of the China Mobile's AI Lingxi Screen (靈犀屏) products secured significant growth, attaining a dominant position in the corresponding product category at China Mobile. The Tianyi Smart Display (天翼智屏) products delivered an outstanding performance in China Telecom's centralised procurement in 2026, both of the bids had achieved high-ranking wins and capturing large-scaled market share. The smart family gateway products won the bids in China Mobile's emergency procurement project in 2026. The Group achieved a high-ranking win in the 2026-2027 mobile gateway procurement project, locking in core supply volumes. And it won all biddings in China Telecom's 2026-2027 FTTR procurement project, capturing exceptionally high-volume allocations. New products including smart middle screens, AI Lingxi Screens, smart screens, portable screens, cloud PADs, smart enterprise gateways, FTTR, Wi-Fi 7 routers, and pluggable set-top boxes had achieved large-scale breakthroughs.

In overseas markets, business spans regions including Europe, Africa, the Middle East, India, Southeast Asia, Latin America and Oceania, serving global telecommunications and integrated operators. In the first half of 2026, overseas access network products achieved year-on-year growth in both revenue and shipments, which maintained stable deliveries in Latin American countries and retained absolute dominance for its multimedia and access network products among core operators across Southeast Asia markets. The Nex Playground motion-sensing gaming box, which the Group co-developed with American gaming company Nex, demonstrated strong sales momentum in North America markets and drove substantial revenue growth, becoming an important growth driver for the smart devices business. The enterprise shipments for AI Smart Glasses have begun in B2B channels, while the EGO data acquisition device targeting embodied intelligence and robotic training scenarios secured batch orders. The Group has also actively established its Strong brand in Europe, and developed ToC retail consumer channels in North America, which deepen its global market presence.

In the first half of 2026, the Group's automotive display business achieved breakthrough progress, securing platform project awards for dozens of automotive display units and undertaking the development, mass production, and delivery of integrated cockpit systems including centre console and rear-seat entertainment screens. Notably, it secured a 29.8-inch platform project award from a leading Chinese automaker in June, signifying a deepening strategic cooperation with the automaker. As a Tier 1 supplier, the Group continues serving multiple top domestic automakers, joint venture brands and mainstream EV manufacturers while actively expanding its portfolio with products like AR-HUDs, rear-seat entertainment displays, and sports display screens.

With the accelerated large-scale commercial deployment of 5G-A and the integration of AI technologies into end products application, the Group spurs rapid iteration of the next-generation smart devices and advances scenario-based implementation. The Group will continue advancing its "Smart Native" strategy, driving market breakthroughs through innovative solutions, while striving to establish a global business footprint and competitiveness.

3. New Energy Business

For the six months ended 30 June 2026, the Group recorded a revenue of RMB13,935 million from the new energy business, representing an increase of RMB99 million or 0.7% as compared with RMB13,836 million recorded in the Same Period of Previous Year, the cumulative installed capacity of photovoltaic power stations that have been built and under grid-connected operation exceeded 34.6GW.

The Group's new energy business has pioneered the industry with the innovative business model of "Photovoltaics + Inclusive development + Digital technology". It offers a complete solution for a series of aspects such as power station development, design, construction, operation, management and consulting services, so as to achieve a service system of efficient service and quality control, while propelling the residential distributed photovoltaic business to the forefront of the industry and driving rapid business growth. SKYWORTH solar Co., Ltd.* （深圳創維光伏科技股份有限公司） ("Skyworth Solar"), 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 new energy industry has experienced explosive growth in recent years, with projects such as photovoltaic power plant installations and power generation infrastructure continuing to be rolled out. 2026 marks the year in which the "15th Five-Year Plan" is laid out, with the business moving towards higher-quality development and the industry's value expanding to encompass a more comprehensive range of energy management scenarios, including energy storage, energy consumption and energy management. Against this backdrop, the value of new energy assets has expanded from hardware to system operational capabilities, and from a sole focus on electricity generation to the ability to regulate resources, thereby unlocking the long-term value of project assets. As the industry imposes ever-higher demands on the stable operation of power systems, the capabilities of digital platforms have become a key driver in enhancing the value of energy assets. Following the launch of its ecosystem platform last year, Skyworth Solar has unveiled the fully upgraded digital platform, InfraCosmos Platform (羲寰能源) in 2026. Leveraging by capabilities such as the Internet of Things (IoT), big data and AI, the upgraded InfraCosmos Platform will focus on three major digital energy product capabilities: project management, intelligent operation and maintenance, and energy operations. It aims to further optimise resource allocation and unlock the value of power stations through full lifecycle management, whilst providing digital support for the safety, market potential and long-term appreciation of new energy assets.

On the other hand, the Group continuously optimises its residential, commercial and industrial distributed photovoltaic product offerings, guided by a user-needs-oriented and adopting a bottom-up development approach, the Group strives to foster innovation and growth across the entire industrial chain, helping diverse user groups effortlessly enjoy long-term and stable green dividends. In 2026, Skyworth Solar launched the "Watt's Up" (能亮站) series, offering users a one-stop, cost-effective green energy photovoltaic and storage solution, complete with comprehensive support including one-stop services, products developed and manufactured in-house, round-the-clock AI-powered intelligent operation and maintenance, and real-time monitoring. The "Watt's Up" series covers a diverse range of electricity consumption scenarios, from small residential balconies to medium-sized commercial premises and large industrial parks. Through core products and business models such as "SolaMate" (陽台光伏), "SolaBank" (光儲盈), "SolaSave" (E 企省) and "SolaPark" (零碳園), which created an integrated, closed-loop system encompassing power generation, storage, consumption and management. This initiative not only enhances the efficiency and stability of power generation and operations and maintenance, but also provides end users with more economical, reliable and flexible green energy solutions.

Adhering to its strategic positioning as a "global leader in the smart energy ecosystem", the Group has been actively advancing its strategy to expand its new energy business overseas and committed to extending the successful experience and strengths accumulated in the domestic market to global markets. In July 2026, Skyworth Solar's International Headquarters was officially established in Haikou, marking a crucial step forward in the Group's global expansion. Leveraging the geographical and policy advantages of the Hainan Free Trade Port in accessing international markets, overseas operations will shift from decentralised expansion to a model characterised by centralised coordination from headquarters, regional synergy and localised operations, thereby further strengthening the Group's capacity for global resource integration and market competitiveness.

In response to the industry's transition from scale-driven growth to value-based competition, and from point-based supply to system-level operations, the Group is actively utilising digital and intelligent technologies to drive the restructuring and upgrading of the energy sector. With technological innovation, practical implementation, digital operations and ecosystem synergy as its core pillars, the Group will continue to build a smart energy ecosystem for global customers through the supply of high-quality products, the construction of power stations to high standards, and efficient and intelligent management systems, combined with its capabilities in high-end digital energy products, thereby consolidating Skyworth Solar's 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 six months ended 30 June 2026, revenue recorded for modern services business and other businesses in the Mainland China market amounted to RMB992 million, representing a decrease of RMB202 million or 16.9% as compared to RMB1,194 million recorded in the Same Period of Previous Year. Revenue in overseas markets during the Current Period amounted to RMB84 million, representing a decrease of RMB61 million or 42.1% from RMB145 million recorded in the Same Period of Previous Year. Weighed down by the ongoing bottoming-out and sluggish sales in the Mainland China's real estate market, the Group's construction and development business narrowed its loss compared to the Same Period of Previous Year, yet the operations remained challenging despite the continued supportive policy signals. The Group closely followed the pace of structural adjustments in the domestic real estate market, flexibly adjusting its sales strategies and continuing to drive project destocking in certain regions to effectively manage property inventory risks. During the Current Period, the Group conducted reasonable and prudent impairment assessments of its real estate inventory in accordance with accounting standards and strictly controlled sales prices, fully demonstrating the Group's prudent, defensive, and flexible asset management strategy during this period of market adjustment.

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 operations, the Group continued to focus on the financial platform function with the finance company as the core, supplemented by venture capital funds and small loans, and optimised the cross-border cash flows and expanded the financing structure of the Group by deeply leveraging the policy 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）. 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 industries, such as semiconductors, new materials, new equipment, supply chain transactions and service platforms, as well as emerging industries such as AI and innovative content. As aforementioned, the significant gain from changes in fair value recorded by the venture capital business segment during the Current Period primarily reflects the revaluation premium on financial assets driven by the rebound in valuations within the semiconductor industry at the end of the Current Period. Given that this gain is non-cash and unrealised in nature, the Group consistently adheres to sound and rigorous cash management principles when assessing its overall financial position. The venture capital team will adhere to a prudent strategy, optimise the asset structure while carefully managing risks associated with valuation fluctuations to ensure the long-term health of the Group's overall working capital and asset quality.

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, and provide support and empower synergies for the Group's scientific research, investment, production, procurement and construction.

Gross Profit Margin

For the six months ended 30 June 2026, the overall gross profit margin of the Group was 13.4%, representing an increase of 1.1 percentage points in comparison to 12.3% recorded in the Same Period of Previous Year.

In the first half of 2026, the Group's smart household appliances business demonstrated resilience in overall gross profit margin, benefiting from product mix upgrades and the continued increase in the penetration rate of its high-value-added own-brand products. However, external factors such as global supply chain tensions and tariff fluctuations continued to exert pressures on the costs of certain electronic components and raw materials. During the same period, the gross profit margin of modern services business improved compared to the Same Period of Previous Year, thereby providing positive support for the Group's overall gross profit margin. On the other hand, as the core contributor to the Group's revenue, the new energy business continued to optimise its financing model and refine its operations during the Current Period to improve gross profits. However, due to the inherent characteristics of this business, its gross profit margin remained lower than that of the traditional household appliances business, thereby diluting the Group's overall gross profit margin to a certain extent.

Looking ahead, the Group will continue to implement refined management practices, optimise its business portfolio structure, focus on high-end products and the development of its own brands, and deepen synergies between the modern services business sector and core business operations, with the aim of reducing operating costs, enhancing overall profitability, and ensuring the long-term, healthy, and steady development of the enterprise.

Expenses

For the six months ended 30 June 2026, the Group's selling and distribution expenses amounted to RMB2,193 million, representing an increase of RMB163 million or 8.0% as compared to RMB2,030 million for the Same Period of Previous Year. The selling and distribution expenses to revenue ratio for the six months ended 30 June 2026 was 5.8%, which slightly increased by 0.2 percentage points from 5.6% recorded in the Same Period of Previous Year.

For the six months ended 30 June 2026, the Group's general and administrative expenses amounted to RMB1,015 million, representing an increase of RMB115 million or 12.8% as compared with RMB900 million for the Same Period of Previous Year. The general and administrative expenses to revenue ratio for the six months ended 30 June 2026 was 2.7%, representing a slight increase of 0.2 percentage points from 2.5% in the Same Period of Previous Year.

The Group continued to devote resources during the Current Period to the research and development of premium smart products, to improve its corporate competitiveness and product advantages. For the six months ended 30 June 2026, the Group's research and development expenses amounted to RMB1,027 million, representing an increase of RMB27 million or 2.7% as compared to RMB1,000 million for the Same Period of Previous Year. The research and development expenses to revenue ratio for the six months ended 30 June 2026 was 2.7%, which slightly decreased by 0.1 percentage points from 2.8% recorded in the Same Period of Previous Year.

LIQUIDITY, FINANCIAL RESOURCES AND CASH FLOW MANAGEMENT

The Group adopts a prudent financial policy to maintain stable financial conditions. As at 30 June 2026, net current assets stood at RMB12,633 million, representing an increase of RMB3,858 million, or 44.0% as compared with RMB8,775 million as at 31 December 2025. Bank balances and cash as at 30 June 2026 amounted to RMB9,994 million, representing an increase of RMB700 million, or 7.5% as compared with RMB9,294 million as at 31 December 2025. Pledged and restricted bank deposits as at 30 June 2026 totalled RMB2,796 million, a decrease of RMB180 million, or 6.0% as compared with RMB2,976 million as at 31 December 2025.

The Group secured certain assets against its certain trade facilities and loans granted from various banks. As at 30 June 2026, such secured and restricted assets comprised bank deposits of RMB2,796 million (as at 31 December 2025: RMB2,976 million), investment properties of RMB1,364 million (as at 31 December 2025: RMB1,240 million), stock of properties of RMB215 million (as at 31 December 2025: RMB215 million), as well as the Group's prepaid lease payments for certain land use rights, land and properties, and construction in progress in Mainland China and Hong Kong, with an aggregated net book value of RMB4,674 million (as at 31 December 2025: RMB3,376 million). As at 30 June 2026 and 31 December 2025, the secured and restricted notes receivable amounted to RMB55 million and RMB7 million, respectively.

As at 30 June 2026, total bank borrowings and other interest-bearing financial liabilities of the Group amounted to RMB25,458 million (as at 31 December 2025: RMB19,511 million). The equity attributable to owners of the Company amounted to RMB17,967 million (as at 31 December 2025: RMB17,479 million). The debt to equity ratio stood at 106.9% (as at 31 December 2025: 84.6%).

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 first half of 2026, the expected U.S. Federal Reserve rate cuts have fluctuated repeatedly, whilst market discussions regarding the persistence of inflation and the potential path of interest rate rises have intensified significantly, leading to increased volatility in the foreign exchange market. In response to the complex changes in domestic and overseas interest rates, the Group's management maintained a high level of vigilance throughout the Current Period 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 six months ended 30 June 2026, the Group recorded a net exchange loss generated from general operations of RMB86 million (for the six months ended 30 June 2025: gain of RMB33 million).

In addition, the Group still held the following investments during the Current Period:

(a) Unlisted equity securities
As at 30 June 2026, the Group held investments in 101 unlisted companies. The total value (at fair value) of these investments (reflecting the changes in fair value and costs) was RMB3,397 million.

(b) Listed equity securities

As of 30 June 2026, the Group held investments in ten (as at 31 December 2025: eight) listed equity securities, details of which are as follows:

Listed companies	Shareholding percentage as of 30 June 2026	Value of investment as of 30 June 2026 (RMB million)	Value of investment as of 31 December 2025 (RMB million)	Exchange on which the securities are listed	Principal business of the listed company
Bank of Gansu Co., Ltd.	0.66%	31.8	22.0	The Stock Exchange of Hong Kong Limited	Financial services
Linklogis Inc.	0.39%	13.4	16.9	The Stock Exchange of Hong Kong Limited	Provide supply chain fintech solutions services
Anhui Coreach Technology Co., Ltd.	0.55%	34.0	28.2	Shenzhen Stock Exchange	Research and development, design, production and sales of optoelectronic systems and technical services
Guizhou Zhenhua E-chem Inc.	0.28%	18.5	19.9	Shanghai Stock Exchange	Research and development, design, production and sales of lithium-ion battery cathode materials
Shanghai Anlogic Infotech Co., Ltd.	1.78%	325.6	194.0	Shanghai Stock Exchange	Research, design, development and manufacture of chips
United Nova Technology Co., Ltd.	0.72%	536.0	353.5	Shanghai Stock Exchange	Research, design, development and manufacture of chips
Grand Kangxi Communication Technologies (Shanghai) Co., Ltd.	0.42%	31.4	21.9	Shanghai Stock Exchange	Research, design, development and manufacture of wireless network equipment related chips
Huitongda Network Co., Ltd.	1.61%	57.1	80.6	The Stock Exchange of Hong Kong Limited	Provide a one-stop supply chain trading and service platform
HKC Corporation Limited	0.08%	205.4	Nil	Shenzhen Stock Exchange (Listed on 26	Research, design, development and manufacture of semiconductor display panels and

				June 2026)	smart display devices
Hangzhou Tongshifu Cultural and Creative (Group) Co., Ltd.	1.70%	15.0	Nil	The Stock Exchange of Hong Kong Limited (Listed on 31 March 2026)	Design and manufacture of various copper craft and cultural and creative products

To utilise advantages of products from the smart systems technology business and innovative content services, Skyworth opted to invest in high-quality business partners in relation to building a smart-home 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 Current Period, in order to cope with the increased production scale and improved output ratio of smart products, the Group invested a total of RMB318 million in main buildings and construction projects, including the expansion of its production plants in Shenzhen and Huizhou, and RMB243 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 condensed consolidated financial statements of the Group.

HUMAN RESOURCES CAPITAL

As at 30 June 2026, the Group had around 29,100 employees (as at 31 December 2025: 29,300) 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

In the first half of 2026, faced with multiple challenges including the global geopolitical landscape, the normalisation of U.S. and Europe tariff policies, structural divergence in the real estate market, and the global realignment of asset values, the Group deepened its focus on refined operations and achieved high-quality development across its overall business. During the Current Period, the smart household appliances business and smart systems technology business maintained steady revenue growth, benefiting from the domestic "smart" trend and the overseas strategy of "technology global expansion + ecosystem localisation". However, driven by the strong global AI boom, demand in the upstream storage device and chip markets is expected to remain high for some time, leading to a significant increase in the cost of storage components and placing direct cost pressure on the Group's smart household appliances and smart systems technology businesses. To swiftly address the risk of rising product inventory costs driven by escalating costs, the Group made prudent and decisive supply chain decisions. Through precise market analysis and timely raw material stockpiling arrangements, the Group strives to strike the optimal balance between the two key risks "securing key components in advance to counter price hike pressures" and "avoiding excessive stockpiling that leads to raw material backlogs and tied-up capital", which were committed to ensuring healthy and secure product gross profit margins and working capital turnover.

AI technology and the transition to a low-carbon, green development have become the core drivers of the evolution of the global market landscape. Looking ahead to the second half of the 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 technological 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 research and 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 to enable Skyworth's products to more effectively meet the diverse needs of consumers. The Group will also continue to deepen its cooperation with strategic partners to expand the coverage of high-end products in the markets, and will continue to transform technological innovation and cost-saving and efficiency-enhancing achievements into Skyworth's long-term core competitiveness.

Furthermore, 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 continue to embrace the industry and green technology transformation. By leveraging innovative technology to empower its new energy business strategy, the Group is committed to expanding the new energy industry chain and related operations. Through lightweight design, scenario-based customisation, and systematic services, the Group is driving green energy from being exclusive to rooftops to becoming accessible to all, transforming electricity bills into sustainable energy assets and enabling everyone to share in the benefits of green energy development. In the future, the Group will deepen Skyworth Solar's strategic overseas expansion, establish a global development model driven by the dual engines of "products + services", and strive to transform the smart energy ecosystem into concrete and quantifiable business outcomes, thereby further consolidating the Group's global operational capabilities.

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. In addition to advancing the global expansion of its various businesses, the Group actively drives three key transformations in technological leap, scenario leap, and ecological leap. 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 face market challenges with a steady approach and flexibly respond to market dynamics with proactive strategies. The persistently weak real estate market in China has dampened consumer confidence, while the global AI boom significantly increased costs of upstream storage components. These dual challenges impact the Group's business environment and product cost control. The Group will closely monitor market developments and adopt prudent, adaptive operational strategies, including optimising resource allocation and accelerating adjustments to inventory structure to navigate fierce competition. Concurrently, high-quality products will reinforce its brand competitiveness. Furthermore, 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 and multi-channel development models. At the same time, the Group will remain committed to upholding rigorous quality standards and a comprehensive service system, to create and provide more innovative, smart, and eco-friendly products as well as lifestyle experiences for consumers around the world.

EVENTS AFTER THE REPORTING PERIOD

Up to the end of the Current Period and up to the date of this announcement, the Group did not have any material events.

CORPORATE GOVERNANCE STANDARDS

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 "Stock Exchange").

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

For detailed information about the corporate governance practices of the Company, please refer to the "Corporate Governance Report" contained in the Company's 2025 annual report.

AUDIT COMMITTEE

The Audit Committee was established by the Board since the listing of the shares of the Company on the Stock Exchange on 7 April 2000. The Audit Committee is comprised of 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.

During the Current Period and up to the date of this announcement, the Audit Committee held 2 meetings and performed the following duties:

(a) to review and comment on the Company's annual and interim financial reports;
(b) to oversee the Group's financial reporting system, risk management and internal control systems on an ongoing basis;
(c) to review the financial reporting system to ensure the adequacy of resources, qualifications and experience of staff in accounting and financial reporting functions of the Group;
(d) to discuss on the Group's internal audit plan with the Risk Management Department;
(e) to review the continuing connected transactions; and
(f) to meet and communicate with the external auditors for audit works of the Group.

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 on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed through a confirmation that they had complied with the required standards set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Current Period.

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

During the Current Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares, if any). During the Current Period, the Company did not hold any treasury shares.

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 SKYWORTH Solar Co., Ltd.* (深圳創維光伏科技股份有限公司) (formerly known as 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, 20 March 2026, 20 April 2026, 20 May 2026, 18 June 2026, 17 July 2026 and 17 August 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, the scheme conditions and the distribution 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.

INTERIM DIVIDEND

The Board has determined not to declare any interim dividend for the Current Period with a view to preserving cash for the Group's development and corporate planning (for the six months ended 30 June 2025: 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.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim 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 2026 interim 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.

OTHER MATTERS

Reference is made to the announcement of the Company dated 27 March 2026 (the "March Announcement") in relation to the framework agreement for sale of electronic products to Shenzhen Xiaopai Technology Co., Ltd.* (深圳小湃科技有限公司). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the March Announcement.

The Board would like to clarify that there is an inadvertent typographical error on page 1 of the March Announcement (English version only) in relation to the commencement date of the Framework Agreement. The commencement date of the Framework Agreement should be 27 March 2026, instead of 30 March 2026, which was correctly stated in all other parts of the March Announcement.

Save for the above correction, all other information set out in the March Announcement remains unchanged. The Board confirms that this error is merely a typographical oversight and does not affect any material terms of the Framework Agreement.

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 to the Group throughout the Current Period.

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

Hong Kong, 27 August 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*