

# **TCL 科技集团股份有限公司**

## **TCL Technology Group Corporation**



# **ANNUAL REPORT 2024**

**April 2025**

## **Embark on the Voyage and Press Ahead Against All Odds**

### **ANNUAL REPORT 2024 Chairman's Statement**

In 2024, due to the complex international economic situation and the acceleration of global supply chain restructuring, numerous uncertainties occurred to the corporate development. Faced with a complex external environment, the Company consistently maintained strategic resolve, concentrating on the three core businesses that include display, new energy photovoltaic and other silicon materials. By dedicating to our own business, the Company aimed to enhance its relative competitiveness. In 2024, the Company achieved an operating revenue of RMB 164.8 billion, with a net profit attributable to shareholders of the listed companies of RMB 1.56 billion and an operating cash flow of RMB 29.5 billion, demonstrating overall stable operations.

TCL CSOT maintained a basic balance between supply and demand within the industry for its display business and seized new business opportunities brought by the trend towards larger-sized products and the expansion of AI applications for continuing to optimize its development strategy, business and product structure, enhancing its relative competitiveness and actively improving its global layout. For display business, the Company achieved an annual operating revenue of RMB 104.3 billion and a net profit of RMB 6.23 billion, showing significant year-on-year improvement. The competitiveness of LCD product business achieved a leading position, with the market share of TV products firmly ranked in top two globally, and that of commercial display products ranked in the top three worldwide. The Company acquired LGD's LCD panel and module factory in Guangzhou, thus further strengthening its competitiveness in the LCD industry. The small and medium-sized display business grew rapidly, with market share in monitors rising to the second globally, and that in gaming monitors and LTPS laptops and tablets ranked first worldwide. The competitiveness of flexible OLED business was enhanced, with optimized product structure and significant improvements in performance. The Company will strive to enhance its competitiveness in the NB, vehicle-mounted devices, and specialized display businesses, and actively design the layout of MLED. This year, the Company is confident in maintaining the rapid growth in its display business, and further improving operational benefits.

Global installation of new energy photovoltaic devices continues to grow, but competition across all segments of the Chinese industrial chain has intensified, with a mismatch between supply and demand at the market and leading to losses across the entire industry. TZE's photovoltaic business is impacted by the downturn in the industry cycle, coupled with deviations in its own operational strategy, shortcomings in its business structure and some errors in making decisions on business operation, resulting in a deterioration of business operation performance. During the reporting period, the Company achieved an operating revenue of RMB 28.4 billion at a year-on-year decline by 52%; and the net profit attributable to shareholders was RMB -9.82 billion. The Company is striving to transform its business philosophy, optimize its organizational processes, advance business transformation and reshape its core competencies. In the first quarter of 2025, TZE's operating performance showed sequential improvement and the Company is confident in achieving its growth targets for the year.

During the reporting period, Zhonghuan Advanced achieved a 30% revenue growth while expanding its market share. The Company remains committed to strengthening its competitive edge in the global silicon materials industry. The Company sustained robust operations and made steady progress in other business segments.

In 2024, the Company invested RMB 8.87 billion in R&D, accounting for 5.4% of the operating revenue. TCL CSOT, focusing on the research in new display technology and materials, achieved breakthroughs in printed OLED technology, materials and equipment. Leveraging the opportunities presented by industrial technology upgrading, TZE has established a new BC cooperation ecosystem by commercializing intellectual property and patents. During the Reporting Period, the Company filed 433 new PCT patent applications and 2,582 new invention patent applications.

The adjustment in the global economic and trade landscape has significantly impacted business operations. While the effects on display businesses and other silicon materials businesses are expected to remain largely manageable, the new energy photovoltaic sector is likely to face more substantial challenges. The Company is adjusting its global industrial layout, strengthening core capabilities to tackle challenges.

Looking ahead, the Company aims to achieve global leadership by pursuing a strategy of innovation-driven development in advanced manufacturing, and worldwide operations. By focusing

on core businesses and enhancing relative competitiveness, we will embark on the voyage and press ahead against all odds.

The Company remains committed to delivering shareholder value. For 2024, the Board of Directors has proposed a cash dividend of RMB 0.50 per 10 shares, enabling all shareholders to benefit from the increase in the Company's value. We are sincerely grateful for the long-term trust and support of all shareholders! Our heartfelt gratitude goes to all our partners for working with us! We extend our deepest thanks to all the employees for their diligent efforts!

李东生

April 27, 2025



## **Part I Important Notes, Table of Contents and Definitions**

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of TCL Technology Group Corporation (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Mr. Li Dongsheng, the Chairman of the Board, Ms. Li Jian, the person-in-charge of financial affairs (Chief Financial Officer), and Ms. Jing Chunmei, the person-in-charge of the financial department, hereby guarantee that the financial statements carried in this Report are factual, accurate, and complete.

All the Company’s directors attended the Board meeting for the review of this Report and its summary.

The future plans, development strategies or other forward-looking statements mentioned in this Report and its summary shall NOT be considered as promises of the Company to investors. Investors and related persons shall maintain sufficient awareness of risks and understand the differences between plans, forecasts and commitments. Therefore, investors are kindly reminded to pay attention to possible investment risks.

The profit distribution plan approved by the meeting of the Board of Directors is as follows: For every 10 shares held, shareholders will receive a cash dividend of RMB0.5 (including tax) based on the total number of outstanding shares of 18,779,080,767, without bonus shares or shares converted from capital reserve.

This report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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## **Documents Available for Reference**

(I) The financial statements signed and stamped by the person-in-charge of the Company, the Chief Financial Officer, and person-in-charge of the financial department.

(II) The original of the auditor's report with the seal of the accounting firm, and signed and stamped by CPAs.

(III) The originals of all company documents and announcements that were disclosed to the public during the Reporting Period.

## Definitions

Term	Refers to	Definition
The “Company”, the “Group”, “TCL”, “TCL TECH.”, or “we”	Refers to	TCL Technology Group Corporation
The “Reporting Period”, “current period”	Refers to	The period from January 1, 2024 to December 31, 2024.
TCL CSOT	Refers to	TCL China Star Optoelectronics Technology Co., Ltd.
TZE	Refers to	TCL Zhonghuan Renewable Energy Technology Co., Ltd., a majority-owned subsidiary of the Company listed on the Shenzhen Stock Exchange (stock code: 002129.SZ)
Zhonghuan Advanced	Refers to	Zhonghuan Advanced Bandaoti Technology Co., Ltd.
Moka Technology	Refers to	Moka International Limited
TPC	Refers to	Tianjin Printronics Circuit Corp., a majority-owned subsidiary of the Company listed on the Shenzhen Stock Exchange (stock code: 002134.SZ)
Highly	Refers to	Highly Information Industry Co., Ltd., a holding subsidiary of the Company listed on the National Equities Exchange and Quotations
Suzhou CSOT	Refers to	Suzhou China Star Optoelectronics Technology Co., Ltd.
t4	Refers to	The generation 6 (or G6) flexible LTPS-AMOLED panel production line at Wuhan CSOT
t9	Refers to	The generation 8.6 (or G8.6) new oxide display production line at Guangzhou CSOT
GW	Refers to	Gigawatt, power unit for solar cells, 1GW = 1,000 megawatts
G12	Refers to	12-inch ultra-large DW-cut solar monocrystalline silicon square wafer, size: 44,096mm <sup>2</sup> , diagonal line: 295mm, side length: 210mm, with its size 80.5% larger than the conventional M2
RMB	Refers to	Renminbi

## Part II Corporate Information and Key Financial Information

### I. Corporate Information

Stock name	TCL TECH.	Stock code	000100
Stock abbreviation before change (if any)	-		
Place of listing	Shenzhen Stock Exchange		
Company name in Chinese	TCL 科技集团股份有限公司		
Abbr.	TCL 科技		
Company name in English (if any)	TCL Technology Group Corporation		
Abbr. in English (if any)	TCL TECH.		
Legal representative	Li Dongsheng		
Place of registration	TCL TECH. Building, 17 Huifeng Third Road, Zhongkai Hi-Tech Development District, Huizhou City, Guangdong Province.		
Zip code	516001		
Historical changes in the Company's place of registration	-		
Office address	TCL TECH. Building, 17 Huifeng Third Road, Zhongkai Hi-Tech Development District, Huizhou City, Guangdong Province.		
Zip code	516001		
Company website	<a href="https://www.tcltech.com/">https://www.tcltech.com/</a>		
Email address	ir@tcl.com		

### II. Contact Information

	Board Secretary
Name	Liao Qian
Office address	10/F, Tower G1, International E Town, TCL Science Park, 1001 Nanshan District, Shenzhen, Guangdong Province, China
Tel.	0755-33311666
Email address	ir@tcl.com

### III. Media for Information Disclosure and Place Where This Report is Lodged

Stock exchange website for publication of this Report	Shenzhen Stock Exchange <a href="http://www.szse.cn">http://www.szse.cn</a>
Media and website for publication of this Report	<i>Securities Times</i> , <i>China Securities Journal</i> , <i>Shanghai Securities News</i> , <i>Securities Daily</i> , as well as <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Place where this Report is lodged	Capital Market Department of TCL Technology Group Corporation

## IV. Changes to Company Registered Information

Unified Social Credit Code	91441300195971850Y
Changes in main business activities of the Company since going public	1. In 2019, the Company focused on display devices by selling smart terminal businesses such as consumer electronics and household appliances and related supporting businesses. 2. In 2020, the Company acquired 100% equity of Tianjin Zhonghuan Electronics through public delisting, shaping a business structure that focused on display, and new energy photovoltaics.
Changes of controlling shareholder since incorporation	Not applicable

## V. Other Information

The independent audit firm hired by the Company

Name	RSM China (LLP)
Office address	Suite 1001-1 to 1001-26, 10th floor, No. 22 Fuchengmenwai St, Xicheng Dist., Beijing, China
Name of signing accountants	Chen Zefeng, Chen Zhihao

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period

☐Applicable ☒Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period

☐Applicable ☒Not applicable

## VI. Key Accounting Data and Financial Indicators

Indicate whether there is any retrospectively adjusted or restated datum in the table below

☐Yes ☒No

	2024	2023	2024-Over-2023 Change	2022
Operating revenue (RMB)	164,822,832,863	174,366,657,015	-5.47%	166,552,785,829
Net profits attributable to the company's shareholders (RMB)	1,564,109,407	2,214,935,302	-29.38%	261,319,451
Net profits attributable to the company's shareholders after non-recurring gains and losses (RMB)	298,355,801	1,021,080,065	-70.78%	-2,698,210,800
Net cash generated from operating activities (RMB)	29,526,569,404	25,314,756,105	16.64%	18,426,376,609
Basic earnings per share (RMB/share)	0.0842	0.1195	-29.54%	0.0174
Diluted earnings per	0.0833	0.1179	-29.35%	0.0168

share (RMB/share)				
Weighted average return on equity (%)	2.95	4.27	Decrease by 1.32 percentage points YoY	0.52
	The end of 2024	The end of 2023	Change	The end of 2022
Total assets (RMB)	378,251,915,923	382,859,086,727	-1.20%	359,996,232,668
Net assets attributable to shareholders of the listed company (RMB)	53,167,609,357	52,921,867,086	0.46%	50,678,520,477

The net profit before or after the deduction of non-recurring gains and losses in the latest three accounting years, whichever is lower, is negative and the audit report of the latest year shows the Company's ability to continue as a going concern

☐Yes ☒No

The audited pre-tax profit, net profit and net profit after deducting non-recurring gains and losses of the Company in the latest fiscal year, whichever is lower, is negative

☒Yes ☐No

Item	2024	2023
Operating revenue (RMB)	164,822,832,863	174,366,657,015
Operating revenue deduction (RMB)	4,795,039,761	5,497,051,513
Operating revenue after deduction (RMB)	160,027,793,102	168,869,605,502

The total share capital at the end of the last trading session before the disclosure of this Report:

Total share capital at the end of the last trading session before the disclosure of this Report (share)	18,779,080,767
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Fully diluted earnings per share based on the latest total share capital above:

Dividends paid for preference shares	-
Interest on perpetual bonds paid (RMB)	-
Fully diluted earnings per share based on the latest total share capital above (RMB/share)	0.0833

## VII. Accounting Data Differences under China Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

### 1. Differences in Net Profits and Equity under CAS and IFRS

☐Applicable ☒Not applicable

There is no difference in net profits and net assets between the financial statements prepared in accordance with International Accounting Standards (IAS) and Chinese Accounting Standards (CAS) for the Reporting Period of the Company.

### 2. Differences in Net Profits and Equity under CAS and Foreign Accounting Standards

☐Applicable ☒Not applicable

There is no difference in net profits and net assets between the financial statements prepared in accordance with foreign accounting standards and Chinese Accounting Standards (CAS) for the Reporting Period of the Company.

**3. Reasons for Accounting Data Differences Above**

☐Applicable ☒Not applicable

**VIII. Major Financial Indicators by Quarter**

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	39,908,458,083	40,315,278,879	42,804,760,985	41,794,334,916
Net profits attributable to the company's shareholders (RMB)	239,970,389	755,241,144	530,108,230	38,789,644
Net profits attributable to the company's shareholders after non-recurring gains and losses	70,716,493	488,040,568	169,910,967	-430,312,227
Net cash generated from operating activities	6,596,505,932	6,036,215,781	9,367,992,823	7,525,854,868

Indicate whether any of the quarterly financial data in the table above or their summations differs materially from what has been disclosed in the Company's quarterly or interim reports.

☐Yes ☒No

**IX. Non-Recurring Gains and Losses**

☒ Applicable ☐ Not applicable

Unit: RMB

Item	2024	2023	2022
Gains and losses on disposal of non-current assets (inclusive of impairment allowance write-offs)	143,159,409	275,255,225	1,757,838,745
Public grants charged to current gains and losses (except for public grants that are closely related to the Company's daily operations, comply with national policies, are granted based on determined standards, and have a continuous impact on the Company's gains and losses)	2,614,019,013	2,764,042,905	1,322,782,937
The profits or losses generated from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises and the profits or losses from the disposal of such financial assets and financial liabilities, except for the effective hedging business related to the Company's normal business operations	4,832,618	-114,258,710	-127,233,837
Reversal of provision for impairment of receivables that have been individually tested for impairment	62,761,876	22,894,255	37,745,528
Non-operating income and expenses other than the above	857,484,211	228,994,235	758,599,650
Less: Amount affected by income tax	507,096,990	603,197,886	244,386,076
Amount affected by equity of minority shareholders (net of tax)	1,909,406,531	1,379,874,787	545,816,696
Total	1,265,753,606	1,193,855,237	2,959,530,251

Details of other profit and loss items that meet the definition of non-recurring profits and losses:

☐Applicable ☒Not applicable

The Company has no other profit and loss items that meet the definition of non-recurring profits and losses.



Notes on non-recurring profit and loss items that are listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gain/Loss* shall be used to define Recurring Gain/Loss items

☐Applicable ☒Not applicable

The Company does not have any non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gain/Loss* that are defined as recurring profit and loss items.

## Part III Management Discussion and Analysis

### I. Company-related Industry Outlook During the Reporting Period

Global political unpredictability and volatility persisted in 2024, as geopolitical tensions had not yet subsided, and industry and supply chain restructuring was still intensifying. Meanwhile, high interest rates and inflation worldwide continued to have an impact on global economic growth. In the face of a challenging external environment, the Company was steadfast in its long-term strategy, focusing on three key business pillars: displays, new energy photovoltaics, and other silicon materials. This was in order to improve operational resilience and promote high-quality and sustainable growth. In 2024, the Company achieved an operating revenue of RMB 164.8 billion, net profits attributable to shareholders of listed companies of RMB 1.56 billion, and a net operating cash flow of RMB 29.5 billion, increasing by 16.6% YoY.

There were key factors affecting the Company's performance: During the reporting period, the supply-side structure of the display industry continued to optimize, the demand-side trended towards larger sizes, and the exploration of AI applications drove the growth of panel demand and added value, further improving the industry's supply-demand relations. As a result, the overall prices of mainstream products were higher than those in the same period last year. By actively optimizing business strategies and operational structures, the Company's display business achieved a record annual revenue of RMB 104.3 billion, increasing by 25% YoY, along with a net profit of RMB 6.23 billion, increasing by RMB 6.24 billion compared to 2023. The industry downturn had a negative impact on TZE's photovoltaic industry, since the concentrated release of production capacity in the sector caused long-term price drops across key products in the industry chain, in combination with strategic misalignment, structural deficiencies in the business model, and incorrect operational decision-making, these contributed to a marked deterioration in business performance. TZE's reported annual revenue of RMB 28.4 billion, and impacted net profit of TCL TECH. attributable to the parent company amounted to RMB -2.94 billion. As a more stable and balanced competitive landscape forms, driven by industry self-discipline, leading to a leveling out and recovery of product prices, TZE has proactively revamped its business philosophy, optimized organizational processes, advanced its operational transformation, and rebuilt core competencies. TZE's operating performance has

achieved a quarter on quarter improvement.

**The Company has strengthened its proprietary technology portfolio, synergistically integrated AI with industrial automation systems, and elevated end-to-end operational efficiency across advanced manufacturing processes by adopting technological innovations as the main driver.** In 2024, the Company invested RMB 8.87 billion in R&D, accounting for 5.4% of the operating revenue. The Company has strengthened its position as a leader in the display industry by accelerating the development of MLEDs (Micro/Mini-LEDs), and achieving mass production of inkjet printed OLEDs, which leads the industry commercialization. Meanwhile, it has obtained the second-highest number of patents worldwide (2,913 filed patents) in quantum dot display technologies, covering both fundamental materials and process advancements. The Company has continuously led autonomous technological innovations and the accumulation of process know-how in the new energy photovoltaic field. The Company is well-positioned to capitalize on opportunities in new technology iterations by upgrading photovoltaic materials to N-type and large-size formats, and creating a BC cooperative ecosystem through the commercialization of intellectual property and patents. Focusing on the integration of artificial intelligence and advanced manufacturing innovation, the Company has systematically improved efficiency, benefits, and comprehensive competitiveness by comprehensively utilizing various AI technologies such as machine vision and large models to reshape R&D design, production manufacturing, and operational processes.

**Optimize the layout of production capacity and product structure to consolidate scale advantages and industry status.** The Company's display business has optimized both production capacity and product structure, enabling downstream brand customers to develop multiple flagship products across the consumer electronics, automotive, and home appliance sectors. During the reporting period, the Company ranked second globally in terms of TV panel shipments, second in monitor panel shipments, first in LTPS laptop and LTPS tablet shipments, third in LTPS vehicle-mounted device shipments area, and fourth in flexible OLED smartphone panel shipments. As of the reporting period, the Company's business of new energy photovoltaics increased monocrystalline production capacity to 190GW, with photovoltaic material product shipments reaching approximately 125.8GW, an increase of 10.5% YoY, and obtaining a silicon wafer market share of 18.9%, ranked first in the industry.

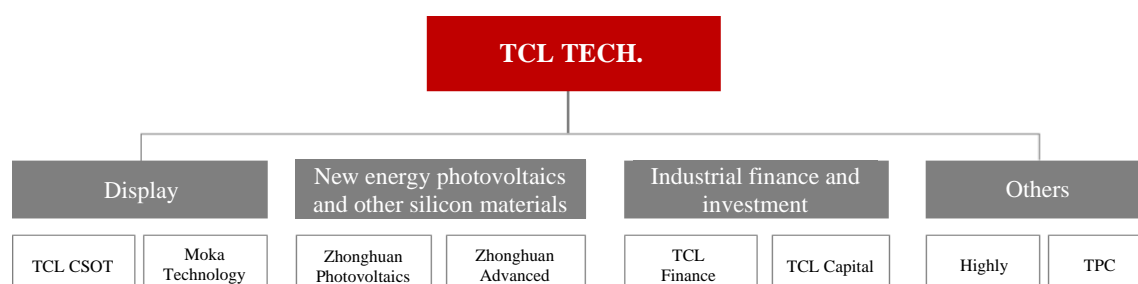
**Deepen the global operating system, actively explore global markets, and improve the**

**global industrial layout.** In the display business, the Company actively established an overseas sales and service network, expanding its global market presence by deepening customer collaboration. The Company created localized service ecosystems to further seize global market opportunities by utilizing foreign module production bases to integrate regional capacity. For the new energy photovoltaic business, the Company firmly carried forward a globalization strategy, actively evaluated and explored industrial opportunities in key countries or regions worldwide to enhance global production and sales capabilities as well as brand image.

**The Company consistently improves its comparative competitive edge, maximizes synergies across essential components, and creates a globally dominant industry flywheel by adhering to long-term strategic guidance and utilizing its business scale and market position.** The Company's large-size display business fully utilized the technical advantages of G11 high-generation lines, increasing the proportion of ultra-large, ultra-high-definition, and high-refresh-rate products. With the help of the synergistic integration of Oxide, LTPS, and A-Si technologies, as well as a wide portfolio of products, the medium-sized display business constantly improved its layout, securing a leading position and rapidly growing its market share. The Company concentrated on premium OLED solutions and customized offers for strategic clients of small-sized displays. The Company's new energy photovoltaic business strengthened its cost moat through large-scale intelligent manufacturing of crystal wafers, expanded its product portfolio of solar modules while revitalizing its brand, improved its business layout, and collaborated with strategic partners to jointly build a sustainable development ecosystem for the industry.

## II. Main Businesses of the Company During the Reporting Period

The Company focused on the development of the core business of displays and new energy photovoltaics and other silicon materials, and was committed to achieving the strategic goal of global leadership.



## (I) Display Business

The retail demand for LCD TVs stayed steady worldwide in 2024. The trend toward larger screens was further fueled by international sporting events and China's "home appliance replacement" policy, which increased the average TV size by roughly 1 inch annually and maintained the surge in the demand area for panels. The orderly exit of outdated production capacity on the supply side has further optimized the industry's competitive landscape, bringing the supply-demand relationship towards equilibrium and ensuring the industry's healthy and sound development. TV panel prices experienced a mild increase in the first half of 2024, a slight decrease in the third quarter, and stabilized by the year-end, with production line utilization rates and average annual prices continuing to rise YoY.

In the business of small and medium-sized displays, technological innovation drove structural growth opportunities, with trends such as AIPC, autonomous driving, and foldable screens fueling the expansion of high-end display demand. Robust demand growth was driven by the rapid adoption of flexible OLED panels in the mid-range smartphone market and their expanding use in medium-sized display applications. Prices for small and medium-sized display products have remained overall stable.

By leveraging its strengths in terms of scale and efficient operation, TCL CSOT has consistently optimized its business and product mix with favorable price increases for key products, and significantly boosted operating performance. During the reporting period, **the display business achieved operating revenue of RMB 104.3 billion, a year-on-year increase of 25%; net profit reached RMB 6.23 billion, improving by RMB 6.24 billion YoY; and the annual operating cash flow increased by 36% YoY to RMB 27.4 billion.**

**In the segment of large-sized products, TCL CSOT leveraged its advantages in terms of the capacity of high-gen production lines and client structure, and led the larger and high-end development of large-sized TV panels.** Leveraging the manufacturing efficiency and process advantages of high-generation production lines, TCL CSOT has led the advancement in picture quality and energy-saving innovations for large-sized products. By collaborating with strategic customers, the Company continues to enhance the penetration rate of ultra-large and high-end TV products. During the reporting period, the Company's product structure was continuously optimized.

The proportion of TV panel product area in the sizes of 55 inches and above increased to 82%, while the proportion of those in 65 inches and above rose to 56%. Products of 85 inches and 98 inches experienced a rapid growth in volume. In addition, the Company's TV panel market share remained firmly among the top two globally, with 55-inch, 65-inch, and 75-inch products ranking first worldwide. In the commercial display business, the competitiveness of products, such as interactive whiteboards and advertising machines was strengthened, with market share ranking among the top three globally.

**In the business of medium-sized products, TCL CSOT has diversified its business layout in IT and vehicle-mounted devices. By deepening strategic cooperation with key customers, it has enhanced product competitiveness and market share.** The T9 production line remains on schedule with both capacity ramp-up and brand customer acquisition, while the 6th-generation LTPS line has accelerated its business restructuring. With the improvement of capacity layout, the Company has achieved full technology coverage in the IT display field, including A-Si, OXIDE, LTPS, and OLED, meeting customers' diverse and differentiated needs. The Company's overall monitor shipment ranking has risen to the second in the world, including the gaming monitor market share which is ranked first globally; The shipment volume of laptop and tablet products has shown steady growth, including that of the LTPS laptops and tablets ranked first globally; In the business of vehicle-mounted devices, the Company has seized the trend of large screens and high-end models, supplying vehicle-mounted LTPS displays to several leading car manufacturers for their high-end models, with the shipment area rising to the third globally.

**In the small-sized display business, TCL CSOT focuses on the high-end market, continuously optimizing its product and customer structure, with a significant increase in shipments of flexible OLED products.** The Company ranks second globally in LTPS mobile panel shipments, and its market share of flexible OLED mobile panels has risen to the fourth place worldwide. The Company completed the capacity upgrade of LTPO and Tandem in the t4 production line, thus advancing the technological iteration of lower power consumption products, increasing the proportion of high-end products, with LTPO product shipments growing by 185% YoY, and the shipment share of foldable screens rising to third globally. For new technologies such as flexible OLED folding, Pol-Less low power consumption, and FIAA ultra-narrow bezels, the Company has reached an industry-leading level, supplying flagship smartphones to top-tier clients. The Company

drives the improvement of its small-sized display business operations through product premiumization, process optimizations, and yield enhancements.

**TCL CSOT drives business development through technological innovation, increasing R&D investment and product development in cutting-edge technologies such as printed OLED and MLED.** TCL CSOT launched the new APEX technology brand, continuously investing in improving display quality and reducing power consumption, with annual R&D investment exceeding RMB 7 billion. The Company had dedicated itself to original innovation in the field of cutting-edge technologies. The mass production and shipment of its 21.6-inch inkjet printed OLED medical displays marked the world's first commercialization of this next-generation display technology under the leadership of a Chinese enterprise. The Company had also achieved notable advancements in silicon-based Micro-LEDs, Mini-LED direct displays, and Micro-LED technologies. The Company has also actively collaborated with customers to expand applications for AR glasses, Mini-LED products, and other solutions across various business sectors.

**TCL CSOT, actively seizing the opportunity for the transformation and upgrade brought by the AI tech revolution in the display industry, has deeply integrated AI tech with manufacturing scenarios, and started moving towards a new stage of intelligent and efficient development.** TCL CSOT has spearheaded the deep integration of AI technology into manufacturing operations by utilizing its network of world-class panel production lines. It now leads the industry in AI-powered intelligent manufacturing capabilities with extensive industrial data assets and proven application expertise. Currently, AI large models primarily serve the Company's R&D and manufacturing operations, while also expanding into supply chain, quality, sales, HR, and other fields. AI large models have achieved comprehensive application from R&D design to production manufacturing, systematically enhancing the efficiency and competitiveness across the entire business chain through the integrated application of various AI algorithms.

**Recently, TCL CSOT has completed the acquisition of 100% equity in LG Display (China) Co., Ltd. and LG Display (Guangzhou) Co., Ltd. such acquisition will be included in the consolidated financial statements starting from the second quarter of 2025.** Upon the completion of this transaction, TCL CSOT will achieve diverse upgrades in its display technology matrix, broaden its customer base, and enhance scale effects and operational efficiency through manufacturing synergy.

From a long-term perspective, the global market for display terminals maintained a steady pace, and the increasing demand for larger sizes will continue to fuel growth in the overall display segment. As a core upstream component of global consumer electronics, display products, benefiting from the wave of AI terminal innovation, continue to evolve and upgrade, along with the continuous expansion of the market for emerging application scenarios. A clustering effect has emerged among industry leaders on the supply side. Leading enterprises build significant competitive advantages through scale economies, technological skills, financial strengths, and full-industry-chain synergies. This has generated a robust ecosystem defined by a dynamic supply-demand equilibrium. As the market returns to a rational return cycle, the profitability of major manufacturers has entered a stage of steady recovery. **TCL CSOT will continue to promote the upgrading of the display industry's value chain, thus achieving improvements in both business operational efficiency and industrial value.**

## **(II) New Energy Photovoltaic and Other Silicon Material Business**

In 2024, the installation of global photovoltaic terminals continued to grow. However, with the concentrated release of production capacity across the main industry chain links, the product prices continued to decline, resulting in losses across the entire industry. By the fourth quarter, industry players had jointly promoted self-regulation practices, improving competitive dynamics and stabilizing prices across the value chain. The gradual transformation from extensive scale competition to competition based on operational quality, efficiency, technology, and channels across the industry posed a comprehensive challenge to the Company's management efficiency, technological innovation capabilities, and product and channel capabilities.

During the reporting period, TZE achieved an operating revenue of RMB 28.4 billion, decreasing by 52% YoY, a net profit attributable to its shareholders of RMB -9.82 billion, and a net operating cash flow of RMB 2.839 billion. The main factors affecting the Company's performance include: The core materials business experienced a shift to negative gross margins starting in the second quarter due to continued price declines and inventory write-downs; due to the lack of differentiated competitiveness, the cell and module business exacerbated performance fluctuations at the bottom of the industry cycle; Maxeon, the overseas subsidiary, underwent a period of transformation, during which operational losses compounded by asset impairment further dragged down the Company's performance. In response to the challenges in the operation faced by the



Company, from the second half of 2024, the Company strove to shift its operational philosophy, optimized its organizational processes, advanced its business transformation, and rebuilt its core capabilities. In the first quarter of 2025, the Company has already achieved a QoQ improvement in operational performance and is confident in achieving growth in 2025.

**TZE will firmly keep advancing its corporate transformation, turning technological advantages into product strengths, thereby enhancing relative competitiveness.** In the crystal wafer sector, by leveraging technological innovations and lean manufacturing, the Company has established a competitive edge with ongoing efforts to enhance silicon material utilization, reduce furnace costs, and increase wafer output per kilogram, which are guiding the industry's transition to N-type and larger-sized products. During the reporting period, the Company's silicon wafer shipments increased by 10.5% YoY to 125.8GW, maintaining an 18.9% market share in the overall silicon wafer sector, thus maintaining its leading position in the industry; the Company is firmly advancing the trend towards larger silicon wafers, establishing a 210 ecosystem, and has shipped 60.4GW of large-sized (210 series) products. With the cell and module business positioned with a dual-brand module strategy, the Company rebuilt the global marketing system, upgraded the capacity of Topcon and BC modules, continuously refined the product portfolio, achieved efficient product combinations, and enhanced its value creation capabilities through global industrial synergy.

**TZE will continue to advance its globalization strategy and, by leveraging its Industry 4.0 smart manufacturing capabilities, accelerate the local manufacturing layout in global barrier markets.** In collaboration with RELC, fully owned by Saudi Arabia's Public Investment Fund (PIF), and Vision Industries, the Company built the world's largest overseas crystal wafer plant to bolster its global competitiveness. As Maxeon is facing certain operational pressures due to its own transformation and various external factors, the Company will continue to facilitate improvements in Maxeon's capital structure, business, and operations.

The Company believes that the Matthew effect within the photovoltaic industry will contribute to a more optimized long-term market structure, enhance profitability, and has confidence that it can build a lasting competitive advantage in the industry downturn.

Looking ahead, the display panels, as information interaction carriers, are becoming more and more important, and will continue to accelerate development based on the vast application scenarios

of global consumer electronics, automobiles and home appliances; Benefiting from macro policies like expanding domestic demand and boosting consumption, as well as industry trends like large-sized displays and AI, the Company's display business is expected to sustain its growth and improve profitability. As the photovoltaic industry is gradually emerging from the bottom, and the prices across the supply chain are stabilizing and recovering, the Company's new energy photovoltaic business will enhance its relative competitive advantages to smoothly navigate the industry cycles.

By upholding the spirit of "Embark on the Voyage and Press Ahead Against All Odds", and being guided by the principles of "Strategic Leadership, Innovation-Driven, Advanced Manufacturing and Global Operations", the Company will firmly seize opportunities presented by the trend of AI, the upgrading of technology manufacturing and the transformation of global energy structure, thus achieving sustainable high-quality development and advancing toward a globally-leading status.

### **III. Analysis of Core Competitiveness**

Since its establishment in 1981, TCL has consistently demonstrated resilience and adaptability, successfully navigating through various market cycles. Through a sustained exploration, reform, and transformation, the Company, which is always standing firm at the forefront and demonstrating the audacity to pioneer, and emerged as a globally-competitive high-tech industry group.

In 2018, TCL underwent its most significant corporate transformation, shifting from a diversified conglomerate to a specialized business model focused on developing high-tech and capital-intensive industries with long investment cycles. Following its rebranding to "TCL Technology" in 2020, the Company delisted Zhonghuan Electronic in July, paving the way for its expansion into new energy photovoltaics and silicon materials. The Company acquired Suzhou Samsung in August 2020, and successfully launched printed OLED mass production in 2024. Additionally, it secured a deal to acquire LG's Guangzhou LCD and module facility, reinforcing its position as a key player in the display sector.

At present, TCL Tech has established a business structure centered on displays and new energy photovoltaics. With a well-defined development roadmap, efficient operations, and outstanding competitive advantages, the Company has been gradually improving its core competitiveness and

sustainable development capabilities.

**Leading at scale: Continuously improving the business portfolios and building scale advantages**

By the end of the reporting period, TCL CSOT, as a preeminent global display company and a pioneer in domestic display manufacturing, has invested over RMB 260 billion to establish 9 state-of-the-art panel lines and 5 module factories, serving a diverse range of global clients. The Company has established a leading position in large-sized panels globally through both self-built production lines and strategic acquisitions. In 2024, TCL CSOT ranked second globally in TV panel shipments, and first globally in terms of panels in the sizes of 98 inches and above. The Company has built T9 production lines targeting high-value-added mid-size products such as IT and commercial displays, achieving a full-size strategic layout. In 2024, it secured the world's second-largest market share in MNT panels and led globally in key segments such as e-sports monitors and LTPS laptops. In 2024, the Company achieved the official mass production of printed OLEDs and released the first professional display screen, further consolidating its leading position in industry technology. By actively improving the layout of the value chain and expanding the production capacity of self-built modules, TCL CSOT has further improved the Company's control and profitability in the value chain. TCL CSOT has passed through several industry cycles, evolving from a "follower" to a "peer", and now a leader. It has transformed from a large-size panel leader to an all-size display player, gradually expanding from panel manufacturing to comprehensive display solutions, driving the Company's high-quality development.

TZE will continue to leverage its advantages in production capacity, product offerings, and cost structure, while gradually improving its relative competitiveness and establishing its leading edge in the industry through technological innovations, manufacturing transformations, and management reforms. The Company maintains its world-leading position in photovoltaic silicon wafers by continuously upgrading its manufacturing systems to address various market demands. Simultaneously, it is expanding globally through strategic collaborations, including partnerships with RELC, which is the wholly-owned subsidiary of Saudi Arabia's Public Investment Fund (PIF), and Vision Industries, to develop overseas wafer manufacturing facilities. In terms of photovoltaic modules, the Company has taken advantage of patented technological innovations to create differentiated products, thus gradually establishing manufacturing advantages and providing

customers with better products.

**Leading in technology and ecology: Actively expanding in the broader sector, and building a first-mover advantage through ecological leadership.**

The Company has established a strategic foothold in core technologies (i.e., displays and new energy photovoltaics) by capitalizing on its subsidiaries TCL CSOT and TZE. Through strategic partnerships with upstream and downstream industry players, the Company has built a robust global ecosystem for technology and innovation, and is steadily advancing its technological leadership in next-generation display technologies, as well as G12 and N-type photovoltaic materials. The Company has applied for over 70,000 patents, and facilitated or participated in the establishment of more than 300 industry standards, underscoring its status as a preeminent high-tech enterprise. The Company has secured over 2900 patents in quantum dot display technology, ranking second globally, which will ensure the independent and controllable development of key technologies for next-generation displays. TCL Technology has established 29 R&D centers worldwide, and has been certified with 9 national-level open innovation platforms and 33 provincial-level innovation platform qualifications.

**Leading in efficiency and management: navigating cycles with industry-leading efficiency and effectiveness**

Based on its scale and technological advantages, TCL Technology has achieved efficiency and benefits to maintain its industry leadership through continuous management changes and IT system upgrades. TCL CSOT leverages the synergy of its twin factories to optimize production line planning and maximize capacity expansion. Through management reforms and process optimizations, TCL has strengthened end-to-end collaboration, resulting in improved overall operational efficiency. By pursuing cost excellence, the Company has established an end-to-end cost advantage, resulting in continuous improvements in product quality and performance, as well as a leading competitive position in the industry. At the same time, TCL CSOT has established proven risk management capabilities that have been honed through multiple industry cycle fluctuations. Looking forward, TCL will make use of this core competency, and will be well-poised to navigate future uncertainties and achieve global leadership.

Amidst the cyclical downturn in the new energy photovoltaic industry, TZE has steadfastly adhered to its core business philosophy of "digging in", and comprehensively implemented Industry

4.0 intelligent manufacturing systems, coupled with Operation 4.0 and Quality 4.0 management frameworks. By continuously improving production automation, labor productivity, and operational efficiency, TZE has maintained its competitive edge in terms of efficiency and cost, thereby positioning itself to successfully navigate the industry cycle and emerge as a leading global player in the new energy photovoltaic sector.

**Cultural Leadership: Guided by our core values of "change, innovation, accountability, and excellence", the Company is being driven to achieve industry leadership.**

In 2020, TCL inaugurated a new phase of corporate culture, as laid out in its strategic document *"The Path to Global Leadership"*. The Company has adopted a core mission centered around "leading technology, harmonious coexistence", underpinned by the core values of "change, innovation, accountability, and excellence". This cultural transformation has empowered TCL employees to embrace change, drive business optimizations and upgrades through active exploration and innovation, and guided TCL in dedicating itself to delivering superior products and services to its valued customers through accountability and the pursuit of excellence. In the face of a complex and ever-changing external business environment, TCL employees will continue to uphold the spirit and culture of "The Path to Global Leadership". TCL will boldly lead the way, fearlessly compete, and drive the Company to effectively respond to business changes, entering a new stage of development.

## IV. Analysis of Core Businesses

### 1. Overview

In 2024, the Company's year-on-year changes in key financial information:

Unit: RMB

	2024	2023	Change (%)	Main reason for change
Operating revenue	164,822,832,863	174,366,657,015	-5.47%	No significant change
Operating cost	145,722,435,839	149,598,593,268	-2.59%	No significant change
Sales expenses	2,054,073,329	1,692,690,726	21.35%	No significant change
Administrative expenses	4,446,293,387	4,783,246,926	-7.04%	No significant change
R&D expenses	9,433,286,566	9,522,837,963	-0.94%	No significant change
Financial expenses	4,179,269,969	3,972,727,915	5.20%	No significant change
Income tax expenses	202,337,232	271,039,698	-25.35%	No significant change
R&D investments	8,869,739,644	10,308,543,529	-13.96%	No significant change
Net cash generated from operating activities	29,526,569,404	25,314,756,105	16.64%	No significant change

Net cash used in investing activities	-26,682,007,281	-40,797,054,951	34.60%	Mainly due to a decrease in new energy photovoltaic capital expenditure
Net cash generated from financing activities	-2,005,942,941	1,791,765,394	-211.94%	Mainly caused by a decrease in financing scale
Net increase in cash and cash equivalents	864,439,716	-13,678,809,131	-106.32%	Mainly due to a year-on-year increase in net cash inflows from operating activities and a year-on-year decrease in net cash outflows from investing activities

See "III Management Discussion and Analysis" for an analysis on the specific operating situation of the Company's main business

## 2. Revenue and costs

### (1) Breakdown of operating revenue

Unit: RMB

	2024		2023		Change (%)
	Amount	As % of total revenue (%)	Amount	As % of total revenue (%)	
Total revenue	164,822,832,863	100%	174,366,657,015	100%	-5.47%
By operating division					
Display business	104,254,496,685	63.25%	83,654,743,374	47.98%	24.62%
New energy photovoltaics and other silicon materials business	28,418,504,236	17.24%	59,146,463,193	33.92%	-51.95%
Distribution business	31,465,203,388	19.09%	30,109,528,571	17.27%	4.50%
Other and offsets	684,628,554	0.42%	1,455,921,877	0.83%	-52.98%
By product category					
Display devices	104,254,496,685	63.25%	83,654,743,374	47.98%	24.62%
New energy photovoltaics and other silicon materials	28,418,504,236	17.24%	59,146,463,193	33.92%	-51.95%
Distribution of electronics	31,465,203,388	19.09%	30,109,528,571	17.27%	4.50%
Other and offsets	684,628,554	0.42%	1,455,921,877	0.83%	-52.98%
By operating segment					
Mainland China	109,583,287,983	66.49%	119,940,276,585	68.79%	-8.64%
Overseas	55,239,544,880	33.51%	54,426,380,430	31.21%	1.49%

(including Hong Kong)					
Distribution method					
Direct sales	139,504,381,517	84.64%	149,146,033,585	84.15%	-6.46%
Distribution	24,976,737,976	15.15%	24,805,129,036	15.40%	0.69%
Dealer	341,713,369	0.21%	415,494,393	0.45%	-17.76%

**(2) Operating division, product category, region, or sales method contributing over 10% of the revenue or operating profit**
☒ Applicable ☐ Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Change in revenue year-on-year (%)	Change in operating cost year-on-year (%)	Change in gross profit margin year-on-year (%)
By operating division						
Display business	104,254,496,685	84,289,589,861	19.15%	24.62%	15.63%	6.29%
New energy photovoltaics and other silicon materials business	28,418,504,236	30,999,317,595	-9.08%	-51.95%	-34.32%	-29.28%
Distribution business	31,465,203,388	30,361,957,012	3.51%	4.50%	4.88%	-0.35%
By product category						
Display devices	104,254,496,685	84,289,589,861	19.15%	24.62%	15.63%	6.29%
New energy photovoltaics and other silicon materials	28,418,504,236	30,999,317,595	-9.08%	-51.95%	-34.32%	-29.28%
Distribution of electronics	31,465,203,388	30,361,957,012	3.51%	4.50%	4.88%	-0.35%
By operating segment						
Mainland China	109,583,287,983	102,058,220,479	6.87%	-8.64%	-1.52%	-6.73%
Overseas (including Hong Kong)	55,239,544,880	43,664,215,360	20.95%	1.49%	-5.00%	5.40%
Distribution method						
Direct sales	139,504,381,517	121,036,515,424	13.24%	-6.46%	-3.27%	-2.86%
Distribution	24,976,737,976	24,379,648,837	2.39%	0.69%	0.91%	-0.21%
Dealer	341,713,369	306,271,578	10.37%	-17.76%	-0.16%	-15.79%

Core business data in the recent term restated according to the changed methods of measurement that occurred in the Reporting Period

☐ Applicable ☒ Not applicable
**(3) Was revenue from product sales higher than service revenue?**
☒ Yes ☐ No

Operating division	Item	Unit	2024	2023	Change (%)
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Display	Sales	10,000 square meters	5,819	5,304	9.72%
	Production volume	10,000 square meters	5,904	5,420	8.94%
	Inventory	10,000 square meters	326	240	35.48%
Modules and finished machines	Sales	10,000 sets	2,171	1,753	23.86%
	Production volume	10,000 sets	2,196	1,747	25.74%
	Inventory	10,000 sets	85	60	41.45%
Photovoltaic silicon wafers	Sales	10,000 pieces	1,429,983	1,349,750	5.94%
	Production volume	10,000 pieces	1,448,853	1,383,530	4.72%
	Inventory	10,000 pieces	79,221	60,351	31.27%
Other silicon materials	Sales	Million square inches	986	634	55.34%
	Production volume	Million square inches	1,004	659	52.45%
	Inventory	Million square inches	67	49	38.08%
Energy	Sales	10,000 kWh	67,814	102,019	-33.53%
	Production volume	10,000 kWh	67,814	102,019	-33.53%
	Inventory	10,000 kWh			
Photovoltaic modules	Sales	MW	7,995	7,144	11.91%
	Production volume	MW	7,541	7,911	-4.68%
	Inventory	MW	952	1,407	-32.32%

Explanation of why any financial indicator in the table above registered a year-on-year change of over 30%

☒ Applicable ☐ Not applicable

1. The increase in inventory of displays was mainly affected by the release of t9 capacity;
2. The increases in modules and finished machines and output were mainly a result of growth in business scale;
3. The inventory of photovoltaic silicon wafers increased by 31.27% compared to the previous year, which mainly resulted from the Company's technological innovations, project upgrades, and enhancements of advanced production capacity. At the end of the year, the crystal production capacity reached 190GW, and the turnover of production, sales, and inventory of photovoltaic silicon wafers increased (solar silicon wafers are converted into G10 products, and photovoltaic silicon wafers include some photovoltaic silicon rods for export). In addition, due to the market downturn, the product inventory increased;
4. The production, sales, and inventory levels of other silicon materials all increased over 30% YoY, primarily driven by enhanced inventory turnover following business scale expansion;
5. The sales volume of electric power decreased by 33.53% compared to the previous year, which mainly resulted from the disposal of some power station projects;
6. The inventory of photovoltaic modules decreased by 32.32% compared to the previous year, which mainly resulted from the



overcapacity of the industry chain, the sharp fluctuation of product prices, the decline in operations, and the reduction of inventory.

#### (4) Execution progress of major sales contracts and materials purchasing contracts signed during the Reporting Period

☐Applicable ☒Not applicable

#### (5) Breakdown of operating costs

Operating division

Unit: RMB

Operating division	Item	2024		2023		YoY Change
		Amount	As a % of total revenue (%)	Amount	As a % of total revenue (%)	
Display business	Materials, salary, depreciation, etc.	84,289,589,861	57.84%	72,897,897,991	48.46%	15.63%
New energy photovoltaics and other silicon materials business	Materials, salary, depreciation, etc.	30,999,317,595	21.27%	47,198,849,935	31.71%	-34.32%
Distribution business	Finished goods, etc.	30,361,957,012	20.84%	28,949,391,997	19.46%	4.88%
Others	Materials, salary, depreciation, etc.	71,571,371	0.05%	552,453,346	0.37%	-87.04%

Product category

Unit: RMB

Product category	Item	2024		2023		YoY Change
		Amount	As a % of total revenue (%)	Amount	As a % of total revenue (%)	
Display devices	Materials, salary, depreciation, etc.	84,289,589,861	57.84%	72,897,897,991	48.46%	15.6%
New energy photovoltaic	Materials, salary, depreciation, etc.	30,999,317,595	21.27%	47,198,849,935	31.71%	-34.32%
Distribution of electronics	Finished goods, etc.	30,361,957,012	20.84%	28,949,391,997	19.46%	4.88%
Others	Materials, salary, depreciation, etc.	71,571,371	0.05%	552,453,346	0.37%	-87.04%

#### (6) Were there changes in the scope of consolidated financial statements for the Reporting Period?

☒Yes ☐No

Compared with 2023, 76 subsidiaries (24 newly incorporated and 52 acquired) were newly included in the consolidation scope of 2024,

and 10 subsidiaries (2 transferred and 8 de-registered) were excluded from the consolidation scope of 2024.

### (7) Major changes to the business scope or product or service range in the Reporting Period

☐Applicable ☒Not applicable

### (8) Major customers and suppliers

#### Major customers

Total sales of the top five customers (RMB)	56,891,058,623
Total sales of the top five customers as a % of the total sales of the Reporting Period (%)	34.52%
Total sales of related parties among the top five customers as a % of the total sales of the Reporting Period (%)	12.98%

#### Top five customers

No.	Customer name	Sales revenue (RMB)	As a % of the total sales revenue (%)
1	Customer A	21,401,268,280	12.98%
2	Customer B	15,754,834,448	9.56%
3	Customer C	11,554,233,013	7.01%
4	Customer D	5,004,659,161	3.04%
5	Customer E	3,176,063,722	1.93%
Total	--	56,891,058,623	34.52%

Other information about major customers: For sales transactions between the Company and its related parties, see provisional announcements disclosed by the Company on the designated platform for information disclosure.

#### Major suppliers

Total purchases from the top five suppliers (RMB)	23,778,733,908
Total purchases from the top five suppliers as % of the total purchases of the Reporting Period (%)	18.57%
Total purchases from related parties among the top five suppliers as % of the total purchases of the Reporting Period (%)	-

#### Top five suppliers

No.	Supplier name	Purchases in the Reporting Period (RMB)	As a % of the total purchases (%)
1	Supplier A	8,227,603,286	6.43%
2	Supplier B	6,416,858,496	5.01%
3	Supplier C	4,871,165,993	3.80%
4	Supplier D	2,233,387,516	1.74%
5	Supplier E	2,029,718,618	1.59%
Total	--	23,778,733,908	18.57%

Other information about major suppliers

☐Applicable ☒Not applicable

### 3. Expenses

Unit: RMB

	2024	2023	Change (%)	Main reason for change
Sales expenses	2,054,073,329	1,692,690,726	21.35%	No significant change
Administrative expenses	4,446,293,387	4,783,246,926	-7.04%	No significant change
Financial expenses	4,179,269,969	3,972,727,915	5.20%	No significant change
R&D expenses	9,433,286,566	9,522,837,963	-0.94%	No significant change

### 4. R&D investments

☒ Applicable ☐ Not applicable

Main R&D project	Purpose	Progress	Preset goals	Anticipated impact on the future development of the Company
High-quality WHVA technology	Full-scale enhancement of large-format UD picture quality with improved viewing angles and expanded color spectra	Realized industrial transformation	Set a benchmark for the image quality of VA display technology	Continuously enhance technological competitiveness in large-sized display products
Develop ultra HD 4K medium-sized products with under-display cameras	Meet the technological needs of medium-sized ultra-flagship devices	Realized industrial transformation	Mass production of the world's first 14" 4K medium-sized tablets with under-display cameras	Key medium-sized products subject to accelerated completion
WQHD LTPO partitioned frequency display technology	Achieved dynamic refresh rates in different areas with new-generation EL materials for lower power consumption	Realized industrial transformation	The world's first WQ dual-frequency smartphone in mass production	Enhanced brand image and influence in the area of LTPO products
Improvement in AI-empowered R&D capabilities	Empowered R&D to improve efficiency and add value through deep learning and precise training	Realized industrial transformation	Leveraging multimodal AI models in our R&D design workflow to drive innovation in display panel and material development	Further improved R&D efficiency and product quality
Development of high-performance printed QLED devices	14" 2.8K printed QLED prototype	Completed the development of the world's first 14" 2.8K printed QLED prototype.	Developed RGB printed devices, while streamlining the development process from materials and inks to device fabrication, resulting in the production of printed QLED display	Provided assistance in realizing the mass production of printed QLEDs.

			prototypes.	
TCL CSOT's AI quality inspection and intelligent repair	Established the integrated self-developed Auto Repair platform system of TCL CSOT.	Gradually covered all factories of TCL CSOT, and expanded other internal and external projects in an orderly manner.	Promoted the results in various panel factories in Suzhou, Shenzhen, Wuhan, and Guangzhou, and greatly improved the operation of repair stations.	Brand effect, demonstration, and promotion
Research and application of granular materials in the preparation of monocrystalline silicon.	Addressed the technological barriers of granular silicon raw materials in the monocrystalline control process, reduced silicon costs, and improved product competitiveness.	To address challenges in granular silicon applications, the Company developed innovative processing techniques that enable high-quality monocrystalline silicon ingot growth. The breakthrough allows 100% granular silicon substitution for polysilicon in mass production, setting an industry benchmark for material innovation.	Through improving granular silicon material quality and innovating application, the Company successfully implemented 100% granular silicon substitution for polysilicon in crystal growth processes.	Reduced the Company's silicon cost and improved product competitiveness. Developed low-carbon-footprint products to increase market share.
N-type product R&D project	Developed silicon wafers tailored for high-efficiency N-type cells, meeting the quality requirements on the cell side and achieving industrial-scale production.	Completed the development of silicon wafers for TOPCon, HJT, and XBC batteries, with 100% customer coverage and N-type products accounting for over 80% of the overall output structure.	Continued to optimize and develop N-type products, which accounted for over 95% of the overall output structure.	Enhanced the core competitiveness of the Company's N-type products and increased market share.
Development of the module 4.0 technology platform	Completed the development of the 4.0 product and equipment platform, achieving mass production conversion and product certification. This further enhanced the Company's product portfolio to meet diverse application scenarios and market demands.	Completed the development of the full range of 4.0 products, with subsequent expansion into various sizes based on market demand.	Completed the switchover of 4.0 technology N-type module products to increase market share.	Enhanced the core competitiveness of the battery module business.

## R&amp;D personnel

	2024	2023	Change (%)
Number of R&D employees	10,855	11,313	-4.05%
As % of R&D employees (%)	15.27%	15.04%	0.23%
Education			
Bachelor's degree and others	8,567	8,994	-4.75%

Master	2,113	2,131	-0.84%
PhD	175	188	-6.91%
Age			
Under 30 years old	5,516	5,965	-7.53%
30-40 years old	4,649	4,696	-1.00%
Over 40 years old	690	652	5.83%

## R&amp;D investments

	2024	2023	Change (%)
R&D investment amount (RMB)	8,869,739,644	10,308,543,529	-13.96%
R&D investments as % of the total revenue (%)	5.38%	5.91%	-0.53%
Capitalization amount of R&D investments (RMB)	2,872,305,027	3,560,255,965	-19.32%
Capitalization amount of R&D investments as % of the total revenue (%)	32.38%	34.54%	-2.15%

Reasons and impacts of major changes in the composition of R&D personnel of the Company

☐Applicable ☒Not applicable

Reasons for significant changes in R&D investment as % of the total revenue compared with the previous year

☐Applicable ☒Not applicable

Reasons for significant changes in R&D investments capitalization and explanation of rationale

☐Applicable ☒Not applicable

## 5. Cash flow

Unit: RMB

Item	2024	2023	Change (%)
Sub-total of cash generated from operating activities	183,619,379,779	155,010,648,305	18.46%
Sub-total of cash used in operating activities	154,092,810,375	129,695,892,200	18.81%
Net cash generated from operating activities	29,526,569,404	25,314,756,105	16.64%
Sub-total of cash generated from investment activities	86,164,143,488	61,202,286,515	40.79%
Subtotal of cash used in investing activities	112,846,150,769	101,999,341,466	10.63%
Net cash used in investing activities	-26,682,007,281	-40,797,054,951	34.60%
Sub-total of cash generated from financing activities	77,793,154,885	70,023,939,233	11.10%
Subtotal of cash used in financing activities	79,799,097,826	68,232,173,839	16.95%
Net cash generated from financing activities	-2,005,942,941	1,791,765,394	-211.94%
Net increase in cash and cash equivalents	864,439,716	-13,678,809,131	-106.32%

Explanation of why related data has significant changes year-on-year

☒ Applicable ☐ Not applicable

Net cash generated from operating activities: primarily due to the increase in performance of the display business during the reporting period.

Net cash generated from financing activities: primarily due to the decrease in scale of financing during the reporting period.

Explanation of the significant difference between the net cash flow generated by the Company's operating activities and the net profit of the current year during the reporting period

☒ Applicable ☐ Not applicable

The large difference between the net cash flow generated by the Company's operations and the net profits of the current year is primarily caused by factors such as depreciation, amortization, and impairment of the Company's assets during the Reporting Period.

## V. Analysis of Non-Core Businesses

☒ Applicable ☐ Not applicable

Unit: RMB

	Amount	As % of gross profit	Source	Sustainability
Asset impairment	-6,026,733,636	152.43%	Falling price of inventory write-offs in line with the market	No
Non-operating income	291,557,592	-7.37%		No
Non-operating expenses	147,390,719	-3.73%		No

## VI. Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	The end of 2024		January 1, 2024		Weight Change	Main reason for change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	23,007,772,733	6.08%	21,924,270,872	5.73%	0.36%	No significant change
Accounts receivable	22,242,152,687	5.88%	22,003,651,259	5.75%	0.13%	No significant change
Contract assets	395,116,789	0.10%	343,907,118	0.09%	0.01%	No significant change
Inventories	17,594,133,395	4.65%	18,481,754,865	4.83%	-0.18%	No significant change
Investment property	612,733,509	0.16%	911,679,154	0.24%	-0.08%	No significant change
Long-term equity investments	24,595,634,142	6.50%	25,431,271,193	6.64%	-0.14%	No significant change

Fixed assets	170,512,009,105	45.08%	176,422,620,794	46.08%	-1.00%	Increase in depreciation of main fixed assets
Construction in progress	23,580,503,161	6.23%	17,000,052,457	4.44%	1.79%	Increase in main new capital expenditure
Right-of-use assets	6,697,687,926	1.77%	6,386,446,373	1.67%	0.10%	No significant change
Short-term borrowings	8,193,283,100	2.17%	8,473,582,304	2.21%	-0.05%	No significant change
Contract liabilities	1,969,271,038	0.52%	1,899,468,140	0.50%	0.02%	No significant change
Long-term borrowings	116,815,131,219	30.88%	117,662,208,623	30.73%	0.15%	No significant change
Lease liabilities	6,334,785,779	1.67%	5,737,287,693	1.50%	0.18%	No significant change

Higher proportion of overseas assets

☐ Applicable ☒ Not applicable

## 2. Assets and Liabilities at Fair Value

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss of fair-value changes in the Reporting Period	Cumulative fair-value changes recorded in equity	Impairment allowances established in the Reporting Period	Amount purchased in the Reporting Period	Amount sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	26,155,683,203	368,782,486			77,016,024,323	84,145,722,407	-608,596,668	18,786,170,936
2. Derivative financial assets	108,007,603	89,537,590	14,547				-25,056,575	172,488,618
3. Receivables financing	954,409,558						-123,002,303	831,407,255
4. Other debt investments	0							
5. Investments in other equity instruments	386,648,418		-208,739,165				1,202,428	387,850,846
Subtotal of financial assets	27,604,748,782	458,320,075	-208,724,619		77,016,024,323	84,145,722,407	-755,453,118	20,177,917,655
Total of the above	27,604,748,782	458,320,075	-208,724,619		77,016,024,323	84,145,722,407	-755,453,118	20,177,917,655
Financial liabilities	310,042,260	21,534,084	-		1,637,969,695	1,591,910,457	317,524,395	695,159,977

Other changed content

None

Significant changes to the measurement attributes of the major assets in the Reporting Period

☐ Yes ☒ No



**3. Restricted Asset Rights as of the Period-End**

Restricted assets	Carrying amount (RMB'0,000)	Reason for restriction
Monetary assets	27,891	Deposited in the central bank as the required reserve
Monetary assets	186,761	Other monetary assets and restricted bank deposits
Notes receivable	6,179	Endorsement, and attached recourse and pledge
Fixed assets	8,748,258	As collateral for loan
Intangible assets	389,140	As collateral for loan
Held-for-trading financial assets	47,639	Pledge
Construction in progress	373,795	As collateral for loan
Accounts receivable	87,914	Pledge
Contract assets	8,244	Pledge
Other non-current assets	32,000	Mortgaged
Other non-current assets due within one year	2,000	Pledge
Total	9,909,820	

**VII. Investments Made****1. Total Investment Amount**

☒ Applicable ☐ Not applicable

Total investment amount in the Reporting Period (RMB)	Total investment amount in the same period last year (RMB)	Change (%)
30,774,451,026	38,650,552,795	-20.38%

**2. Major Equity Investments Made in the Reporting Period**

☐ Applicable ☒ Not applicable

**3. Major Non-Equity Investments Ongoing in the Reporting Period**

☐ Applicable ☒ Not applicable

#### 4. Financial Assets Investments

##### (1) Securities Investments

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Security type	Stock Code	Stock Abbr.	Initial investment cost	Accounting measurement method	Beginning carrying amount	Gain/loss of fair-value changes in the Reporting Period	Cumulative fair-value changes recorded in equity	Amount purchased in the Reporting Period	Amount sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying amount	Accounting title	Funding source
Stocks	300842.SZ	DK Electronic Materials, Inc.	2,430	Fair value	33,724	-5,193	0	0	6,042	-3,376	24,306	Other non-current financial assets	Self-funded
Stocks	688469.SH	UNT	26,745	Fair value	23,408	705	0	0	0	705	24,113	Other non-current financial assets	Self-funded
Financial bonds	XS2587421681	Nanyang Commercial Bank	7,083	Measurement at amortized cost	7,251	0	0	0	415	523	7,359	Debt investments	Self-funded
Bonds	USG9T27HAG93	VEDANTARESOURCES	2,388	Fair value	0	160	0	9,658	3,698	198	6,158	Held-for-trading financial assets	Self-funded
Bonds	XS2560662541	LINKCBLTD	4,455	Fair value	6,064	-79	0	0	181	192	6,075	Held-for-trading financial assets	Self-funded
Bonds	USG98149AG59	WYNNMACAULTD	623	Fair value	859	176	0	4,304	528	342	4,978	Held-for-trading financial assets	Self-funded

Bonds	USY6142NAH18	MONGOLIAINTLBO ND	3,208	Fair value	3,258	-3	0	1,553	241	303	4,872	Held-for- trading financial assets	Self-funded
Bonds	USF2941JAA81	ELECTRICITEDEFR ANCESA	2,919	Fair value	4,754	-157	0	1,613	2,690	396	4,074	Held-for- trading financial assets	Self-funded
Bonds	USG84228GE26	STANDARDCHART EREDPLC	4,300	Fair value	0	162	0	11,469	7,869	234	3,833	Held-for- trading financial assets	Self-funded
Bonds	XS1389118453	LI&FUNGLTD	972	Fair value	2,103	210	0	1,356	255	513	3,716	Held-for- trading financial assets	Self-funded
Other securities investments held at the period-end			226,342	--	184,219	4,290	-19,710	434,561	502,444	16,802	132,555	--	--
Total			281,465	--	265,641	272	-19,710	464,514	524,362	16,831	222,040	--	--
Disclosure date of the board announcement approving securities investments			April 30, 2024										
Date for disclosure and announcement on approving securities investment by the general meeting (if any)			May 25, 2024										

**(2) Investments in Derivative Financial Instruments****1) Derivative investments for hedging purposes made during the Reporting Period**
☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Type of contract	Beginning amount		Ending amount		Gain/loss in the Reporting Period	Closing contractual amount as a percentage of the closing net assets reported by the Company (%)	
	Contractual amount	Transaction limit	Contractual amount	Transaction limit		Contractual amount	Transaction limit

1. Forward forex contracts	3,039,040	114,095	5,022,555	194,046	32,045	37.85	1.46
2. Interest rate swaps	407,686	12,231	314,100	9,423		2.37	0.07
<b>Total</b>	<b>3,446,726</b>	<b>126,326</b>	5,336,655	203,469	<b>32,045</b>	40.22	1.53
Accounting policies and specific accounting principles for hedging business during the Reporting Period and a description of whether there have been significant changes from those of the previous reporting period	No significant change.						
Description of actual profits and losses during the Reporting Period	During the Reporting Period, profit from changes in the fair value of hedged items amounted to RMB 293.25 million; losses from the delivery of due forward exchange contracts amounted to negative RMB 54.61 million, and profit from the valuation of outstanding forward exchange contracts amounted to RMB 81.81 million.						
Description of the hedging effect	During the Reporting Period, the Company's main foreign exchange risk exposures included exposures of assets and liabilities denominated in foreign currencies arising from business such as outbound sales, raw material procurement, and financing. The uncertain risks arising from the exchange rate fluctuations were effectively hedged by using derivative contracts with the same purchase amounts and maturities in opposite directions.						
Funding source for derivative investment	Self-funded.						
Analysis of risks and control measures associated with derivative investments held in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>In order to effectively manage the exchange and interest rate risks of foreign currency assets, liabilities, and cash flows, the Company, after fully analyzing the market trends and predicting operations (including orders and capital plans), adopted forward foreign exchange contracts, options, and interest rate swaps to avoid future exchange rate and interest rate risks. As its business scale changes, the Company will adjust its exchange rate risk management strategy according to the actual market conditions and business plans.</p> <p>Risk analysis:</p> <ol style="list-style-type: none"> <li>1. Market risk: the financial derivatives business carried out by the Group is related to hedging and trading activities associated with the main business operations. There is a market risk associated with potential losses due to fluctuations in market prices, such as underlying interest rates and exchange rates, which affect the prices of financial derivatives;</li> <li>2. Liquidity risk: the derivatives business carried out by the Group is an over-the-counter transaction operated by a financial institution, and there is a risk of incurring losses due to paying fees to the bank for liquidating or selling the derivatives below the buying prices;</li> <li>3. Performance risk: the Group conducts its derivative business based on rolling budgets for risk management, and there is a risk of performance failure due to deviation arising between the actual operating results and budgets;</li> <li>4. Other risks: in the case of specific business operations, the failure of operational personnel to report and obtain approvals in accordance with established procedures or to accurately, promptly, and comprehensively record information related to financial derivative transactions may result in potential losses or missed trading opportunities in the derivative business. Moreover, if the trading operator fails to fully understand the terms of transaction contracts or product information, the Group may face legal risks and transaction losses.</li> </ol> <p>Risk control measures:</p> <ol style="list-style-type: none"> <li>1. Basic management principles: the Group strictly follows the hedging principle mainly to fix costs and avoid risks. It is necessary for the financial derivatives business to align with the variety, size, direction, and duration of spot goods, and this should not involve any speculative trading. When selecting hedging instruments, only simple financial derivatives that are closely related to the main business operations and comply with the requirements of hedge accounting should be selected. Avoid engaging in complex business activities that go beyond the</li> </ol>						

	<p>established scope of operations and involve risks and pricing that are difficult to understand;</p> <p>2. The Group has formulated a special risk management regulation tailored to the risk characteristics of the financial derivatives business, covering all key aspects such as preemptive prevention, in-process monitoring, and post-processing. It reasonably allocates professionals for investment decision-making, business operations, and risk control as required. Personnel involved in investment are required to fully understand the risks of financial derivatives investment and strictly implement the business operations and risk management system of derivatives. Before the holding company engages in derivative business activities, the holding company must submit detailed business reports to the competent department of the Group, including information about its internal approval, main product terms, operational necessity, preparations, risk analysis, risk management strategy, fair value analysis, and accounting methods. Additionally, a special summary report of previously conducted operations should be submitted. Only after obtaining the opinion of the relevant professional departments within the Group may the holding company proceed with the operations.</p> <p>3. Relevant departments should track the changes in the open market price or fair value of financial derivatives, promptly assess the risk exposure changes of invested financial derivatives, and compile reports to the board of directors on business development;</p> <p>4. The financial company should actively manage and disclose in a timely manner any confirmed gains and losses as well as unrealized losses from futures and derivative transactions of listed companies. When such losses account for 10% of the audited net profits attributable to the shareholders of the listed company in the last year and exceed RMB 10 million, the financial company should make timely disclosure thereof.</p>
Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include the measurement method and related assumptions and parameters)	With the rapid expansion of overseas sales, the Company continued to follow the above rules in the operation of forward foreign exchange contracts, interest rate swap contracts, and other contracts to avoid and hedge against foreign exchange risks arising from its operations and financing. During the Reporting Period, there were profits and losses of RMB 293.25 million from changes in the fair value of hedged items and negative RMB 27.20 million from derivatives. The fair value of derivatives is determined by the real-time quoted price of the foreign exchange market, and is based on the difference between the contractual price and the forward exchange rate quoted immediately on the foreign exchange market on the balance sheet date.
Legal matters involved (if applicable)	None
Disclosure date of the board announcement approving the derivative investments (if any)	April 30, 2024
Disclosure date of the general meeting announcement approving the derivative investments (if any)	May 25, 2024

## 2) Derivative investments for speculative purposes during the Reporting Period

☐Applicable ☒Not applicable

There were no derivative investments for speculative purposes made by the Company during the Reporting Period.

## 5. Use of the capital raised

☒ Applicable ☐ Not applicable

### (1) General Information about the Use of Raised Funds

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Year of raising	Method of raising	Total amount raised	Net amount raised	Used in the current period	Total amount used	Total amount of changed-purpose funds during the Reporting Period	Total amount of changed-purpose funds	Total amount of changed-purpose funds as a % of total amount raised	Total proceeds that have not been used	Purpose and location of the unused amount	Amount left idle for over two years
2024	Public issuance of corporate bonds	150,000	149,595	149,595	149,595	Not applicable	Not applicable	Not applicable	0	Not applicable	0
2024	Public issuance of corporate bonds	150,000	149,595	149,595	149,595	Not applicable	Not applicable	Not applicable	0	Not applicable	0
2024	Public issuance of corporate bonds	200,000	199,280	199,280	199,280	Not applicable	Not applicable	Not applicable	0	Not applicable	0
Total	--	500,000	498,470	498,470	498,470	Not applicable	Not applicable	Not applicable	0	--	0

#### Use of the Capital Raised

Pursuant to the approval of the China Securities Regulatory Commission under the registration number CSRC Permit [2022] No. 1561, the Company is authorized to issue up to RMB 10 billion in corporate bonds to professional investors through a phased issuance.

1. The net proceeds from the "Sci-Tech Innovation Corporate Bonds Publicly Offered by TCL Technology Group Corporation to Professional Investors (Digital Economy) (Phase 1) in 2024" have been fully closed on February 1, 2024. On the date of this announcement, all proceeds raised have been fully utilized, and the actual use of proceeds is consistent with the intended use as stated in the prospectus.
2. The net proceeds from the "Sci-Tech Innovation Corporate Bonds Publicly Offered by TCL Technology Group Corporation to Professional Investors (Digital Economy) (Phase 2) in 2024" were fully closed on April 11, 2024. On the date of this announcement, all proceeds raised have been fully utilized, and the actual use of proceeds is consistent with the intended use as stated in the prospectus.
3. The net proceeds from the "Sci-Tech Innovation Corporate Bonds Publicly Offered by TCL Technology Group Corporation to Professional Investors (Digital Economy) (Phase 3) in 2024" were fully closed on July 8, 2024. On the date of this announcement, all proceeds raised have been fully utilized, and the actual use of proceeds is consistent with the intended use as stated in the prospectus.

### (2) Promised Use of Raised Funds

☐Applicable ☒Not applicable

### (3) Change of the raised fund projects

☐Applicable ☒Not applicable

No such cases in the Reporting Period.

## VIII. Sale of Major Assets and Equity Investments

### 1. Sale of Major Assets

☐Applicable ☒Not applicable

The Company did not dispose of any major assets at the end of the Reporting Period.

### 2. Sale of Major Equity Investments

☐Applicable ☒Not applicable

## IX. Principal Subsidiaries and Joint Stock Companies

☒ Applicable ☐ Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the Company's net profits

Unit: RMB'0,000

Company name	Company Type of change	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profits
TCL China Star Optoelectronics Technology Co., Ltd.	Subsidiary	Display	RMB 33.08 billion	19,482,756	7,517,275	8,966,802	563,998	554,417
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	Subsidiary	New energy photovoltaics and other silicon materials business	RMB 4.04 billion	12,559,753	4,647,011	2,841,850	-1,113,919	-1,080,645
Highly Information Industry Co., Ltd.	Subsidiary	Distribution business	RMB 412 million	712,997	156,820	3,146,520	18,750	14,277

Acquisition and disposal of subsidiaries in the Reporting Period

☒ Applicable ☐ Not applicable

Company name	How subsidiaries were obtained or disposed of in the Reporting Period	Effects on overall operations and operating performance
Zhonghuan Advanced Korea Co., Ltd.	Newly established	No significant effect
Xi'an Maichi Shangpai Technology Co., Ltd.	Newly established	No significant effect
Tianjin Binhai Huanxu New Energy Co., Ltd.	Newly established	No significant effect
Yixing Huanxu New Energy Co., Ltd.	Newly established	No significant effect
Tianjin Huiyi Digital Technology Co., Ltd.	Newly established	No significant effect

Yixing Huanxu Investment Management Co., Ltd.	Newly established	No significant effect
Shenzhen Zhixian Shijie Software Technology Co., Ltd.	Newly established	No significant effect
Shenzhen Zhilian Shuchuang Technology Co., Ltd.	Newly established	No significant effect
Guangzhou TCL High-Tech Development Co., Ltd.	Newly established	No significant effect
Tianjin Jincheng Internet Technology Co., Ltd.	Newly established	No significant effect
Huansheng New Energy (Inner Mongolia) Co., Ltd.	Newly established	No significant effect
Hangjinhou Banner Guangsen New Energy Co., Ltd.	Newly established	No significant effect
Hohhot Mingfeng New Energy Co., Ltd.	Newly established	No significant effect
Hangjinhouqi Yusheng New Energy Co., Ltd.	Newly established	No significant effect
Inner Mongolia Chenhe New Energy Co., Ltd.	Newly established	No significant effect
Heilongjiang Huanju New Energy Co., Ltd.	Newly established	No significant effect
Huansheng Photovoltaic Technology (Lingwu City) Co., Ltd.	Newly established	No significant effect
Anhui Jia'an Qixin Venture Capital Partnership (Limited Partnership)	Newly established	No significant effect
StoryHold LLC	Newly established	No significant effect
Pv Automation Pte. Ltd.	Newly established	No significant effect
TCL CSOT VIETNAM COMPANY LIMITED	Newly established	No significant effect
Yinchuan Sunpiestore Technology Co., Ltd.	Newly established	No significant effect
Luoyang Shangyan Technology Co., Ltd.	Newly established	No significant effect
Mingsi Technology Co., Ltd.	Newly established	No significant effect
MOKA TECHNOLOGY VIETNAM COMPANY LIMITED	Acquisition	No significant effect
Maxeon Solar Technologies, Ltd. and its subsidiaries	Acquisition	No significant effect
Inner Mongolia Zhonghuan Construction Management Co., Ltd.	De-registered	No significant effect
Jiangsu Mingjing Bandaoti Technology Co., Ltd.	De-registered	No significant effect
Lingwu Juyuan New Energy Co., Ltd.	De-registered	No significant effect
Lingwu Huishun New Energy Co., Ltd.	De-registered	No significant effect
Huai'an Huanxin New Energy Co., Ltd.	De-registered	No significant effect
Zhangjiakou Zhonghuan Qixin Enterprise Management Service Co., Ltd.	De-registered	No significant effect
Ningxia Hongmao New Energy Co., Ltd.	De-registered	No significant effect
Tianjin Zhonghuan Zhongda Technology Co., Ltd.	De-registered	No significant effect
Ningxia Huanneng New Energy Co., Ltd.	Transferred	No significant effect
Tianjin Binhai New Area Huanju New Energy Co., Ltd.	Transferred	No significant effect

Explanation of Principal Subsidiaries and Joint Stock Companies: None



## **X. Structured Bodies Controlled by the Company**

☐Applicable ☒Not applicable

## **XI. Prospects**

Focusing on the high-tech manufacturing sector, TCL TECH. accelerates its growth by capitalizing on strategic opportunities created by China's high-quality economic development. Backed by strong strategic resources, improved organizational efficiency, and a presence in high-growth markets, the Company solidifies its industry leadership with promising long-term prospects.

**With a strategic focus on displays and new energy photovoltaics, TCL is building core assets in the global technology industry.**

Since spinning off its consumer-end business in 2019 and repositioning itself as a global technology industry group, the Company has built long-term competitive advantages by focusing on core elements and critical growth drivers within the display and technology sectors, leveraging both organic growth and strategic M&A. As a global leader in the display industry, the Company drives market growth through continuous technological innovation and a comprehensive product portfolio spanning all size categories. These strategic initiatives have cemented the Company's competitive advantage on the global stage. Through its acquisition of TZE, the Company has strategically entered the new energy photovoltaic industry, establishing a foothold in sustainable development. Since its institutional reform in 2021, TZE has optimized its capital structure, further stimulated its organizational vitality, and continuously improved its operation and management efficiency, as well as risk resistance.

Driven by two core business engines, the Company has established a foundation for long-term profitability across industry cycles. With the two major business development cycles complementing each other, the Company has enhanced its resilience against external macroeconomic shifts and industry fluctuations.

**Effectively implementing major strategic initiatives to achieve the goals of 2025's strategic planning**

This year, the Company's overall efforts will be guided by the "Global Leadership Strategy," implementing the working policy of "strategic guidance, innovation-driven development, advanced manufacturing, and global operations, and will continue to improve its relative competitiveness. With

a 43-year solid foundation, TCL is ready to embrace the future, build on its momentum, honor its legacy, and explore new frontiers for high-quality growth.

## XII. Communications with the Investment Community, such as Research, Inquiries, and Interviews

☒ Applicable ☐ Not applicable

Time of reception	Location	Manner of communication	Type of communication party	Communication party	Primary focus of the discussion and materials provided	Index of the main information communicated
March 26, 2024	Conference Room of TCL TECH. in Shenzhen	Onsite	Institution	Panyao Asset	Performance and operations of TCL TECH. for the first 3 quarters in 2023	Log Sheet No. 2024-001 on Investor Relations Activities dated March 26, 2024 disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on March 28, 2024.
April 30, 2024	Conference Room of TCL TECH. in Shenzhen	Web conferencing	Individuals, institutions, etc.	All investors	Performance and operations of TCL TECH. for the Year 2023 and the first Quarter in 2024	Log Sheet No. 2024-002 on Investor Relations Activities dated March 26, 2024 disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on May 3, 2024.
May 21, 2024	Conference Room of TCL TECH. in Shenzhen	Onsite	Institution	China Merchants Securities, China Securities, UBS, etc.	Performance and operations of TCL TECH. for the first Quarter in 2024	Log Sheet No. 2024-003 on Investor Relations Activities dated May 21, 2024 disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on May 21, 2024.
July 3, 2024	Conference Room of TCL TECH. in Shenzhen	Onsite	Institution	Greenwoods Asset Management, Aegon-industrial Fund, Ping An Securities, GF Securities, etc.	Performance and operations of TCL TECH. for the first Quarter in 2024	Log Sheet No. 2024-004 on Investor Relations Activities dated July 3, 2024 disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on July 3, 2024.
August 27, 2024	Conference Room of TCL TECH. in Shenzhen	Web conferencing	Institution	New China Asset Management, China Life, Perseverance Asset Management, Pacific Asset Management, etc.	Semi-annual performance and operations of TCL TECH. in 2024	Log Sheet No. 2024-005 on Investor Relations Activities dated August 27, 2024 disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on August 28, 2024.
October 30, 2024	Conference Room of TCL TECH.	Web conferencing	Institution	E Funds, China Life Asset Management,	Performance and operations of TCL	Log Sheet No. 2024-006 on Investor Relations Activities dated October

	in Shenzhen			China Life Pension, Pacific Asset Management, etc.	TECH. for the first 3 quarters in 2024	30, 2024 disclosed by the Company at www.cninfo.com.cn on October 31, 2024.
January - December 2024	The Company's office	Investor hotline (telephone)	Individuals, institutions, etc.	Individuals, institutions, etc.	Contents and public information, etc., disclosed by the Company	-
January - December 2024	The Company's office	irm.cninfo.com.cn	Individuals, institutions, etc.	Individuals, institutions, etc.	Contents and public information, etc., disclosed by the Company	irm.cninfo.com.cn

### XIII. Formulation and Implementation of the Rules for Market Value Management and Valuation Enhancement Plan

Whether the Company has formulated the Rules for Market Value Management

☒Yes ☐No

Whether the Company has disclosed the valuation enhancement plan

☐Yes ☒No

On December 27, 2024, *the Proposal on Formulating the Rules for Market Value Management* was deliberated on and adopted at the 7th Meeting of the 8th-term Board of Directors. To strengthen the Company's market value management, further standardize its market value management practices, effectively enhance the Company's investment value, increase investor returns, and protect the legitimate rights and interests of the Company, the investors and other stakeholders, the Company has formulated the "Rules for Market Capitalization Management" in accordance with *the Company Law, the Securities Law, the Several Opinions of the State Council on Strengthening Regulation to Prevent Risk and Promoting the High-quality Development of the Capital Market, the Administrative Measures for the Information Disclosure by Listed Companies, the Guidelines for the Regulation of Listed Companies No. 10 – Market Value Management*, and other related provisions.

The Company firmly upholds the principle of shareholder returns, taking measures to protect investor interests, especially those of minority shareholders. It upholds ethical operations, regulatory compliance, and a focused approach to core business, ensuring prudent management. By developing advanced capabilities, the Company continuously enhances operational efficiency and quality growth. Additionally, the Company prioritizes strong investor relations, enhancing transparency and communications to ensure investment value reflects its core strengths, while proactively strengthening investor confidence.

### XIV. Implementation of the "Joint Improvement of Quality and Investment Return" Action Plan

Whether the Company has disclosed the "Joint Improvement of Quality and Investment Returns" Action Plan Announcement.

☒Yes ☐No

To better implement the guidance on enhancing the quality and investment value of listed companies, the Company has developed the "Joint Improvement of Quality and Investment Returns" Action Plan, which is based on in-depth research on industry trends and careful consideration of our future business trajectory. In addition, the Company has disclosed the progress report on the "Joint Improvement of Quality and Investment Returns" Action Plan in combination with the implementation. For more details, please see *the Joint Improvement of Quality and Investment Returns Action Plan* and the progress report on *the Joint Improvement of Quality and Investment Returns Action Plan* disclosed on February 28, 2024, and May 8, 2024, respectively.

## Part IV Corporate Governance

### I. General Information of Corporate Governance

Since being listed, in accordance with *the Company Law of the People's Republic of China* (the "*Company Law*"), *the Securities Law of the People's Republic of China* (the "*Securities Law*"), *the Code of Corporate Governance for Listed Companies*, *the Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, *the Self-Regulatory Guidelines No. 1 of Shenzhen Stock Exchange for Listed Companies - Standardized Operation of Main Board Listed Companies* and other relevant laws, regulations and normative documents, along with *the Articles of Association of TCL Technology Group Corporation* (the "*Articles of Association*"), the TCL TECH. has continued to enhance its governance structure and strengthen its internal control system, establishing a modern governance mechanism characterized by clearly defined responsibilities and standardized operations.

During the Reporting Period, the Company pushed ahead with its corporate public work in many aspects:

#### (I) Shareholders and general meeting

In strict accordance with the provisions and requirements of *the Company Law*, *the Securities Law*, *the Articles of Associations*, *the Rules of Procedure for General Meeting of Shareholders*, and other laws, regulations and rules, the Company has standardized procedures for convening, attending, and voting at general meetings by combining in-person and online participation. This approach facilitates the exercise of shareholder rights and ensures all shareholders—particularly small and mid-sized shareholders—can fully participate in corporate governance.

#### (II) Directors and the Board of Directors

During the Reporting Period, the structure of the Company's Board of Directors complied with the laws and regulations and the Company's actual requirements, and the members of the Board of Directors had the necessary knowledge, skills and quality to perform their duties; the Board of Directors set up four special committees, including audit, nomination, remuneration and assessment, strategy & sustainable development, to provide advice and suggestions to the Board of Directors and ensure the professionalism and efficiency of the proceedings and decisions of the Board of Directors; all directors of the Company, in strict accordance with *the Company Law*, *the Articles of Association*, *the Rules of Procedure for the Board of Directors* and other relevant regulations, standardized the call, convening and voting of the Board of Directors, conscientiously attended the meetings of the Board of Directors and the General Meeting, took an active part in the training of relevant knowledge, familiarized with relevant laws and regulations, and safeguarded the interests of the Company and shareholders.

### (III) Supervisors and Supervisory Committee

During the Reporting Period, the Company's Supervisory Committee diligently performed its duties and effectively oversaw the Company's major events, related party transactions, financial situation, directors' and senior executives' performance of duties by attending the General Meetings, being present at the Meetings of the Board of Directors, regularly inspecting the Company's lawful operation and financial situation, and issuing the opinions of the Supervisory Committee, thus effectively safeguarding the legitimate rights and interests of the Company and its shareholders. The call and convening for meetings of the Supervisory Committee were carried out in strict accordance with the relevant provisions of *the Articles of Association* and *the Rules of Procedure for the Supervisory Committee*, thus ensuring that the Supervisory Committee was entitled to effectively exercise its duties.

### (IV) Information disclosure and transparency

The Company disclosed information in a timely and fair manner in strict accordance with the provisions of relevant laws, regulations, requirements of *the Information Disclosure Management System*, and relevant normative documents on corporate governance, and ensured the authenticity, accuracy, and completeness of the information disclosed. The Company has always placed high priority on investor communication, promptly addressing inquiries and concerns through multiple channels, including the investor hotline, dedicated investor email, and [irm.cninfo.com.cn](http://irm.cninfo.com.cn). Additionally, the Company actively organizes investor exchange meetings and earnings briefings to enhance engagement and provide stakeholders with deeper insights into its operations.

The Company maintains rigorous corporate governance standards through regular specialized training programs that keep directors, supervisors, and senior executives informed about evolving regulatory priorities and supervisory trends. This systematic approach enhances management accountability and self-regulation while ensuring diligent fulfillment of fiduciary duties. We implement robust safeguards to protect the interests of all shareholders, with particular emphasis on minority shareholder rights protection. Our comprehensive incentive mechanisms include successive employee stock ownership plans involving mid-level and senior executives as well as top-performing staff members, aligning management interests with corporate performance improvement and sustained value enhancement. Demonstrating social responsibility, the Company actively engages in public welfare initiatives and charitable donations. These comprehensive initiatives have established the Company as an industry leader in corporate governance best practices.

Currently, there is no difference between the actual status of the Company's corporate governance structure and the standard documents on the corporate governance for listed companies published by China Securities Regulatory Commission. The names of the policies are published on [www.cninfo.com.cn](http://www.cninfo.com.cn). Details on the

amendments to the policies in the three years before the Reporting Period are as follows:

Year of amendment	Title of rules
2021	The Articles of Association of TCL Technology Group Corporation
	The Rules of Procedure for the Board of Directors of TCL Technology Group Corporation
2022	The Articles of Association of TCL Technology Group Corporation
	The Rules Governing Information Disclosure of TCL Technology Group Corporation
	The Rules Governing the Registration of Information Insiders of TCL Technology Group Corporation
2023	The Articles of Association of TCL Technology Group Corporation
	The Internal Audit Charter of TCL Technology Group Corporation
	The Rules Governing Securities Investment of TCL Technology Group Corporation
	The Internal Control Rules for Investment in Derivative Financial Instruments of TCL Technology Group Corporation

The following rules are revised during the Reporting Period and relevant rules are disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn):

	Title of rules
Revised	The Articles of Association of TCL Technology Group Corporation (Revised in January 2024)
	The Working Rules for the Independent Directors of TCL Technology Group Corporation (Revised in January 2024)
	The Rules of Procedure for the Supervisory Committee of TCL Technology Group Corporation (Revised in January 2024)
	The Rules of Procedure for the General Meeting of TCL Technology Group Corporation (Revised in January 2024)
	The Rules of Procedure for the Board of Directors of TCL Technology Group Corporation (Revised in April 2024)
	The Articles of Association of TCL Technology Group Corporation (Revised in April 2024)
	The Rules of Procedure for the Nomination Committee of the Board of Directors of TCL Technology Group Corporation (Revised in May 2024)
	The Rules of Procedure for the Strategy & Sustainable Development Committee of the Board of Directors of TCL Technology Group Corporation (Revised in May 2024)
	The Rules of Procedure for the Remuneration and Assessment Committee of the Board of Directors of TCL Technology Group Corporation (Revised in May 2024)

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The Rules of Procedure for the Audit Committee of the Board of Directors of TCL Technology Group Corporation (Revised in May 2024)

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The Management Rules of TCL Technology Group Corporation for the Corporate Shares Held by the Directors, Supervisors, and Senior Management and Changes Therein (Revised in August 2024)

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The Management Rules of TCL Technology Group Corporation for Related Party Transactions (Revised in August 2024)

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The Rules for Market Value Management of TCL Technology Group Corporation

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Is there any material non-compliance with the regulatory documents issued by the CSRC governing the governance of listed companies?

☐Yes ☒No

There is no material non-compliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

## II. The Company's Independence from Its Controlling Shareholder in Business, Personnel, Asset, Organization, and Financial Affairs

☐Applicable ☒Not applicable

## III. Horizontal Competition

☐Applicable ☒Not applicable

## IV. Annual and Extraordinary General Meetings Convened during the Reporting Period

### 1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Date of disclosure	Resolutions of the meeting
The 2023 Annual General Meeting	Annual general meeting	20.38%	May 24, 2024	May 25, 2024	All proposals were adopted. Please refer to the <i>Notice on Resolutions of the General Meeting of 2023</i> disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on May 25, 2024 (Notice No.: 2024-044)
The First Extraordinary General Meeting of 2024	Extraordinary general meeting	11.24%	June 17, 2024	June 18, 2024	All proposals were adopted. Please refer to the <i>Notice on the 1st Extraordinary General Meeting of 2024</i> disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on June 18, 2024 (Notice No.: 2024-053)
The Second Extraordinary General Meeting of 2024	Extraordinary general meeting	16.98%	November 15, 2024	November 16, 2024	All proposals were adopted. Please refer to the <i>Notice on the 2nd Extraordinary General Meeting of 2024</i> disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on November 16, 2024 (Notice No.: 2024-082)

## 2. Extraordinary General Meetings Convened at the Request of Preferred Shareholders with Resumed Voting Rights

☐Applicable ☒Not applicable

## V. Directors, Supervisors and Senior Management

### 1. General information

Name	Gender	Age	Position	Position Status	Start of tenure	End of tenure	Number of shares held at the beginning of the year	Increase of shares during the reporting period	Decrease of shares during the reporting period	Other increase/decrease (share)	Number of shares held at the end of the year	Reason for change
Li Dongsheng	Male	67	Chairman	Incumbent	April 19, 2002	May 23, 2027	897,158,453	-	-	1,294,616	898,453,069	See the note below
			CEO		June 20, 2005							
Zhang Zuoteng	Male	43	Vice Chairman of the Board	Incumbent	May 24, 2024	May 23, 2027	-	-	-	-	-	None
Liao Qian	Male	44	Executive Director	Incumbent	September 1, 2017	May 23, 2027	1,289,075	-	-	437,544	1,726,619	See the note below
			Board Secretary		April 23, 2014							
			Senior Vice President		August 27, 2020							
Zhao Jun	Male	52	Executive Director	Incumbent	January 9, 2023	May 23, 2027	942,854	-	-	328,684	1,271,538	See the note below
			Senior Vice President		December 23, 2022							
Yan Xiaolin	Male	58	Director	Incumbent	January 13, 2025	May 23, 2027	2,342,265	-	-	468,293	2,810,558	See the note below
			Senior Vice President		September 1, 2014							
			CTO		December 6, 2012							
Lin Feng	Male	39	Non-Executive Director	Incumbent	April 29, 2022	May 23, 2027	-	-	-	-	-	None



Jin Li	Male	54	Independent director	Incumbent	May 24, 2024	May 23, 2027	-	-	-	-	-	None
Wan Liangyong	Male	45	Independent director	Incumbent	November 13, 2020	May 23, 2027	-	-	-	-	-	None
Wang Lixiang	Male	61	Independent director	Incumbent	May 24, 2024	May 23, 2027	-	-	-	-	-	None
Wu Zhiming	Male	40	Chairman of the Supervisory Committee, Shareholder Representative Supervisor	Incumbent	May 24, 2024	May 23, 2027	-	-	-	-	-	None
Zhuang Weidong	Male	44	Shareholder Representative Supervisor	Incumbent	May 24, 2024	May 23, 2027	-	-	-	-	-	None
Zhu Wei	Female	51	Employee Representative Supervisor	Incumbent	May 24, 2024	May 23, 2027	10,000	-	-	97,704	107,704	See the note below
Li Jian	Female	52	CFO	Incumbent	August 9, 2021	May 23, 2027	968,621	-	-	607,321	1,575,942	See the note below
Wang Yanjun	Male	41	Senior Vice President	Incumbent	December 27, 2024	May 23, 2027	-	-	-	-	-	None
Liang Weihua	Male	43	Former Vice Chairman of the Board	Former	November 13, 2020	May 23, 2024	-	-	-	-	-	None
Wang Cheng	Male	50	Former Director	Former	January 9, 2023	May 23, 2024	333,183	-	-	416,113	749,296	See the note below
Shen Haoping	Male	62	Former Director Former Senior Vice President	Former	November 13, 2020 November 14, 2020	December 25, 2024	-	-	-	-	-	None
Gan Yong	Male	77	Former Independent Director	Former	November 13, 2020	May 23, 2024	-	-	-	-	-	None
Chen Shiyi	Male	68	Former Independent Director	Former	November 13, 2020	May 23, 2024	-	-	-	-	-	None
Liu Xunci	Male	66	Former Independent	Former	September 1, 2017	May 23, 2024	-	-	-	-	-	None

			Director									
Zheng Tao	Male	54	Former Chairman of the Supervisory Committee, Shareholder Representative Supervisor	Former	September 15, 2023	May 23, 2024	-	-	-	-	-	None
Qiu Haiyan	Female	50	Former Shareholder Representative Supervisor	Former	September 1, 2014	May 23, 2024	-	-	-	-	-	None
Mao Tianxiang	Male	44	Former Employee Representative Supervisor	Former	September 1, 2017	May 23, 2024	566,575	-	-	133,425	700,000	See the note below
Total			--	--	--	--	903,611,026	-	-	3,783,700	907,394,726	--

Note: 1. On May 24, 2024, the Company held the 2023 Annual General Meeting to adopt matters related to the change of directorship.  
2. The increase in the number of shares held by Mr. Li Dongsheng, Mr. Zhao Jun, Mr. Yan Xiaolin, Mr. Liao Qian, Ms. Li Jian, Ms. Zhu Wei, Mr. Wang Cheng and Mr. Mao Tianxiang during the Reporting Period was due to the transfer of the shares corresponding to those attributable to the holders to the employee securities accounts by non-trading transfer method under the Company's employee stock ownership plan.

During the reporting period, any resignation of directors and supervisors and dismissal of senior managers during their term of office?

☒ Yes ☐ No

On December 25, 2024, Mr. Shen Haoping applied for resignation as a director, a member of the Strategy & Sustainable Development Committee of the Board of Directors and the Senior Vice President of the Company due to personal reasons, and his resignation application took effect from the date when it was delivered to the Board of Directors of the Company.

Change of Directors and Senior Management

☒ Applicable ☐ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Zhang Zuoteng	Vice Chairman of the Board	Elected	May 24, 2024	The general meeting of the Company deliberated and approved the proposals for the election of the Board of Directors and Supervisory Committee.
Jin Li	Independent director			
Wang Lixiang	Independent director			
Wu Zhiming	Chairman of the Supervisory Committee			
Zhuang Weidong	Shareholder Representative Supervisor			
Zhu Wei	Employee Representative Supervisor	Elected	May 24, 2024	She was elected by the workers' congress of the Company.
Wang	Senior Vice President	Appointed	December 27, 2024	The Company's Board of Directors

Yan Jun				deliberated on and adopted <i>the Proposal on Appointment of Senior Managers</i> , and agreed to appoint Mr. Wang Yanjun as the Senior Vice President of the Company.
Yan Xiaolin	Director	Elected	January 13, 2025	The Company's general meeting deliberated on and adopted <i>the Proposal on Supplementing Non-Independent Directors and Members of the Strategy &amp; Sustainable Development Committee of the 8th-Term Board of Directors</i> .
Liang Weihua	Former Vice Chairman of the Board	Left office upon expiration of term	May 23, 2024	The Company's general meeting deliberated on and adopted the proposals for the election of the Board of Directors and the Supervisory Committee. Former directors and supervisors left office after their terms of office expired.
Wang Cheng	Former Director	Left office upon expiration of term		
Gan Yong	Former Independent Director	Left office upon expiration of term		
Chen Shiyi	Former Independent Director	Left office upon expiration of term		
Liu Xunci	Former Independent Director	Left office upon expiration of term		
Zheng Tao	Former Chairman of the Supervisory Committee	Left office upon expiration of term		
Qiu Haiyan	Former Shareholder Representative Supervisor	Left office upon expiration of term		
Mao Tianxiang	Former Employee Representative Supervisor	Left office upon expiration of term		
Shen Haoping	Former Director, Senior Vice President	Former	December 25, 2024	Resigned from the posts of director, member of the Strategy & Sustainable Development Committee of the Board of Directors, and Senior Vice President of the Company due to personal reasons.

## 2. Positions

Professional background, major work experience, and current post held in the Company of incumbent director, supervisor, and senior manager

**Mr. Li Dongsheng**, the founder of TCL who currently serves as TCL TECH.'s Chairman, CEO; delegate of the 16th CPC National Congress, delegate of the 10th, 11th, 12th, 13th, and 14th National People's Congress; Vice Chairman of the 12th ACFIC, Vice Chairman of the China Chamber of International Commerce, and Chairman of Shenzhen General Chamber of Commerce.

**Mr. Zhang Zuoteng**, Vice Chairman of the Board of Directors of TCL TECH. Gender: Male; Ethnic group: Han; CPC Member; Undergraduate; Post-graduate degree. He is currently serving as the Deputy General Manager of Huizhou State-owned Capital Investment Group Co., Ltd., as well as the Chairman and General Manager of Huizhou Industrial Investment & Development Parent Fund Co., Ltd.. He once served as the Director of the Office of the Corporate and Institutional Business Management Committee of Huizhou Branch of China Construction Bank,

Deputy Director of the Office, Director of the Office (Regulations Section) and the Chief of the Social Affairs Division under Huizhou Civil Affairs Bureau.

**Mr. Zhao Jun**, Executive Director and Senior Vice President of TCL TECH. He was born in Xianyang, Shaanxi Province in November 1972, and is a CPC member. He graduated from Northwestern Polytechnical University with a Master's degree of engineering in polymer materials. After graduation, he served as vice president at Tianma Micro-Electronics Group, and currently serves as Senior Vice President of TCL Tech and CEO of TCL CSOT. From April 1997 to January 2018, he worked for Tianma Micro-Electronics Group, successively served as a pre-process engineer, deputy manager of the quality department, director of manufacturing and quality, deputy general manager, assistant president, and general manager and vice president of the Procurement Center and Quality Center. From May 2018 to October 2019, he joined Wuhan China Star Optoelectronics Technology Co., Ltd. as general manager and director. From October 2019 to February 2021, he served as Vice President of TCL Tech, Senior Vice President of TCL CSOT, General Manager of TCL CSOT Large Size Business Group and General Manager of the TV Business Department. On July 30, 2021, he was awarded the title of "Top 100 Pioneering Innovators of Shenzhen in the New Era." From February 2021 to December 2022, he served as Chief Operating Officer of TCL CSOT and presided over the overall work of the CSOT. Since December 2022, he has served as Senior Vice President of TCL Tech and CEO of TCL CSOT.

**Mr. Yan Xiaolin**, PhD and a professor-level senior engineer, is now the Director of Technology, CTO and Senior Vice President of TCL TECH. He also serves as Dean of the TCL Industrial Technology Research Institute, Ltd.; Director of TCL CSOT, and CTO of TCL CSOT; Chairman of Guangdong Juhua Printed Display Technology Co., Ltd., Chairman of TCL Microchip Technology (Guangdong) Co., Ltd., Chairman of Xiamen Extremely PQ Display Technology Co., Ltd., Chairman of the IEC Technical Committee on Electronic Display Devices (IEC/TC110), and Fellow of the Society for Information Display (SID Fellow). Mr. Yan is an expert of the National Advisory Committee of Experts on New Material Industry Development, leader of the new display direction under the "12th Five-Year Plan" and "State High-Tech Development Plan (863 Plan)" of the Ministry of Science and Technology, leader of the new display direction "Strategic Advanced Electronic Materials Special Project" of the key R&D plan under the "13th Five-Year Plan" of the State, leader of the new display directions of the implementation plan of the "Key Special Project for New Displays and Strategic Electronic Materials" of the key R&D plan under the "14th Five-Year Plan", scientific and technological innovation leading talent of the special support plan for high-level talents of the Organization Department of the CPC Central Committee, and one of the national young and middle-aged experts with outstanding contributions to the national project "Hundred, Thousand,

and Ten Thousand Talents Project".

**Mr. Liao Qian**, Executive Director, Senior Vice President, and Secretary of the Board of Directors of TCL TECH. He has a Master's Degree and holds the Legal Profession Qualification Certificate in China. From August 2006 to February 2014, he worked at Guotai Junan International Holdings Co., Ltd. and was engaged in the investment banking business in Hong Kong and Mainland China. Having joined TCL Corporation in March 2014, he is in charge of strategic planning, strategic investment, and matters related to domestic and overseas capital markets. He concurrently holds such positions as Chairman of Highly Information Industry Co., Ltd., Tonly Technology Co., Ltd. and CDOT (0334.HK); and Director of TCL Zhonghuan Renewable Energy Technology Co., Ltd. (002129.SZ).

**Mr. Lin Feng**, Non-executive Director of TCL TECH. He graduated from Central South University of Economics and Law in 2011 with a Master's degree in management science and engineering. From July 2011 to January 2013, he worked for China Sanjiang Space Group Corporation; from February 2013 to May 2016, he served as project director and deputy director of the Industrial Investment Department of Hubei Science & Technology Investment Group Co., Ltd.; from May 2016 to May 2018, he served as deputy general manager of Wuhan Optics Valley Industrial Investment Co., Ltd.; from May 2018 to April 2023, he worked as General Manager of Wuhan Optics Valley Industrial Investment Co., Ltd.; from April to November 2023, he served as Chairman of the Board of Directors of Wuhan Optics Valley Health Industry Investment Co., Ltd., and concurrently General Manager of Wuhan Optics Valley Industrial Investment Co., Ltd.; since November 2023, he has been serving as Chairman of the Board of Directors and General Manager of Wuhan Optics Valley Industrial Investment Co., Ltd..

**Mr. Jin Li**, Independent Director of TCL TECH. Gender: Male; Ethnic group: Han; Date of birth: December 1970; Nationality: Chinese; no foreign permanent residency, doctor's degree; member of the Jiusan Society, and chair professor. He once served as a faculty member of Fudan University, assistant professor and associate professor of Harvard Business School, tenured professor and doctoral supervisor of Saïd Business School of Oxford University, deputy director of the Department of Economics and Management, deputy dean of Guanghua School of Management, and chair professor of finance of Peking University. He is currently the Vice President, and Acting Dean of Business School of Southern University of Science and Technology, and concurrently holds such positions as independent director of Ping An Insurance (Group) Co., Ltd. (601318.SH). Mr. Jin is a member and a Standing Committee member of the 15th Central Committee of the Jiusan Society and a member of the 14th National Committee of the CPPCC.

**Mr. Wan Liangyong**, Independent Director of TCL TECH. Born in 1979, he is a CPC member and one of the

"Leading Accounting Talents Nationwide" of the Ministry of Finance. Currently, he is a professor and a doctoral supervisor at the School of Business Administration of South China University of Technology, and director of the Accounting Development Research Center. He is also a council member of the Accounting Society of China (ASC), and an independent director of Urtrust Insurance.

**Mr. Wang Lixiang**, Independent Director of TCL TECH. He serves as a researcher and a doctoral supervisor at Changchun Institute of Applied Chemistry, Chinese Academy of Sciences. Having been engaged in the research of photoelectric polymer synthetic chemistry and functional regulation, he won the second prize of the State Natural Science Award in 2009, and the first prize of Science and Technology Progress Award of Jilin Province in 2007 and 2012 respectively. He currently serves as the Vice Chairman of the Organic Solid Professional Committee of the Chinese Chemical Society, deputy editor-in-chief of *Chinese J. Polymer Science* and *Acta Chemica Sinica*, and member of the editorial board of *Aggregate*, *Giant*, and other magazines. He has successively won the titles of National Outstanding Doctoral Dissertation Tutor and National May Day Labor Medal.

**Mr. Wu Zhiming**, Chairman of the Supervisory Committee, Shareholder Representative Supervisor of TCL TECH. He holds a bachelor's degree and is also a CPC member. In 2008, he graduated from the Department of Finance of South China Normal University in July 2008, majoring in Financial Mathematics and Financial Engineering. From July 2008 to September 2021, he successively served as the corporate credit manager, investment banking product manager, head of outlets, vice president of sub-branches, and deputy general manager of the credit department of the Huizhou Branch of China Construction Bank. From September 2021 to September 2024, he served as the department head of the Investment Development Department of Huizhou State-Owned Capital Investment Group Co., Ltd.; since March 2022, he has been serving as a director of Huizhou Investment & Development Co., Ltd.; since Oct. 2024, he has been serving as the head of the Industrial Investment Department and the head of the Strategic Planning Department of Huizhou State-Owned Capital Investment Group Co., Ltd., as well as a director and Deputy General Manager of Huizhou Industrial Investment & Development Parent Fund Co., Ltd..

**Mr. Zhuang Weidong**, Shareholder Representative Supervisor of TCL TECH. He has a bachelor's degree, and is also a CPC member. From November 2003 to October 2006, he worked at the Bureau of Justice of Huidong County; from October 2006 to January 2008, he worked at the Office of the CPC Committee of Huidong County; from January 2008 to August 2011, he worked at the Research Office of the CPC Committee of Huidong County; from August 2011 to February 2015, he worked at the Office of Huizhou Municipal People's Government; from February 2015 to Jul. 2019, he worked at the Decision-making Advisory Committee Office of Huizhou Municipal

People's Government; from July 2019 to August 2022, he worked at Huihe Company of Times China Holdings Group; from August 2022 to August 2023, he served as Deputy General Manager of Huizhou Investment Holding Co., Ltd.; since August 2023, he has been serving as Deputy General Manager of Huizhou Investment & Development Co., Ltd. (during this period: he has been concurrently serving as the Director of Yuecai (Huizhou) Financing Guarantee Co., Ltd. since December 2022, and served as Deputy General Manager of Huizhou Investment Holding Co., Ltd. from August 2023 to September 2024).

**Ms. Zhu Wei**, Employee Representative Supervisor of TCL TECH. Ethnic group: Han; CPC member; Currently, she is a member of the Party Committee, Chairman of the Labor Committee, Vice Director of the Party and Mass Office of TCL Technology Group Corporation, Supervisor of TCL Public Welfare Foundation, Member of the 15th Committee of Guangdong Federation of Trade Unions, Member of the Standing Committee and currently Vice Chairman of the 16th Committee of Huizhou Federation of Trade Unions, and People's Supervisor of Huizhou.

**Ms. Li Jian**, CFO of TCL TECH. Born in 1972, she has an MBA from MIT. She joined TCL in 2004, successively served as the capital director of TCL Multimedia Technology Holding Co., Ltd., the deputy general manager and general manager of TCL Group Finance Co., Ltd., and now serves as the Chairman of TCL Technology Group Finance Co., Ltd.. Since August 2021, she has been serving as the CFO of TCL TECH.

**Mr. Wang Yanjun**, Senior Vice President of TCL TECH. Nationality: Chinese; Born in 1983, he has a doctor's degree in electronic information and the title of senior engineer. He once served as the Senior Vice President and Deputy General Manager of TCL Zhonghuan Renewable Energy Technology Co., Ltd., and now serves as the Vice Chairman of Zhonghuan Advanced Bandaoti Technology Co., Ltd..

Positions held at the shareholding entity

☒ Applicable ☐ Not applicable

Name	Name of shareholding entity	Office title at the shareholding entity	Start of tenure	End of tenure	Any pay received from the shareholding entity?
Li Dongsheng	Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership)	Representative appointed by the executive partner	August 2014	Incumbent	No
Lin Feng	Wuhan Optics Valley Industrial Investment Co., Ltd.	Chairman and General Manager	May 2018	Incumbent	Yes
Wu Zhiming	Huizhou Investment & Development Co., Ltd.	Director	March 2022	Incumbent	No
Zhuang Weidong	Huizhou Investment & Development Co., Ltd.	Deputy General Manager	August 2023	Incumbent	Yes
Notes to positions held at the shareholding entity	Not applicable				

Positions held at other entities

☒ Applicable ☐ Not applicable

Name	Name of other entities	Office title at other entities	Start of tenure	End of tenure	Any pay received from other entities?
Li Dongsheng	TCL Industries Holdings Co., Ltd.	Chairman	September 2018	Incumbent	Yes
	Tencent Holdings Limited	Independent non-executive director	April 2004	Incumbent	Yes
Zhang Zueteng	Huizhou State-owned Capital Investment Group Co., Ltd.	Deputy General Manager	April 2022	Incumbent	Yes
	Huizhou Investment & Development Parent Fund Co., Ltd.	Chairman and General Manager	July 2022	Incumbent	No
Yan Xiaolin	TCL Microchip Technology (Guangdong) Co., Ltd.	Chairman	May 2021	Incumbent	No
Lin Feng	Hubei Xiaomi Changjiang Industrial Investment Fund Management Co., Ltd.	Supervisor	October 2017	Incumbent	No
	Wuhan Optical Valley Fiberhome Investment Fund Management Co., Ltd.	Director	August 2018	Incumbent	No
	Wuhan Weineng Battery Assets Co., Ltd.	Director	August 2021	Incumbent	No
	Wuhan Intelligent Equipment Industrial Technology Research Institute Co., Ltd.	Chairman	December 2023	Incumbent	No
	Wuhan Industrial Institute for Optoelectronics Co., Ltd.	Chairman	December 2023	Incumbent	No
	Institute of New Energy, Wuhan Co., Ltd.	Chairman	December 2023	Incumbent	No
	Wuhan Optical Valley Houke Investment Management Co., Ltd.	Director	July 2023	Incumbent	No
Jin Li	Ping An Insurance (Group) Company of China, Ltd.	Independent director	August 2021	Incumbent	Yes
Wan Liangyong	URTRUST Insurance Co., Ltd.	Independent director	February 2020	Incumbent	Yes
Wu Zhiming	Huizhou State-owned Capital Investment Group Co., Ltd.	Head of department	October 2024	Incumbent	Yes
	Huizhou Investment & Development Parent Fund Co., Ltd.	Director, Deputy General Manager	October 2024	Incumbent	No
Zhuang Weidong	Yuecai (Huizhou) Financing Guarantee Co., Ltd.	Director	January 2023	Incumbent	No
Li Jian	Bank of Shanghai Co., Ltd.	Director	January 2022	Incumbent	No
Notes to positions held at other entities	Other major jobs or concurrently held jobs and resume				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors, and senior management as well as those who left in the Reporting Period

☒ Applicable ☐ Not applicable

For details, please refer to the relevant announcements disclosed by the Company on the designated information disclosure media on October 29, 2022 and January 20, 2023.



### 3. Remuneration of Directors, Supervisors, and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors, and senior management

#### (I) Decision-making procedure

The allowances for directors and supervisors of the Company shall be submitted to the General Meeting for deliberation and determination after being deliberated on and adopted respectively by the Boards of Directors and Supervisory Committee. The allowances for the 8th-term Boards of Directors and Supervisors of the Company were deliberated on and adopted by the Company at the 2023 General Meeting held on May 24, 2024. The remuneration for senior executives shall be subject to the Company's remuneration rules.

#### (II) Determination basis and actual payment

##### 1. Remuneration or allowance criteria for directors

The remuneration of executive directors: As the Company pays remuneration to executive directors, it shall not pay additional allowances to them. The remuneration is determined as per the Company's remuneration management rules.

The allowances of non-executive directors: RMB 160,000/year (tax inclusive);

The allowances of independent non-executive directors: The allowance for each independent non-executive director is RMB160,000/year (tax inclusive), and the allowance for the convener of the Audit Committee is RMB 200,000/year (tax inclusive).

The Company shall bear the travel expenses arising from the independent directors attending the Company's board and general meetings, as well as other expenses arising from non-executive directors and independent directors exercising their functions and powers as per *the Company's Articles of Association*.

##### 2. Remuneration or allowance criteria for supervisors

The allowance for the Chairman of the Supervisory Committee is RMB 160,000/year (tax inclusive);

The allowance for the shareholder representative supervisor is RMB 100,000/year (tax inclusive);

As the Company pays remuneration to the employee supervisor, it shall not pay additional allowances to him/her.

The Company shall bear the travel expenses arising from the shareholder supervisors attending the Company's Supervisory Committee meetings, general meetings, and board meetings (as a non-voting delegate), as well as other expenses arising from his/her exercising his/her functions and powers as per *the Company's Articles of Association*.

##### 3. Remuneration criteria for senior management

The remuneration of senior management shall be determined as per *the Company's Articles of Association* and remuneration management rules.

## Remuneration of directors, supervisors, and senior management for the Reporting Period

Unit: RMB'0,000

Name	Gender	Age	Position	Position Status	Total before-tax remuneration from the Company	Remuneration from any related party or not
Li Dongsheng	Male	67	Chairman, CEO	Incumbent	1,177.66	Yes
Zhang Zuoteng	Male	43	Vice Chairman of the Board of Directors	Incumbent	9.68	Yes
Zhao Jun	Male	52	Director, Senior Vice President	Incumbent	1,617.29	No
Yan Xiaolin	Male	58	Director, Senior Vice President, CTO	Incumbent	859.66	No
Liao Qian	Male	44	Director, Board Secretary and Senior Vice President	Incumbent	581.53	No
Lin Feng	Male	39	Director	Incumbent	0	Yes
Jin Li	Male	54	Independent director	Incumbent	0	No
Wan Liangyong	Male	45	Independent director	Incumbent	20.00	No
Wang Lixiang	Male	61	Independent director	Incumbent	9.68	No
Wu Zhiming	Male	40	Chairman of the Supervisory Committee, Shareholder Representative Supervisor	Incumbent	9.68	Yes
Zhuang Weidong	Male	44	Shareholder Representative Supervisor	Incumbent	6.05	Yes
Zhu Wei	Female	51	Employee Representative Supervisor	Incumbent	108.01	No
Li Jian	Female	52	CFO	Incumbent	612.21	No
Wang Yanjun	Male	41	Senior Vice President	Incumbent	Note	No
Liang Weihua	Male	43	Former Vice Chairman of the Board	Former	56.46	Yes
Wang Cheng	Male	50	Former Director	Former	904.89	No
Shen Haoping	Male	62	Former Director, Senior Vice President	Former	Note	No
Gan Yong	Male	77	Former Independent Director	Former	0	No
Chen Shiyi	Male	68	Former Independent Director	Former	6.32	No
Liu Xunci	Male	66	Former Independent Director	Former	6.32	No
Zheng Tao	Male	54	Former Chairman of the Supervisory Committee	Former	6.32	Yes
Qiu Haiyan	Female	50	Former Supervisor	Former	3.95	Yes
Mao Tianxiang	Male	44	Former Employee Representative Supervisor	Former	218.40	No
Total	--	--	--	--	6,214.11	

Notes: 1. The above amounts include fixed salaries, allowances, and performance bonuses received from the Company by the

directors, supervisors, and senior executives of the Company during their terms of office.

2. As at the end of the Reporting Period, Mr. Jin Li's pre-tax allowance of RMB 96,800 and Mr. Gan Yong's pre-tax allowance of RMB 564,600 remained unpaid; in the table above, Mr. Wang Cheng and Mr. Mao Tianxiang continued their executive positions following term renewal. Ms. Zhu Wei's remuneration reflects the full amount received during the Reporting Period, as her appointment predated the new nomination effective date; in the table above, Mr. Liang Weihua's allowance includes arrears from previous years settled during this Reporting Period; Mr. Lin Feng voluntarily waived his entitlement to allowances; Mr. Wang Yanjun and Mr. Shen Haoping received their remunerations at TZE, and the specific data shall be subject to the notice of TZE.

3. In 2024, the Company took out liability insurance for all of its directors, supervisors, and senior executives, with a total premium of RMB 421,800 per year. The participation of the directors, supervisors, and senior executives in the Company's employee stock ownership plan is detailed in the relevant announcements issued by the Company.

## VI. Performance of Duty by Directors in the Reporting Period

### 1. Board of Directors During the Reporting Period

Meeting	Date of the meeting	Date of disclosure	Resolutions of the meeting
The 38th meeting of the 7th Board of Directors	January 26, 2024	January 27, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 38th Meeting of the 7th Board of Directors</i> disclosed on www.cninfo.com.cn on January 27, 2024 (Notice No.: 2024-003).
The 39th meeting of the 7th Board of Directors	April 28, 2024	April 30, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 39th Meeting of the 7th Board of Directors</i> disclosed on www.cninfo.com.cn on April 30, 2024 (Notice No.: 2024-019).
The 1st meeting of the 8th Board of Directors	May 24, 2024	May 25, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 1st Meeting of the 8th Board of Directors</i> disclosed on twww.cninfo.com.cn on May 25, 2024 (Notice No.: 2024-041).
The 2nd meeting of the 8th Board of Directors	May 30, 2024	May 31, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 2nd Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on May 31, 2024 (Notice No.: 2024-047).
The 3rd meeting of the 8th Board of Directors	August 23, 2024	August 27, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 3rd Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on August 27, 2024 (Notice No.: 2024-063).
The 4th meeting of the 8th Board of Directors	August 26, 2024	August 27, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 4th Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on August 27, 2024 (Notice No.: 2024-065).
The 5th meeting of the 8th Board of Directors	September 26, 2024	September 27, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 5th Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on September 27, 2024 (Notice No.: 2024-071).
The 6th meeting of the 8th Board of Directors	October 29, 2024	October 30, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 6th Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on October 30, 2024 (Notice No.: 2024-075).
The 7th meeting of the 8th Board of Directors	December 27, 2024	December 28, 2024	All proposals were adopted. Please refer to <i>the Notice on Resolutions adopted at the 7th Meeting of the 8th Board of Directors</i> disclosed on www.cninfo.com.cn on December 28, 2024 (Notice No.: 2024-086).

## 2. Attendance of Independent Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director eligible to attend	Board Meetings attended on site	Board Meetings attended by way of telecommunication	Board Meetings attended through a proxy	Board Meetings the director failed to attend	The director failed to attend two consecutive board meetings or not	General meetings attended
Li Dongsheng	9	2	7	-	-	No	1
Zhang Zuoteng	7	1	6	-	-	No	3
Zhao Jun	9	1	8	-	-	No	-
Yan Xiaolin (Note)	-	-	-	-	-	No	-
Liao Qian	9	2	7	-	-	No	1
Lin Feng	9	2	7	-	-	No	1
Jin Li	7	1	6	-	-	No	1
Wan Liangyong	9	1	8	-	-	No	3
Wang Lixiang	7	1	6	-	-	No	2
Liang Weihua	2	1	1	-	-	No	-
Wang Cheng	2	1	1	-	-	No	-
Shen Haoping	8	-	8	-	-	No	-
Gan Yong	2	-	2	-	-	No	-
Chen Shiyi	2	1	1	-	-	No	-
Liu Xunci	2	1	1	-	-	No	1

Note: At the 1st Extraordinary General meeting of 2025 held by the Company on January 13, 2025, *the Proposal on Supplementing Non-independent Directors and Members of the Strategy & Sustainable Development Committee of the 8th Board of Directors* was deliberated on and adopted. The term of office of Mr. Yan Xiaolin as a director will commence from the date of deliberation and adoption at the General Meeting and end on the date of expiration of the term of office of the Eighth Board of Directors.

Explanation for absence from the Board meetings in person for two consecutive times: None

## 3. Objections Raised by Directors on Matters of the Company

Whether the directors raised objections on matters of the Company

☐Yes ☒No

No such cases in the Reporting Period.

## 4. Other Information about the Performance of Duty by Directors

Whether the directors adopted the proposals of the Company

☒Yes ☐No

Explanation for the proposal adopted by directors or not

During the reporting period, the directors of the Company diligently performed their duties and obligations in accordance with the provisions of *the Company Law, the Securities Law, the Listing Rules of Shenzhen Stock Exchange, the Articles of Association, the Rules of Procedure of the Board of Directors* and other laws, regulations, and rules. They provided valuable professional opinions on the internal control and daily operation decision-making of the Company, which effectively improved the standard operation and

scientific decision-making of the Company. The independent directors of the Company performed their duties independently and impartially in strict accordance with the Measures for *the Administration of Independent Directors of Listed Companies* and relevant laws and regulations, and issued independent and impartial opinions on major matters such as the Company's annual daily affiliated transaction forecast, effectively safeguarding the legitimate rights and interests of investors, especially small and medium-sized investors.

## VII. Performance of Duties by Dedicated Committees During the Reporting Period

Name	Members	Meetings convened	Date of the meeting	Meeting agenda	Important opinions and proposals raised	Other duties performed	Objection matters (if any)
Audit Committee of the 7th Board of Directors	Wan Liangyong, Chen Shiyi, Wang Cheng	2	March 11, 2024	1. 2023 Audit Plan for Financial Statements of TCL Technology Group Corporation; 2. 2023 Internal Control Plan of TCL Technology Group Corporation.		-	None
			April 28, 2024	1. Proposal on the 2023 Annual Financial Report of the Company; 2. Proposal on the full text and summary of the 2023 Annual Report. 3. Proposal on the Company's Report of Q1 2024; 4. Proposal on the 2023 Internal Control Evaluation Report; 5. Proposal on the Report of the Audit Committee of the Board of Directors for the Assessment of the Performance of Duties and the Performance of Supervisory Duties of the Accounting Firm in 2023.	The Audit Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> and <i>the Rules of Procedure of the Board of Directors</i> . Upon thorough communication and discussion, all proposals were unanimously adopted	-	None
Audit Committee of the 8th Board of Directors	Wan Liangyong, Jin Li, Wang Lixiang	3	May 24, 2024	1. Proposal on the Appointment of Chief Financial Officer (CFO) of the Company	The Audit Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> and <i>the Rules of Procedure of the Board of Directors</i> . Upon thorough communication and discussion, all proposals were unanimously adopted	-	None
			August 26, 2024	1. The full text and summary of the Company's 2024 Semi-annual Report.		-	None
			October 29, 2024	1. The full text of the Company's Report of Q3 2024; 2. Proposal on the Appointment of Accounting Firm.		-	None
Nomination Committee of the 7th Board of Directors	Chen Shiyi, Wan Liangyong, Liu Xunci, Liang Weihua, Liao Qian	1	April 28, 2024	1. Proposal on the General Election of Non-Independent Directors of the Board of Directors; 2. Proposal on the General Election of Independent Directors by the Board of	The Nomination Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> , <i>the Rules of Procedure of the Board of</i>	-	None

				Directors.	<i>Directors</i> and other relevant laws and regulations. Upon thorough communication and discussion, all proposals were unanimously adopted.		
Nomination Committee of the 8th Board of Directors	Jin Li, Wang Lixiang, Liao Qian	2	May 24, 2024	1. Proposal on the Appointment of Chief Financial Officer (CEO); 2. Proposal on the Appointment of Secretary of the Board of Directors and Other Senior Management.	The Nomination Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> , <i>the Rules of Procedure of the Board of Directors</i> and other relevant laws and regulations. Upon thorough communication and discussion, all proposals were unanimously adopted.	-	None
			December 27, 2024	1. The Proposal on Supplementing Non-Independent Directors and Members of the Strategy & Sustainable Development Committee of the 8th Board of Directors; 2. Proposal on the Appointment of Other Senior Management.		-	None
Remuneration and Assessment Committee of the 7th Board of Directors	Gan Yong, Wan Liangyong, Wang Cheng, Liu Xunci	1	April 28, 2024	1. Proposal on Remuneration of Directors, Supervisors and Senior Management for 2023; 2. Proposal on the Allowance Plan for Directors of the 8th Board of Directors.	The Remuneration and Assessment Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> , <i>the Rules of Procedure of the Board of Directors</i> and other relevant laws and regulations. Upon thorough communication and discussion, all proposals were unanimously adopted.	-	None
Remuneration and Assessment Committee of the 8th Board of Directors	Wang Lixiang, Wan Liangyong, Zhao Jun	1	May 30, 2024	1. Proposal on the 2024 <i>Employee Stock Ownership Plan of TCL Technology Group Corporation (Draft)</i> ; 2. Proposal on the <i>Management Measures for the 2024 Employee Stock Ownership Plan of TCL Technology Group Corporation</i> .	The Remuneration and Assessment Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> , <i>the Rules of Procedure of the Board of Directors</i> and other relevant laws and regulations. Upon thorough communication and discussion, all proposals were unanimously adopted.	-	None
Strategy Committee of the 7th Board of Directors	Li Dongsheng, Liang Weihua, Wang Cheng, Liao Qian, Shen Haoping, Zhao Jun, Chen Shiyi	1	April 28, 2024	1. 2023 ESG Report	The Strategy Committee carried out its work in strict accordance with <i>the Company Law</i> , the regulatory rules of the CSRC, <i>the Articles of Association</i> , <i>the Rules of Procedure of the Board of Directors</i> and other relevant laws and regulations. Upon thorough communication and discussion, all proposals were	-	None

					unanimously adopted.		
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## VIII. Performance of Duty by the Supervisory Committee

Indicate whether the Supervisory Committee found any risk to the Company during its supervision in the Reporting Period.

☐Yes ☒No

The Supervisory Committee raised no objections in the Reporting Period.

## IX. Employees

### 1. Number, Functions, and Educational Backgrounds of Employees

Number of in-services of the Company as the parent at the end of period	564
Number of in-services of the Company of major subsidiaries at the end of period	70,503
Total number of in-services of the Company at the end of period	71,067
Total number of paid employees in the Reporting Period	71,067
Number of retirees to whom the Company as the parent or its major subsidiaries needs to pay retirement pensions	1,360
Functions	
Function	Employees
Production	48,452
Sales	2,254
Technical	10,855
Financial	976
Administrative	385
Management	2,095
Others	6,050
Total	71,067
Educational backgrounds	
Educational background	Employees
PhD	240
Master	3,749
Bachelor's degree	14,216
Junior college and others	3,319
Total	21,524

Note: The "educational backgrounds" section excludes overseas employees and front-line operators.

### 2. Employee Remuneration Policy

The Company implements the remuneration management based on the principle of "job-determined

responsibilities and salary, and pay for performance." Fixed pay is determined based on position evaluation, while variable pay is tied to performance assessment, establishing an internal compensation mechanism driven by both role and performance.

### **3. Employee Training Plans**

TCL University further strengthens its strategic role in "accumulating experience, empowering talents, and enabling organizations." Aligned with TCL's global expansion strategy, it prioritizes enhancing core organizational capabilities and optimizing talent development systems to support the Company's ambition of becoming a global industry leader.

**Empowering talents:** The Company further advanced its Elite Development Program in 2024, strengthening the leadership pipeline and building expert reserves in critical fields. Throughout the year, we trained 274 mid-to senior-level management professionals and subject matter experts, while simultaneously implementing coaching and support initiatives for middle and frontline talent development across the industry.

**Empowering organizations:** The Company strengthened key organizational capabilities through scenario-based empowerment initiatives. These programs enhanced industrial competencies and problem-solving effectiveness, while supporting multiple strategic projects including cadre development, pilot planning, M&A integration, and DSTE empowerment. The initiatives engaged over 5,200 employees and resulted in the development of 18 proprietary TCL management training courses.

**Accumulating experience:** By promoting the teaching by direct management cadres, accumulating excellent internal experience of TCL and creating high-quality resources, the Company supported the talent development of the whole group, integrated and developed 313 high-quality courses that cover management, leadership, professionalism, and general categories, with more than 70,000 trainees.

**Digital learning platform:** As of December 31, 2024, T School had more than 70,000 users, more than 3,700 online courses, and a total learning time of more than 650,000 hours in 2024. It is committed to creating innovative experiences of knowledge, function, and social learning.

In the future, TCL University will start from business strategy, coordinate with industry, precipitate TCL management methods, and empower organizations and talents: it will provide assistance in improving strategy and change management, global business capabilities, and technological innovation capabilities; provide accurate and sufficient high-quality resources for organization and talent empowerment with the goal of building key organizational capabilities; plan and build in stages to create a data-driven and adaptive global employee career



learning and development platform.

#### 4. Labor Outsourcing

☐Applicable ☒Not applicable

### X. Profit Distributions to Shareholders (in the Form of Cash and/or Stock) and Share Capital Converted from Capital Reserve

Formation, implementation, or adjustment of profit distribution policy, especially cash dividend policy, in the Reporting Period

☒ Applicable ☐ Not applicable

For details, see *the Shareholder Dividend Reward Plan for the Next Three Years (2023-2025)* disclosed by the Company on March 31, 2023.

Special explanation of cash dividend policy	
In compliance with the Company's Articles of Association and resolutions of general meetings	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due roles:	Yes
Companies that do not distribute cash dividends shall disclose the specific reasons and the measures they intend to take to enhance investor returns in the next step:	Not applicable
Non-controlling interests were able to fully express their opinions and desires and their legal rights and interests were fully protected:	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved were in compliance with applicable regulations and were transparent:	Not applicable

During the Reporting Period, the Company made profits and the parent company's profits that were eligible for profit distribution for shareholders were positive, but no cash dividend distribution plan was put forward

☐Applicable ☒Not applicable

Final Dividend Plan and Share Capital Converted from Capital Reserve for the Reporting Period

☒ Applicable ☐ Not applicable

Bonus issue from profit (share/10 shares)	0
Cash dividend/10 shares (RMB) (tax inclusive)	0.5
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	18,779,080,767
Cash dividends (RMB) (tax inclusive)	938,954,038.35
Cash dividends in other forms (e.g. share repurchase) (RMB)	520,333,325.20
Total cash dividends (including those in other forms) (RMB)	1,459,287,363.55
Distributable profits (RMB)	17,272,749,404
Total cash dividends (including those in other forms) as a percentage of total profits to be distributed (%)	100%
Cash dividend plan	

Based on the Company's capital share as of April 25, 2025, i.e. 18,779,080,767 shares eligible for the profit distribution (any repurchased shares held by the Company upon profit distribution are exclusive of the distribution), shareholders will receive a cash dividend of RMB 0.5 for every 10 shares held (tax included).
Details of profit distribution or capital reserve fund transfer plan
<p>The Company proposed a profit distribution plan that for every 10 shares held on April 25, 2025, shareholders will receive a cash dividend of RMB 0.5 (tax included) based on the capital shares of 18,779,080,767 to be eligible for profit distribution (any repurchased shares held by the Company upon profit distribution are exclusive of the distribution) with a total distributed profit of RMB 938,954,038.35 and the remaining undistributed profit carried forward for distribution in future years. No bonus share was distributed, nor was the capital reserve converted to share capital this year.</p> <p>Where any changes occur, before the implementation of the dividend plan, to the total share capital of the Company due to any convertible bonds-to-stock programs, share repurchases, exercises of equity incentives, new share issues in refinancing, etc., the dividend will be adjusted according to the principle of "adjusting the total distribution amount under the same distribution ratio", subject to the actual distribution amount.</p>

## XI. Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

☒ Applicable ☐ Not applicable

### 1. Equity Incentives

Equity Incentives Granted to Directors and Senior Management

☐ Applicable ☒ Not Applicable

Appraisal of and Incentive for Senior Management

During the Reporting Period, the Company conducted performance appraisals and competency and quality assessments on the managers. The Contract to Success (CTS) system was used for performance assessment. In respect to the team led by each manager, the key factors of performance appraisal included phased strategic goals and operating goals of the current period (such as profits, cash flow, products, and service quality) and key projects; the comprehensive results of each accomplished goal were considered as the main basis for motivating managers. In that way, corporate strategies were converted into internal management activities through the process of goal setting, implementation, and accomplishment to direct all systems of the Company and serve the purpose of enhancing the overall efficiency of the Company. The management assessment consisted of four dimensions, including manager performance, competence, experience, and quality (potential, personality, and aspiration/values). An annual examination report for managers was generated through annual performance assessment, manager review and inspection, talent appraisal & development center, 360-degree behavior interviews or online assessment, supported by key experience, personality or management style assessment, which served as the main basis for assessing, appointing, and dismissing leaders.

### 2. Implementation of Employee Stock Ownership Plan

☒ Applicable ☐ Not applicable

All the valid employee stock ownership plans during the Reporting Period

Name	Scope of	Number of	Total number	Changes	Proportion to	Funding source
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	employees	employees	of shares held (share)		total share capital of listed companies	for implementing the plan
2021-2023 Employee Stock Ownership Plan (Phase I)	The Company's middle and senior management and outstanding key staff	Less than 3,600	3,591,914	Not applicable	0.02%	Special incentive funds provisioned by the Company
2021-2023 Employee Stock Ownership Plan (Phase II)	The Company's middle and senior management and outstanding key staff	Less than 3,600	19,322,635	Not applicable	0.10%	Special incentive funds provisioned by the Company
2021-2023 Employee Stock Ownership Plan (Phase III)	The Company's middle and senior management and outstanding key staff	Less than 3,600	64,992,964	Not applicable	0.35%	Employees' legitimate income, performance- based bonus or other distribution permitted by laws and regulations
2024 Employee Stock Ownership Plan	The Company's middle and senior management and outstanding key staff	Less than 3,600	117,993,100	Not applicable	0.63%	Employees' legitimate income, performance- based bonus or other distribution permitted by laws and regulations

Shareholdings of Directors, Supervisors, and Senior Management under the Employee Stock Ownership Plan during the Reporting Period

Name	Position	Beginning amount in the Reporting Period	Ending amount in the Reporting Period	Proportion to total share capital of listed companies
Li Dongsheng	Chairman, CEO	About 17.89 million shares Note 1	About 17.97 million shares	0.10%
Zhao Jun	Director, Senior Vice President			
Liao Qian	Director, Board Secretary and Senior Vice President			
Li Jian	CFO			
Yan Xiaolin	Senior Vice President, CTO			
Zhu Wei	Employee Representative Supervisor			

Note: 1. The number of shares held at the beginning of the Reporting Period includes the quota of directors, supervisors, and senior managers (Li Dongsheng, Wang Cheng, Zhao Jun, Liao Qian, Mao Tianxiang, Li Jian and Yan Xiaolin) in the 2021-2023 Employee Stock Ownership Plan (Phase III) (Draft).

Changes of asset management institutions during the Reporting Period

☐Applicable ☒Not applicable

Changes of equity caused by the holder's disposal of shares during the Reporting Period

☐Applicable ☒Not applicable

Exercise of shareholder rights during the Reporting Period

During the reporting period, the Company's ESOP participants exercised their shareholder rights to receive the profit distribution for 2023, but did not participate in voting at the general meeting or exercise other shareholder rights.

Other relevant information and explanations of the Employee Stock Ownership Plan during the Reporting Period.

☐Applicable ☒Not applicable

Changes of the members of the Employee Stock Ownership Plan Management Committee

☐Applicable ☒Not applicable

Financial impact of the Employee Stock Ownership Plan on the Company during the Reporting Period and related accounting treatment

☒ Applicable ☐ Not applicable

The financial, accounting treatment and taxation involved in the Company's shareholding plan shall be implemented according to laws and regulations and normative documents on financial systems, accounting standards, taxation systems, etc. The holder of the shareholding plan shall pay the personal income tax generated due to the shareholding plan according to law, and can choose to sell the corresponding amount of shares to the shareholding plan to cover personal income tax. The remaining shares will be attributed to individuals.

Termination of Employee Stock Ownership Plan during the Reporting Period

☒ Applicable ☐ Not applicable

Based on the agreements under the *Phase III Global Partner Program (Draft)*, the shares attributable to employees under the Program within 2023 have been fully vested, sold, and transferred to employees. In March 2024, shares attributed to the Company in the scheme of the current period were sold.

### 3. Other Employee Incentives

☐Applicable ☒Not applicable

## XII. Construction and Implementation of Internal Control System During the Reporting Period

### 1. Construction and Implementation of Internal Control System

In accordance with the provisions of the internal control standard system, the Company establishes, improves, and effectively implements internal controls to reasonably ensures the legal compliance of business management, asset security, authenticity and integrity of financial statements and relevant information, improves business efficiency and effectiveness, and promotes the realization of development strategy.

### 2. Material Internal Control Weaknesses Identified in the Reporting Period

☐Yes ☒No

## XIII. Management and Control of Subsidiaries by the Company During the Reporting Period

☐Applicable ☒Not applicable

## XIV. Internal Control Evaluation Report or Independent Auditor's Report on Internal Controls

### 1. Internal Control Evaluation Report

Disclosure date of the internal control self-evaluation report	April 29, 2025
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Index to the disclosed internal control self-evaluation report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>	
Evaluated entities' combined assets as a percentage of consolidated total assets		98%
Evaluated entities' combined revenue as a percentage of consolidated revenue		97%
Identification standards for internal control weaknesses		
Category	Weaknesses in internal controls over financial reporting	Weaknesses in internal controls not related to financial reporting
Nature standard	<p>Material weaknesses: (1) an invalid control environment; (2) fraud of directors, supervisors, and senior management; (3) any material misstatement of financial reporting of the current period that was identified by the registered accountants but not reported by the Company; and (4) invalid internal control supervision by the Audit Committee and the internal audit organ.</p> <p>Serious weaknesses: A single weakness or a group of weaknesses that are less serious than a material weakness but could still cause deviation from the control objectives.</p> <p>Common weaknesses: Other internal control weaknesses that are neither material nor serious.</p>	<p>Material weaknesses: (1) material violations of the country's laws or regulations in the Company's operating activities; (2) any material decision-making error that is caused by an irrational decision-making procedure and causes material property loss to the Company; (3) a massive loss of the key managerial or technical personnel; and (4) frequent negative news coverage that causes great concern for the regulatory administration and a material long-lasting impact on the Company's brand and reputation.</p> <p>Serious weaknesses: A single weakness or a group of weaknesses that are less serious than a material weakness but could still cause deviation from the control objectives.</p> <p>Common weaknesses: Other internal control weaknesses that are neither material nor serious.</p>
Quantitative standard	<p>Material weaknesses: misstatements <math>\geq 5\%</math> of total profit;</p> <p>Serious weaknesses: 3% of total profit <math>\leq</math> misstatements <math>&lt; 5\%</math> of total profit;</p> <p>Common weaknesses: misstatements <math>&lt; 3\%</math> of total profit</p>	Not applicable
Number of material weaknesses in internal controls over financial reporting		None
Number of material weaknesses in internal controls not related to financial reporting		None
Number of serious weaknesses in internal controls over financial reporting		None
Number of serious weaknesses in internal controls not related to financial reporting		None

## 2. Independent Auditor's Report on Internal Controls

☒ Applicable ☐ Not applicable

Opinion paragraph in the independent auditor's report on internal controls
In our opinion, TCL Technology Group Corporation maintained, in all material respects, effective internal control over financial

reporting as of December 31, 2024, based on <i>the Basic Rules for Enterprise Internal Control</i> and other applicable rules.	
Independent auditor's report on internal controls disclosed or not	<i>The Internal Control Audit Report of TCL Technology Group Corporation</i> is disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> dated April 29, 2025
Disclosure date	April 29, 2025
Index to such report disclosed	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Type of the auditor's opinion	Unmodified opinions
Material weaknesses in internal controls not related to financial reporting	No

Indicate whether any modified opinion is expressed in the independent auditor's report on the Company's internal controls.

☐Yes ☒No

Indicate whether the independent auditor's report on the Company's internal controls is consistent with the internal control self-evaluation report issued by the Company's Board.

☒Yes ☐No

## **XV. Ad-hoc Self-inspection and Rectification for Corporate Governance of Listed Companies**

Not applicable

## Part V Environmental and Social Responsibility

### I. Major Environmental Issues

Whether the listed company and its subsidiaries are major polluters announced by the environmental protection department

☒Yes ☐No

Policies and Industrial Standards in Connection with Environmental Protection

The Company complies with a number of environmental protection policies: *Law of the People's Republic of China on Environmental Protection*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, *Law of the People's Republic of China on the Prevention and Control of Radioactive Pollution*, *Law of the People's Republic of China on Environment Impact Assessment*, and *Regulations on the Administration of Pollutant Discharge Permits*, etc.

Industrial standards referred by the Company in environmental protection include the Discharge Standard of Water Pollutants for Electronic Industry, Emission Standard of Pollutants for Battery Industry, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant, Emission Standard for Industrial Enterprises Noise at Boundary, Standard for Pollution Control on Hazardous Waste Storage, and Emission Standards for Odor Pollutants, with the aim to ensure the continuous and stable operation of various environmental protection facilities, achieve effective treatment of "three wastes" and meet emission standards.

Administrative License for Environmental Protection

The Company complies with the laws and regulations related to environmental protection licenses during its construction, carries out environmental impact evaluations, obtains pollutant discharge permits, and files with the provincial and municipal environmental regulators for its operation in a timely manner.

Industrial Discharge Standards, and Details on Pollutant Discharge from Production and Operation

Name of the Company or subsidiary	Key pollutants and types of specific pollutants	Name of Major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge intensity	Implemented Pollutant discharge standards	Total discharge	Approved total discharge	Excessive discharge
Wuhan China Star Optoelectronics Technology Co.,	Waste water pollutants	COD	Indirectly discharged	2	Southwest and northwest corners of the plant	59.33 mg/L	400mg/L	57.39t	847.95t	None

Ltd.		Ammonia nitrogen	Indirectly discharged	2	Southwest and northwest corners of the plant	5.26mg/L	30mg/L	1.98t	85.80t	None
	Air pollutants	Nitrogen oxides	Directly discharged	14	Southeast and southwest corners of the plant	6.65mg/m <sup>3</sup>	150mg/m <sup>3</sup>	16.49t	59.51t	None
		VOCS	Directly discharged	5	Southeast and southwest corners of the plant	1.2mg/m <sup>3</sup>	50mg/m <sup>3</sup>	5.8t	114.319t	None
		PM (particulate matter)	Directly discharged	11	Southeast and southwest corners of the plant	4.38mg/m <sup>3</sup>	60mg/m <sup>3</sup>	19.3t	26.48t	None
Wuhan China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	Waste water pollutants	COD	Indirectly discharged	1	Northwest corner of the plant	130.33mg/L	400mg/L	356.43t	570.80t	None
		Ammonia nitrogen	Indirectly discharged	1	Northwest corner of the plant	6.56mg/L	30mg/L	17.48t	57.10t	None
	Air pollutants	Nitrogen oxides	Directly discharged	10	Northeast corner of the plant	13.87mg/m <sup>3</sup>	150mg/m <sup>3</sup>	35.6t	139.84t	None
		VOCS	Directly discharged	2	Northeast corner of the plant	1.46mg/m <sup>3</sup>	50mg/m <sup>3</sup>	13.744t	99.785t	None
		PM (particulate matter)	Directly discharged	10	Northeast corner of the plant	4.28mg/m <sup>3</sup>	60mg/m <sup>3</sup>	27.99t	36.70t	None
TCL China Star Optoelectronics Technology Co., Ltd.	Waste water pollutants	COD	Discharged to Guangming Sewage Plant	1	North of the plant area	123.3mg/L	260mg/L	1003.797t	2071.12t	None
		Ammonia nitrogen	Discharged to Guangming Sewage Plant	1	North of the plant area	13.5mg/L	30mg/L	110.867t	238.98t	None
		COD	Discharged to Maozhou River	1	Artificial wetland	14.3mg/L	30mg/L	50.7t	174.89t	None
		Ammonia nitrogen	Discharged to Maozhou River	1	Artificial wetland	0.14mg/L	1.5mg/L	0.52t	7.7t	None
Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	Waste water pollutants	COD	Discharged to Guangming Sewage Plant	2	Southeast corner of the plant	30mg/L	110mg/L	252.725t	1077.8t	None
		Ammonia nitrogen	Discharged to Guangming Sewage Plant	1	Southeast corner of the plant	10mg/L	30mg/L	64.85t	173.52t	None
Suzhou China Star Optoelectronics Technology Co., Ltd.	Waste water pollutants	COD	Continuously discharged to Suzhou Huaxin Environmental Technology Co., Ltd.	2	Within the Wastewater Treatment Plant of Suzhou Huaxin Environmental Technology	83.5mg/L	500mg/L	109.67t	129.600t	None
						12 mg/L	100mg/L	50.81t	449.820t	None
		Ammonia nitrogen		1		0.295mg/L	6mg/L	1.23t	22.680t	None
Suzhou China	Waste	COD	Continuously	1	South gate of the	18.2mg/L	500mg/L	3.143t	96.335t	None



Star Optoelectronics Display Co., Ltd.	water pollutants	Ammonia nitrogen	discharged to Suzhou Industrial Park First Sewage Treatment Plant		plant area	0.19mg/L	45mg/L	0.035t	5.647t	None
TianJin Zhonghuan Advanced Material&Technology Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	DB12/356-2018 <i>Integrated Wastewater Discharge Standard</i>	145.98t	700.24t	None
		Ammonia nitrogen	Organized	1	General discharge outlet			17.71t	33.03t	None
Tianjin Huan'ou Bandaoti Material&Technology Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	DB12/356-2018 <i>Integrated Wastewater Discharge Standard</i>	33.913t	42.19t	None
		Ammonia nitrogen	Organized	1	General discharge outlet			6.223t	-	None
		Total nitrogen	Organized	1	General discharge outlet			6.042t	-	None
Tianjin Huanzhi New Energy Technology Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	DB12/599-2015 <i>Pollutant Discharge Standards for Urban Sewage Treatment Plants</i>	8.27t	20.78t	None
		Total phosphorus	Organized	1	General discharge outlet			0.01t	0.23t	None
		Ammonia nitrogen	Organized	1	General discharge outlet			0.04t	4.39t	None
		Total nitrogen	Organized	1	General discharge outlet			0.59t	1.48t	None
Inner Mongolia Zhonghuan Solar Material Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	GB8978-1996 <i>Integrated Wastewater Discharge Standard</i>	163.66t	-	None
		Total phosphorus	Organized	1	General discharge outlet			1.81t	-	None
		Ammonia nitrogen	Organized	1	General discharge outlet			0.55t	-	None
		Flouride	Organized	1	General discharge outlet			4.45t	-	None
Zhonghuan Advanced Bandaoti Technology Co., Ltd.	Waste water pollutants	Total phosphorus	Organized	2	DW001DW003	In compliance with discharge standard	GB/T 31962 <i>Quality Standards for Discharged Wastewater to Municipal Sewers; GB8978-1996 Integrated Wastewater Discharge Standard</i>	0.3389t	1.59t	None
		Total nitrogen	Organized	2	DW001DW003			80.5351t	157.19t	None
		COD	Organized	2	DW001DW003			595.6908t	1851.36t	None
		Ammonia nitrogen	Organized	2	DW001DW003			49.5485t	138.26t	None
Huansheng Solar (Jiangsu) Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	GB 30484--2013 <i>Discharge Standard for Battery</i>	7.63t	72.14t	None
		Flouride	Organized	1	General discharge outlet			0.724t	2.23t	None

		Ammonia nitrogen	Organized	1	General discharge outlet		<i>Industry Pollutants</i>	0.048t	0.02t	None
		Total nitrogen	Organized	1	General discharge outlet			0.05t	0.3t	None
		Total phosphorus	Organized	1	General discharge outlet			0.0005t	0.01t	None
Wuxi Zhonghuan Applied Materials Co., Ltd.	Waste water pollutants	Chemical oxygen requirement	Organized	1	General discharge outlet	In compliance with discharge standard	GB39731-2020 <i>Discharge Standard of Water Pollutants for Electronic Industry</i>	273.5t	883.38t	None
		Ammonia nitrogen	Organized	1	General discharge outlet			0.199t	3.66t	None
		Total nitrogen	Organized	1	General discharge outlet			11.329t	13.67t	None
		Total phosphorus	Organized	1	General discharge outlet			0.798t	1.08t	None

#### Disposal of pollutants

During the Reporting Period, the pollutants generated by the Company and its subsidiaries were discharged in accordance with the requirements of the pollutant discharge permit after treated by corresponding pollutant treatment facilities. All kinds of pollutant treatment facilities were in normal operation, and there were no incidents of notification or punishment received from public environmental supervision agencies. The discharge and disposal of wastewater, waste gas, solid waste, and plant boundary noise generated in the operating process complied with the laws and regulations of the country and the place where the operation was located.

The Company's includes domestic waste water and industrial waste water, of which domestic waste water was discharged into the pipe network of local municipal sewage treatment after being pre-treated with oil separation and septic treatment; industrial waste water enters different treatment systems according to its characteristics, and was discharged after physical, chemical and biochemical treatment.

The Company's air pollutants are primarily process emissions generated during production. For different types of waste gases, the Company has constructed corresponding waste gas treatment systems, such as a waste gas stripping system, acidic waste gas treatment system, alkaline waste gas treatment system, organic waste gas treatment system, waste gas treatment system for waste water treatment station, etc. Waste gases were collected via pipelines to the waste gas treatment system, where they undergo compliant treatment and were discharged via elevated stacks upon meeting relevant standards. Both the concentration and total emissions of waste water and waste gases complied with applicable national and local regulatory standards.

The solid waste generated by the Company include general waste, hazardous waste, and domestic waste. Hazardous waste was managed in strict compliance with regulations licensed hazardous waste disposal agencies. General waste was recycled and disposed of by a resource recycling manufacturer after being classified in the plant area. Domestic waste was uniformly handled by the municipal public. All of the above practices fully complied with applicable laws and regulations.

The factory noises generated by the Company come from the mechanical noises of production and power equipment, including

refrigerators, cooling towers, air compressors, fans, various pumps, etc. The Company reduces the impact of noise on the surrounding environment by the use of low-noise equipment, vibration reduction, noise reduction, etc., and noise reduction measures such as sound insulation and sound absorption in the factories and equipment rooms. The monitoring results showed that the Company's factory noise emissions can stably reach the standards.

#### Environmental Self-Monitoring Program

In compliance with the environmental impact assessment (EIA) approval and the pollutant discharge permit, the Company implemented conducts online monitoring of various pollutants. Monitoring parameters, applicable standards, and compliance thresholds are clearly defined. Based on its operational conditions, the Company established a self-monitoring plan and regularly commissions certified third-party agencies to perform testing, with reports retained for records. In addition to self-monitoring, the local environmental protection department also infrequently supervises the Company with environmental testing to ensure that emissions meet standards.

#### Emergency Response Plan for Environmental Incidents

The Company regularly carried out environmental risk assessments and emergency material surveys, prepared an *Emergency Response Plan for Environmental Incidents* and submitted it to the local environmental protection department for record-filing after being reviewed by experts. The Company regularly delivered employee training on emergency plans and carries out emergency drills for environmental emergencies to ensure timely and accurate responses to environmental pollution emergencies.

The Emergency Response Plan shall undergo reviews and updates to align with changes of subsidiary-specific operational profiles in a timely manner, and shall be prepared again in case of major changes or after every 3 years.

#### Relevant information on investments in environmental governance and protection and payments of environmental protection taxes

The Company pays the environmental protection taxes every quarter through the Financial Department, and the investments in environmental protection are calculated on an annual basis.

#### Measures taken to reduce its carbon emissions and their effects during the Reporting Period

☒ Applicable ☐ Not applicable

In 2024, TCL TECH. performed well in the international ESG rating with an A- in CDP water security, a B in climate change, and an S&P Global CSA score of 39, which was at the upper-middle level of the industry. To address the challenge of global climate change and actively respond to the national strategic requirements of "emission peak" and "carbon neutrality," TCL TECH. established an ad-hoc climate change response team, developed well-defined carbon reduction pathways and greenhouse gas management strategies, and has continuously increased the use of renewable energy and overall energy efficiency. TCL TECH. managed its overall greenhouse gas emissions from five aspects: supervision of carbon accounting, carbon reduction management, carbon asset pooling, carbon trading services, and carbon finance support. In addition, the Company also carried out the ISO 14064 Greenhouse Gas

Accounting and Verification through third-party agencies, completed 2024 carbon verification, and developed relevant improvement measures, as well as conducted annual self-evaluation to ensure the targets were achieved.

In the display sector, TCL CSOT (a subsidiary of TCL TECH.) implemented energy-saving and consumption-reduction initiatives across all its operations through process optimization, management improvements, and parameter adjustments. In 2024, the Company implemented 361 energy-saving projects, achieved total energy savings of 224,319 MWh and reduced carbon emissions by approximately 115,446 tons. In addition to building or upgrading photovoltaic power stations, existing factory equipment or systems improved energy efficiency through parameter adjustments and regular maintenance. In active response to the national strategy of reducing greenhouse gas emissions, the Company always upholds the business philosophy of green and sustainable development. It continues to implement a series of measures such as selection of energy-efficient equipment (100% major equipment equipped with frequency conversion and automation equipment), smart energy system management and optimization of power supply to effectively reduce equipment energy consumption. Furthermore, the Company recovers waste heat and ice water energy and utilizes solar energy for power generation, thereby reducing carbon emissions. As the statement of greenhouse gas validation and verification was obtained for certification, Suzhou CSOT has applied to join the SBTi (Science Based Targets Initiative). The Shenzhen-Huizhou base has completed 135 energy conservation projects, mainly focusing on the process innovation of factory equipment while keeping production, saving approximately 82.96 million kWh of electricity and achieving energy-saving benefits of RMB 45.63 million. Besides, TCL CSOT continued to develop and utilize renewable energy, and facilitated rooftop photovoltaic installations wherever possible. As of the end of the Reporting Period, TCL CSOT's total installed photovoltaic power generation capacity reached 138.5 MW, with photovoltaic power generation totaling 149,236 MWh (from Huizhou Base, 1,627 MWh of photovoltaic power was sold externally, and 147,609 MWh of photovoltaic power was used internally). Furthermore, TCL CSOT purchased approximately 36,300 MWh of green electricity and obtained green certificates (equivalent to 160,000 MWh) from power sales companies, bringing the total renewable energy usage to 346,667 MWh.

In the photovoltaic industry, TZE, a subsidiary of TCL TECH., achieved an A- rating (Leadership Level) in CDP's 2024 global environmental disclosure for water security—placing it among the global leaders. Additionally, the Company achieved the highest management-level rating (B) for climate change, the top level within China's photovoltaic industry. In 2024, 9 subsidiaries under TZE were certified as "zero-waste factories," and 10 enterprises were awarded "green factory" certifications, of which 4 enterprises were recognized as "nation-level green factories", including Inner Mongolia Zhonghuan Crystal Materials Co., Ltd., Ningxia Zhonghuan Solar Material Co., Ltd., Tianjin Zhonghuan Advanced Material & Technology Co., Ltd., and Tianjin Huanzhi New Energy Technology Co., Ltd.. Through energy-saving technological upgrades, rooftop photovoltaics, self-owned power stations, green electricity procurement, and carbon credit offsets, TZE continued to implement 102 energy-saving and water-saving projects by the end of 2024. In 2024, the total greenhouse gas emissions of Scope 1 and Scope 2 decreased by over 30% compared to 2023, while the electricity

intensity and freshwater withdrawal intensity for new energy photovoltaic products decreased by 15% and 19% compared to 2023, respectively, exceeding the established targets. While accelerating its own operation of carbon neutrality, the Company has been committed to driving carbon neutrality across the value chain ecosystem through technological innovation and industrial 4.0 manufacturing transformation, thus facilitating green and sustainable development in the industry. In 2024, through green power market transactions and initiatives such as rooftop photovoltaic power generation, TZE achieved an annual renewable energy consumption rate of 38% of its total electricity usage.

Moving forward, TCL TECH. will continue to drive innovation and uphold its commitments. With cutting-edge technology, a robust industrial ecosystem, and a strong sense of social responsibility, the Company will pioneer new milestones in sustainable development and lead the industry toward a greener and brighter future.

Administrative punishments received with respect to environmental issues in the Reporting Period

None

Other environmental information that should be publicly disclosed

None

Other environmental-related information

None

Reasons for not disclosing other environmental information

Not applicable

Relevant information on environmental accidents occurring in the Company

None

## II. Social Responsibility

To promote the balanced development of education between urban and rural areas and facilitate the interconnection and sharing of educational resources, the TCL Public Welfare Foundation, in collaboration with TCL Commercial Information Technology (Huizhou) Co., Ltd., TCL Communication Technology Holdings Limited, and other partners, has established TCL Smart Classrooms in schools across urban and rural regions. Leveraging next-generation technology, these classrooms form a "1+N" smart education network equipped with TCL's advanced educational tools, including smart interactive blackboards, educational tablets, and eye-protection lighting systems. This initiative enables the sharing of high-quality educational resources and contributes to greater equity in education. So far, TCL Smart Classroom has been implemented in Shenzhen Nanshan Second Foreign Languages School (Group) Haide School and Chiwan School in Shenzhen, Guangdong Province, Longsheng Experimental Junior Middle School and No. 18 Primary School in Multinational Autonomous County of Longsheng, Guangxi Province, and Yuanshan County Primary School in Lianping County, Heyuan, Guangdong Province, and has carried out two-teacher interactive classrooms and four-school linkage classrooms, serving nearly 7,000 students in total.

In 2019, the TCL Public Welfare Foundation officially launched the "A.I. Go Home" project. In cooperation with TCL Industrial Technology Research Institute, the Foundation employed artificial intelligence technology to develop and design a storytelling robot, which can simulate the voices of parents and tell stories to children, thus improving children's sense of happiness and strengthening the emotional connections between parents and children. The "Eagle Story Club" organizes pilot classes in rural schools, using the "Eagle Story Robot" to select engaging stories that introduce children to renowned Chinese and foreign literary stories—spanning both classical and modern tales. So far, this program has established 88 rural pilot schools in 21 provinces nationwide, and distributed 393 "Eagle Story Robots" to left-behind and migrant children in multiple regions, including Gansu, Shaanxi, Shanxi, Anhui and Guangdong, benefiting over 27,000 people. Moreover, the TCL Public Welfare Foundation launched the Wechat Mini Program "Eagle Listen" online and, in cooperation with China Social Sciences Press, provided nearly 30 books for the "Eagle Story Robot," in which over 1,000 stories about children's growth are included.

To provide extensive music education resources for children in need, the TCL Public Welfare Foundation and the Education Foundation of the Central Conservatory of Music initiated the "Little Music+" project in 2019. This project launched "Xiaoxue (also known as Little Snow) Music Robot," which contains 100 pieces of famous Chinese and foreign music and their appreciation, enriching the quality education resources in rural areas. So far, this project has distributed "Xiaoxue Music Robots" to the rural children in regions including Guangdong, Jiangxi and Ningxia.

### **III. Consolidating and Extending the Achievements of Poverty Alleviation and Pushing Forward Rural Revitalization**

In order to actively implement the "carbon peaking and carbon neutrality" strategy of the State and respond to the sustainable development goals of the United Nations, since 2022, TCL Public Welfare Foundation and TZE, starting in-depth cooperation, have been carrying out the construction of "TCL Solar Low-Carbon Campuses" nationwide. Over the past two years, the 'TCL Solar Low-Carbon Campuses' project has supported rural education sustainability by donating rooftop PV power generation systems along with their full electricity revenue. Now, in its upgraded 2.0 version, the project employs a social-value investment model to develop customized photovoltaic low-carbon campuses for urban schools. While realizing the coverage of diversified photovoltaic education scenarios, this project promotes the diversification of education for photovoltaic environmental protection, creates a systematic photovoltaic education assistance model, and continues to facilitate the deep integration of science, technology, and public welfare undertakings. As of December 2024, the project expanded to regions including the Inner Mongolia Autonomous Region, Guangdong Province, Shaanxi Province, and the Ningxia Hui Autonomous Region. To date, 27 photovoltaic low-carbon campuses have been established nationwide, with a total installed capacity of 1,614.65 kW. Over the entire lifecycle of these solar power stations, they are expected to generate 50.77 million kWh of green electricity, equivalent to saving approximately 16,413 tons of standard coal and reduce CO<sub>2</sub> emissions by ~40,783 tons, also as achieving an environmental impact equivalent to planting 2.24 million trees.

The "TCL Candlelight Award Program of Hope Project" was jointly established by TCL Public Welfare Foundation and the China Youth Development Foundation. This national initiative identifies and honors those outstanding rural teachers for their grassroots dedication to showcase their moral leadership and educational vision in order to inspire more talented educators to join rural education and collectively advance progress in rural areas. In 2024, a total of 400 rural teachers were elected for the project. In September, the ten-year anniversary of the "TCL Candlelight Award Program of Hope Project" and the opening ceremony of the "Candlelight Class" were held in Beijing. The attendees present at the ceremony included Mei Feng, Party secretary of China Youth Development Foundation, and Liu Lei, secretary-general of TCL Public Welfare Foundation. Representatives of outstanding rural teachers of the 10th "TCL Candlelight Award Program of Hope Project" were present to witness the achievements of the project over the past decade with the guests.

In addition, TCL Public Welfare Foundation continues to launch projects such as targeted assistance and community charity. Through actions such as helping the needy, and pairing assistance, it supports, consolidates, and expands the poverty alleviation achievements, builds harmonious urban and rural communities, and launches a series of targeted assistance and donation actions. In 2024, to enable more rural infants and young children to receive early childhood care services and improve the development of rural infants and young children to reach the national average level, TCL Public Welfare Foundation supported the China Development Research Foundation with RMB 2 million to carry out the "Sunshine Starting Point: 100,000 Rural Infants and Young Children Home Care Guidance Action Plan." TCL Public Welfare Foundation supported the construction project of a smart "light storage and charging" integrated charging station in Taimei Town, Huizhou with RMB 2 million, the Hoh Xil ecological conservation project with RMB 2 million, and donated RMB 100,000 on the June 30 Poverty Alleviation Day to the Huizhou Charity Federation for rural revitalization construction in Henghe Town, Boluo County. In addition, TCL Public Welfare Foundation launched an employee creative competition project, encouraging employees to lend a helping hand to disadvantaged groups, and initiated innovative and socially beneficial charitable projects in support of community development and rural cultural and ethical progress from multiple dimensions.

## Part VI Significant Events

### I. Fulfillment of Commitments

**1. Commitments fulfilled during the reporting period and outstanding commitments as of the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers, the Company itself, and other relevant commitment parties**

☒ Applicable ☐ Not applicable

Commitment	Commitment party	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in refinancing	Li Dongsheng	About horizontal competition, related-party transaction and capital occupation	1) I shall avoid horizontal competition between the companies, enterprises or other business organizations that I own, control, control with others, have significant influence on and the Company with its subsidiaries; and 2) I shall reduce and control transactions of related parties between the companies, enterprises or other business organizations that I own, control, control with others, or have significant influence on and the Company with its subsidiaries.	August 30, 2013	During the tenure of the Company's director, supervisor or senior management	In continuous performance
Commitments made in selling major assets	The largest shareholder of the listed company and its person acting in concert (Mr. Li Dongsheng and Jiutian Liancheng)	Commitments on avoiding horizontal competition	I. Neither I/this partnership nor any entities under my/our control engage in horizontal competition with the principal business operations of TCL TECH. and its affiliated enterprises. II. I/this partnership will take active measures to avoid any business or activity that competes or may constitute competition with the main business of TCL TECH. and its affiliated enterprises, and will urge the enterprises controlled by me/this partnership to avoid any business or activity that competes or may constitute competition with the main business of TCL TECH. and its affiliated enterprises. III. If I/this partnership and the enterprises controlled by me/this partnership obtain the opportunity to engage in new business, which constitutes or may constitute horizontal competition with the main business of TCL TECH. and its affiliated enterprises. I/this partnership will, when it is possible, try my/our best to make this business opportunity available to TCL TECH. or its affiliated enterprises in the first place based on reasonable and fair terms and conditions. IV. If the business of mine/this partnership and the enterprises controlled by me/this partnership coincides or may constitute horizontal competition with TCL TECH.'s business due to my/this partnership's investment demand or TCL TECH.'s business development, I/this partnership and the enterprises controlled by me/this partnership agree to solve the resulting horizontal competition within a specific time limit since as it is determined. V. During my/our tenure as the largest shareholder of TCL Technology, the aforementioned commitments were	December 7, 2018	During the period of being the largest shareholder of the Company	In continuous performance



			unconditional and irrevocable. If I/this partnership violate the aforementioned commitments, I/this partnership will make comprehensive, timely and full joint and several compensation for the losses to TCL TECH. caused thereby.			
	The largest shareholder of the listed company and its person acting in concert (Mr. Li Dongsheng and Jiutian Liancheng)	Commitments on reducing and regulating related party transactions	<p>I. I/this partnership will minimize the related party transactions between me/this partnership (including all entities under me/our control) and TCL TECH. and its affiliated enterprises.</p> <p>II. For inevitable or reasonable related party transactions, I/this partnership (including all entities under me/our control) and TCL TECH. and its affiliated enterprises will conduct them according to fair market principles and normal commercial conditions, so as to ensure the fairness of the related party transaction price, and will perform the decision-making procedures for related party transactions according to the law, to ensure that the related party transactions will not be used to illegally transfer TCL TECH.'s funds or to damage the legitimate rights and interests of TCL TECH. and its shareholders.</p> <p>III. I/this partnership and the enterprises controlled by me/this partnership will not ask TCL TECH. and its affiliated enterprises to give more favorable conditions than those that can be offered to an independent third party in any fair market transaction.</p> <p>IV. During the period of being the largest shareholder of TCL TECH., the aforementioned commitment is unconditional and irrevocable. If I/this partnership violate the aforementioned commitments, I/this partnership will make comprehensive, timely and full joint and several compensation for the losses to TCL TECH. caused thereby.</p>	December 7, 2018	During the period of being the largest shareholder of the Company	In continuous performance
	The largest shareholder of the listed company and its person acting in concert (Mr. Li Dongsheng and Jiutian Liancheng)	Commitments on maintaining the independence of listed company	<p>I/this partnership will continue to exercise shareholders' rights according to laws, regulations and the Articles of Association of TCL TECH., and maintain the independence of TCL TECH. in terms of assets, personnel, finance, business, and institutions. I/this partnership will ensure:</p> <p>(I) The independence of TCL TECH. personnel</p> <p>I/this partnership promise(s) to maintain personnel independence with TCL TECH.. TCL TECH.'s senior management, including the general manager, deputy general manager, chief financial officer, and secretary of the board of directors, shall not hold positions other than directors and supervisors in my/this partnership's subordinate wholly-owned, controlled or other enterprises with actual control (hereinafter referred to as "subordinate enterprises"), and shall not be paid in my/this partnership's subordinate enterprises. The financial personnel of TCL TECH. shall not work part-time in my/this partnership's subordinate enterprises.</p> <p>(II) The independence and integrity of TCL TECH.'s assets</p> <p>1. The independence and integrity of TCL TECH.'s assets.</p> <p>2. TCL TECH. does not have any funds or assets occupied by me/this partnership and my/this partnership's subordinate enterprises.</p> <p>(III) The financial independence of TCL</p>	December 7, 2018	During the period of being the largest shareholder of the Company	In continuous performance

		<p>TECH.</p> <p>1. TCL TECH. establishes an independent financial department and an independent financial accounting system.</p> <p>2. TCL TECH. has a standardized and independent financial accounting system.</p> <p>3. TCL TECH. opens an independent bank account and does not share a bank account with me/this partnership.</p> <p>4. The financial personnel of TCL TECH. shall not work part-time in my/this partnership's subordinate enterprises.</p> <p>5. TCL TECH. can make independent financial decisions, and I/this partnership shall not interfere with the use of TCL TECH.'s funds.</p> <p>(IV) The institutional independence of TCL TECH.</p> <p>1. TCL TECH. has an independent and complete organization which can operate independently.</p> <p>2. TCL TECH.'s office and premises for production and operations are separated from my subordinate enterprises/this partnership.</p> <p>3. The Board of Directors, Board of Supervisors and various functional departments of TCL TECH. operate independently, and have no subordinate relationship with this partnership's functional departments.</p> <p>(V) The business independence of TCL TECH.</p> <p>1. I/this partnership promise(s) to maintain the business independence of TCL TECH. after this transaction.</p> <p>2. TCL TECH. has the assets, personnel, qualifications and ability to independently carry out business activities, and has the ability to operate independently in the market.</p> <p>If TCL TECH. suffers losses due to the violation of commitments under the letter of commitment by me/this partnership or my/this partnership's subordinate enterprises, I/this partnership will bear the corresponding compensation liability according to the law.</p>			
Fulfilled on time	Yes				
Specific reasons for failing to fulfill commitments on time and plans for next steps	Not applicable				

**2. Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period**

☐Applicable ☒Not applicable

## II. Occupation of the Company's funds by the Controlling Shareholder or any of Its Related Parties for Non-Operational Purposes

☐Applicable ☒Not applicable

No such cases in the Reporting Period.

## III. Irregularities in the Provision of Guarantees

☐Applicable ☒Not applicable

No such cases in the Reporting Period.

## IV. Explanations given by the Board of Directors regarding the Latest Independent Auditor's "Modified Opinion" on the Financial Statements

☐Applicable ☒Not applicable

## V. Explanations given by the Board of Directors, Board of Supervisors, and Independent Directors (if any) regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

☐Applicable ☒Not applicable

## VI. YoY Changes to the Accounting Policies and Estimates or Correction of Material Accounting Errors

☐Applicable ☒Not applicable

During the Reporting Period, the Company had no YoY changes to the accounting policies and estimates or correction of material accounting errors.

## VII. YoY Changes to the Scope of the Consolidated Financial Statements

☒ Applicable ☐ Not applicable

Compared with 2023, 76 subsidiaries (24 newly incorporated and 52 acquired) are newly included in the consolidation scope of 2024, and 10 subsidiaries (2 transferred and 8 de-registered) are excluded from the consolidation scope of 2024.

## VIII. Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	RSM China (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	433.1
How many consecutive years the domestic independent auditor has provided audit services for the Company	1 year
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Chen Zefeng, Chen Zhihao
How many consecutive years the certified public accountants have provided audit services for the Company	1 year, 1 year

Name of the foreign independent auditor (if any)	Not applicable
The Company's payment to the foreign independent auditor (RMB'0,000) (if any)	Not applicable
How many consecutive years the foreign independent auditor has provided audit services for the Company (if any)	Not applicable
Names of the certified public accountants from the foreign independent auditor writing signatures on the auditor's report (if any)	Not applicable
How many consecutive years the certified public accountants have provided audit services for the Company (if any)	Not applicable

Indicate whether the independent auditor was changed for the Reporting Period

☒ Yes ☐ No

Indicate whether the independent auditor was changed during the Audit Period

☐ Yes ☒ No

Independent auditor, financial advisor, or sponsor hired for the audit of internal control

☒ Applicable ☐ Not applicable

During the Reporting Period, the Company hired RSM China (LLP) to conduct an internal control audit, with an audit cost of RMB 500,000.

## **IX. Delisting Faced after the Disclosure of the Annual Report**

☐ Applicable ☒ Not applicable

## **X. Insolvency and Reorganization**

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## **XI. Significant Lawsuits and Arbitrations**

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## **XII. Punishments and Rectifications**

☐ Applicable ☒ Not applicable

No significant punishments or rectifications in the Reporting Period.

### **XIII. Credit Quality of the Company as well as its Controlling Shareholder and Actual Controller**

☐Applicable ☒Not applicable

### **XIV. Major Related-Party Transactions**

#### **1. Recurring Related-Party Transactions**

☐Applicable ☒Not applicable

For the Company's recurring related-party transactions during the Reporting Period, please refer to the related announcements disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

#### **2. Related-Party Transactions Regarding Purchase or Disposal of Assets or Equity Investments**

☐Applicable ☒Not applicable

During the Reporting Period, there were no related-party major transactions regarding purchase or disposal of assets or equity investments.

#### **3. Related-Party Transactions Regarding Joint Investments in Third Parties**

☐Applicable ☒Not applicable

There were no related-party major transactions regarding significant joint investments in third parties that occurred during the Company's Reporting Period.

#### **4. Amounts Due to and from Related Parties**

☐Applicable ☒Not applicable

Indicate whether there were any amounts due to and from related parties for non-operating purposes.

☐Yes ☒No

During the Reporting Period, the Company had no amounts due to and from related parties for non-operating purposes.

#### **5. Transactions with Related Finance Companies**

☐Applicable ☒Not applicable

The Company had no deposits, loans, credit granting or other financial business with the related finance companies.

#### **6. Transactions Between the Financial Company Controlled by the Company and Related Companies**

☒ Applicable ☐ Not applicable

Deposits

Related parties	Relationship with the Company	Daily deposit ceiling (RMB'0,000)	Range of interest	Beginning balance (RMB'0,000)	Amount incurred in the current period		Ending balance (RMB'0,000)
					Total deposit amount in current period (RMB'0,000)	Total withdrawal amount in current period (RMB'0,000)	

Subsidiary of TCL Industries Holdings Co., Ltd.	Related corporation	250,000.00	RMB: 0.8%-1.15% USD 0.05%-4.82%	30.3	1,671,394.60	1,670,944.35	480.55
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#### Loans

Related parties	Relationship with the Company	Loan limit (RMB'0,000)	Range of interest	Beginning balance (RMB'0,000)	Amount incurred in the current period		Ending balance (RMB'0,000)
					Total loan amount in current period (RMB'0,000)	Total repayment amount in current period (RMB'0,000)	
Subsidiary of TCL Industries Holdings Co., Ltd.	Related corporation	250,000.00	-	-	-	-	-

#### Credit or other financial business

Related parties	Relationship with the Company	Business type	Total amount (RMB'0,000)	Ending balance (RMB'0,000)
Subsidiary of TCL Industries Holdings Co., Ltd.	Related corporation	Credit granting (bill discount)	The balance of comprehensive credit on any day shall not exceed RMB 2.5 billion (including loans, notes discounting, and notes acceptance)	40,107.05
Subsidiary of TCL Industries Holdings Co., Ltd.	Related corporation	Credit granting (bill acceptance)		66,475.51

## 7. Other Major Related-Party Transactions

☒ Applicable ☐ Not applicable

Title of announcement	Date of interim disclosure	Website for disclosure
Announcement on the Related-Party Transactions with Shenzhen Jucai Supply Chain Technology Co., Ltd. in 2024	April 29, 2024	www.cninfo.com.cn
Announcement on Continuing to Provide Financial Services by TCL Technology Group Finance Co., Ltd. to Related Parties and Renewing the <i>Financial Services Agreement</i> for Related-Party Transactions		
Announcement on the Anticipated Recurring Related-Party Transactions for 2024		
Report on the Execution of Recurring Related-Party Transactions in 2023		
Announcement on the Launch of Accounts Receivable Factoring and the Related-Party Transaction		
Announcement on Adjustment of Daily Related-Party Transaction Quotas among the Same Controlling Entity for 2023	January 26, 2024	

## XV. Major Contracts and Execution thereof

### 1. Entrustment, Contracting, and Leases

#### (1) Entrustment

☐Applicable ☒Not applicable

During the reporting period, the Company had no entrustment projects that brought profit or loss of more than 10% of the Company's total profit in the reporting period.

#### (2) Contracting

☐Applicable ☒Not applicable

During the reporting period, the Company had no contracting projects that brought profit or loss of more than 10% of the Company's total profit in the reporting period.

#### (3) Leases

☐Applicable ☒Not applicable

During the reporting period, the Company had no lease projects that brought profit or loss of more than 10% of the Company's total profit in the reporting period.

### 2. Major Guarantees

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of announcement on guarantee limit	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term of guarantee	Fulfilled or not	Guarantee for related parties or not
TCL Industries Holdings (HK) Limited	April 28, 2022	514,629	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Air-Conditioner (Zhongshan) Co., Ltd.	April 28, 2022	158,600	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL King Electrical Appliances (Huizhou) Co., Ltd.	April 28, 2022	345,000	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes

Tonly Technology Co., Ltd.	April 28, 2022	40,000	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL King Electrical Appliances (Chengdu) Co., Ltd.	April 28, 2022	51,653	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Huizhou TCL Mobile Communication Co., Ltd.	April 28, 2022	212,507	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Mobile Communication (HK) Company Limited	April 28, 2022	29,225	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Home Appliances (Hefei) Co., Ltd.	April 28, 2022	68,280	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Home Appliances (Zhongshan) Co., Ltd.	April 28, 2022	4,929	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Air-Conditioner (Wuhan) Co., Ltd.	April 28, 2022	13,480	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Zhongshan TCL Refrigeration Equipment Co., Ltd.	April 28, 2022	31,749	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Guangdong TCL Smart Heating & Ventilation Equipment Co., Ltd.	April 28, 2022	2,522	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Home Appliances (Huizhou) Co., Ltd.	April 28, 2022	10,000	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes



TCL Air-Conditioner (Jiujiang) Co., Ltd.	April 28, 2022	5,488	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
TCL Very Lighting Technology (Huizhou) Co., Ltd.	April 28, 2022	1,034	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Shenzhen Shifen Daojia Service Technology Co., Ltd.	April 28, 2022	77	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Guangzhou TCL Science and Technology Development Co., Ltd.	April 28, 2022	84,700	-	0	Joint liability guarantee	/	Counter guarantee provided by TCL Industrial Holding Co., Ltd.	-	Yes	Yes
Huizhou Zhongkai TCL Zhirong Technology Microcredit Co., Ltd.	May 22, 2021	45,500	-	0	Joint liability guarantee	/	With counter-guarantee	-	Yes	Yes
Guangzhou Qihang International Supply Chain Co., Ltd.	May 25, 2024	10,000	-	0	Joint liability guarantee	/	With counter-guarantee	-	Yes	No
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd.	May 25, 2024	46,000	February 23, 2024	31,898	Joint liability guarantee	/	With counter-guarantee	53-177 days	No	No
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	May 25, 2024	35,000	April 28, 2020	18,086	Joint liability guarantee	/	Guarantee in proportion to shareholding percentage	7 years	No	No
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	May 25, 2024	40,000	May 22, 2023	36,000	Joint liability guarantee	/	Guarantee in proportion to shareholding percentage	5.4 years	No	No

Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	May 25, 2024	180,000	June 15, 2023	153,074	Joint liability guarantee	/	Guarantee in proportion to shareholding percentage	4.5 years	No	No
TCL Huanxin Bandaoti (Tianjin) Co., Ltd.	May 25, 2024	3,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Total approved limit for such guarantees in Reporting Period (A1)		314,000		Total actual amount of such guarantees in Reporting Period (A2)		85,640				
Total approved limit for such guarantees at the end of the Reporting Period (A3)		1,933,373		Total actual balance of such guarantees at the end of Reporting Period (A4)		239,059				
Guarantees provided by the Company as the parent for its subsidiaries										
Obligor	Disclosure date of the guarantee limit announcement	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter- guarantee (if any)	Term of guarantee	Fulfilled or not	Guarantee for related parties or not
TCL MOKA INTERNATION AL LIMITED	May 25, 2024	100,000	May 31, 2023	19,691	Joint liability guarantee	/	/	151 days - 1.4 years	No	No
TCL Technology Investments Limited	May 25, 2024	220,000	July 14, 2020	215,652	Joint liability guarantee	/	/	0.5 years	No	No
TCL China Star Optoelectronics Technology Co., Ltd.	May 25, 2024	2,420,000	December 22, 2022	718,273	Joint liability guarantee	/	/	144 days - 8.0 years	No	No
TCL Technology Group (Tianjin) Co., Ltd.	May 25, 2024	70,000	August 31, 2022	50,000	Joint liability guarantee	/	/	2.7 years	No	No
TCL Technology Group Finance Co., Ltd.	May 25, 2024	150,000	-	0	Joint liability guarantee	/	/	-	Yes	No
TTE Electronics India Private Limited	May 25, 2024	10,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Beijing Hecheng Nuoxin Technology Co., Ltd.	May 25, 2024	0	-	0	Joint liability guarantee	/	/	-	Yes	No

Beijing Lingyun Data Technology Co., Ltd.	May 25, 2024	128,000	April 21, 2023	21,623	Joint liability guarantee	/	/	16-237 days	No	No
Beijing Sunpiestore Technology Co., Ltd.	May 25, 2024	165,000	September 10, 2023	156,131	Joint liability guarantee	/	/	31 days-1.7 years	No	No
Guangdong Juhua Printed Display Technology Co., Ltd.	May 25, 2024	5,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Guangzhou China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	May 25, 2024	1,750,000	March 7, 2022	1,289,372	Joint liability guarantee	/	/	8 days-5.2 years	No	No
Guangzhou Zhihui Shengke Co., Ltd.	May 25, 2024	30,000	November 29, 2024	6,716	Joint liability guarantee	/	/	6.9 years	No	No
Highly (Tianjin) E-Commerce Co., Ltd.	May 25, 2024	10,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Highly (Tianjin) Technology Co., Ltd.	May 25, 2024	65,000	April 21, 2023	36,302	Joint liability guarantee	/	/	144 days	No	No
Highly Information Industry Co., Ltd.	May 25, 2024	434,000	April 21, 2023	259,671	Joint liability guarantee	/	/	24 days-2.5 years	No	No
Tianjin Huiyi Digital Technology Co., Ltd.	May 25, 2024	8,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Beijing Youyi Online Technology Co., Ltd.	May 25, 2024	24,000	September 25, 2024	7,631	Joint liability guarantee	/	/	144 days	No	No
Xiaoyuzaixian (Beijing) Technology Co., Ltd.	May 25, 2024	3,000	-	0	Joint liability guarantee	/	/	-	Yes	No

China Display Optoelectronics Technology (Huizhou) Co., Ltd.	May 25, 2024	79,000	April 21, 2023	13,287	Joint liability guarantee	/	/	0-144 days	No	No
Huizhou China Star Optoelectronics Technology Co., Ltd.	May 25, 2024	900,000	March 23, 2021	442,734	Joint liability guarantee	/	/	41 days-4.2 years	No	No
Huizhou Moka Technology Development Co., Ltd.	May 25, 2024	20,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Moka Technology (Guangdong) Co., Ltd.	May 25, 2024	450,000	April 21, 2023	181,062	Joint liability guarantee	/	/	144 days-4.2 years	No	No
Qingdao Blue Business Consulting Co., Ltd.	May 25, 2024	1,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Shaanxi TiTi Electronic Technology Co., Ltd.	May 25, 2024	0	-	0	Joint liability guarantee	/	/	-	Yes	No
Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	May 25, 2024	940,600	April 28, 2018	713,270	Joint liability guarantee	/	/	144 days-4.5 years	No	No
Suzhou China Star Optoelectronics Display Co., Ltd.	May 25, 2024	92,500	August 30, 2022	50,827	Joint liability guarantee	/	/	7.4 years	No	No
Tianjin Printronics Circuit Corporation	May 25, 2024	53,000	September 9, 2022	8,244	Joint liability guarantee	/	/	5.7 years	No	No
Tianjin TiTi Yunchuang Technology Co., Ltd.	May 25, 2024	0	-	0	Joint liability guarantee	/	/	-	Yes	No

Tianjin WanfangNuoxin Technology Co., Ltd.	May 25, 2024	0	-	0	Joint liability guarantee	/	/	-	Yes	No
Tianjin Xincheng Pilot Technology Co., Ltd.	May 25, 2024	5,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Wuhan China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	May 25, 2024	1,631,600	March 1, 2018	1,027,643	Joint liability guarantee	/	/	8 days-7.8 years	No	No
Wuhan China Star Optoelectronics Technology Co., Ltd.	May 25, 2024	1,670,500	August 25, 2022	1,018,810	Joint liability guarantee	/	/	3 days-5.6 years	No	No
Chongqing Blue Business Consulting Co., Ltd.	May 25, 2024	7,000	-	0	Joint liability guarantee	/	/	-	Yes	No
China Star Optoelectronics International (HK) Limited	May 25, 2024	10,000	-	0	Joint liability guarantee	/	/	-	Yes	No
Total approved limit for such guarantees in Reporting Period (B1)		11,452,200		Total actual amount of such guarantees in Reporting Period (B2)		3,496,188				
Total approved limit for such guarantees at the end of the Reporting Period (B3)		11,452,200		Total actual balance of such guarantees at end of Reporting Period (B4)		6,236,939				
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee limit announcement	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term of guarantee	Fulfilled or not	Guarantee for related parties or not
Zhonghuan Energy (Inner Mongolia) Co., Ltd.	June 24, 2017	9,000	July 21, 2017	9,000	Joint liability guarantee	/	/	15 years	No	No
Inner Mongolia Zhonghuan	March 22, 2021 May 26, 2022	373,518	April 30, 2021	373,518	Joint liability guarantee	/	/	7 years	No	No

Crystal Materials Co., Ltd.										
Ningxia Zhonghuan Solar Material Co., Ltd.	January 23, 2022	681,120	May 30, 2022	577,920	Joint liability guarantee	/	/	7 years	No	No
Tianjin Huanou New Energy Technology Co., Ltd	May 26, 2022	113,211	September 28, 2022	42,939	Joint liability guarantee	/	/	7 years	No	No
Wuxi Zhonghuan Applied Materials Co., Ltd.	May 26, 2022	91,001	June 30, 2022	91,001	Joint liability guarantee	/	/	7 years	No	No
Huansheng New Energy (Jiangsu) Co., Ltd.	May 26, 2022	138,526	September 30, 2022	93,360	Joint liability guarantee	/	/	5-7 years	No	No
Huansheng New Energy (Tianjin) Co., Ltd.	April 8, 2023	170,000	February 28, 2024	36,000	Joint liability guarantee	/	/	7 years	No	No
Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	May 25, 2024	2,351,300	April 28, 2018	1,760,854	Joint liability guarantee	/	/	1.9-4 years	No	No
Techigh Circuit Technology (Huizhou) Co., Ltd.	May 25, 2024	4,590	June 27, 2024	1,806	Joint liability guarantee	/	/	1 year	No	No
Techigh Circuit Technology (Zhuhai) Co., Ltd.	May 25, 2024	24,225	April 23, 2024	9,319	Joint liability guarantee	/	/	9.8 years	No	No
TCL MOKA INTERNATIONAL LIMITED	May 25, 2024	214,500	April 30, 2024	7,635	Joint liability guarantee	/	/	5-90 days	No	No
Total approved limit for such guarantees in Reporting Period (C1)		2,594,615		Total actual amount of such guarantees in Reporting Period (C2)		138,235				
Total approved limit for such guarantees at the end of the Reporting Period (C3)		4,170,991		Total actual guarantee balance at the end of the Reporting Period (C4)		3,003,352				
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee limit approved in		14,360,815		Total actual guarantee amount			3,720,064			

the Reporting Period (A1+B1+C1)		in the Reporting Period (A2+B2+C2)	
Total approved guarantee limit at the end of the Reporting Period (A3+B3+C3)	17,556,564	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	9,479,350
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets		178.29%	
Of which:			
Balance of guarantees provided for shareholders, the actual controller, and their related parties (D)			0
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)			2,010,209
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)			6,820,970
Total of the three above amounts (D+E+F)			6,820,970
Joint liability possibly borne or already borne in the Reporting Period for outstanding guarantees (if any)			-
Guarantees provided in breach of prescribed procedures (if any)			-

Note: (1) The guarantee period in the above table is the occurrence period of the principal debt. The actual guarantee is valid for two or three years from the expiration date of the principal debt, which is subject to the single contract.

(2) During the Reporting Period, the Company adjusts the guarantee limit to its controlling subsidiaries based on their demands. The details are outlined as follows:

1. The Company reallocated the guarantee limits of a total of RMB 300 million, including RMB 100 million provided to Beijing Hecheng Nuoxin Technology Co., Ltd., RMB 100 million provided to Shaanxi TiTi Electronic Technology Co., Ltd., RMB 50 million provided to Tianjin Titi Yunchuang Technology Co., Ltd. and RMB 50 million provided to Tianjin Wanfang Nuoxin Technology Co., Ltd., to Beijing Sunpiestore Technology Co., Ltd., a holding subsidiary of Highly Information Industry Co., Ltd.;
2. The Company reallocated the guarantee limit that was formerly provided by the Company to Highly (Tianjin) Technology Co., Ltd., which totally amounted to RMB 350 million, to Highly Information Industry Co., Ltd. and its wholly-owned subsidiaries - Beijing Youyi Online Technology Co., Ltd. and Tianjin Huiyi Digital Technology Co., Ltd.. The reallocated guarantee limits for the mentioned three companies are RMB 100 million, RMB 200 million, and RMB 50 million, respectively.
3. The Company reallocated the guarantee limit that was formerly provided by the Company to Highly Information Industry Co., Ltd., which totally amounted to RMB 100 million, to Tianjin Huiyi Digital Technology Co., Ltd., Beijing Youyi Online Technology Co., Ltd., and Xiaoyu Online (Beijing) Technology Co., Ltd., which are wholly-owned subsidiaries of Highly Information Industry Co., Ltd.. The reallocated guarantee limits for the mentioned three companies are RMB 30 million, RMB 40 million, and RMB 30 million, respectively.

The Company has performed internal review procedures for the above-mentioned guarantee reallocation. It's found that they did not violate the legal provisions on listed companies, and complied with the relevant requirements of *the Announcement on Providing Guarantees for Subsidiaries in 2024* reviewed and approved at the 2023 Annual General Meeting held on May 24, 2024.

(3) In the table above, Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd., a subsidiary controlled by the Company, was jointly guaranteed by the Company and its subsidiary TCL China Star Optoelectronics Technology Co., Ltd. in an external syndicated loan, in which the Company provided a certain percentage of guarantee, while TCL China Star Optoelectronics Technology Co., Ltd. provided full guarantee.

(4) As at the end of the Reporting Period, the debt portion under joint guarantee amounted to RMB 17,608,540,000. The joint guarantee has been filled in the "Company's Guarantee for Subsidiaries" and "Guarantee Among Subsidiaries", respectively.

(5) As at the end of the Reporting Period, the total balance of related party guarantees provided by the Company to some target companies and their holding and joint-stock subsidiaries (Announcement No.: 2022-035) related to the sale of major assets in 2019

and the subsidiaries of TCL Financial Services Holding (Guangzhou) Group Co., Ltd. (Announcement No.: 2021-056) sold in 2021 was 0, and the Company's guarantees to the aforementioned related parties were fulfilled.

### 3. Entrusted Cash Asset Management

#### (1) Cash Entrusted for Wealth Management

☒ Applicable ☐ Not applicable

Overview of cash entrusted for wealth management during the Reporting Period

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Impairment allowance for unrecovered overdue amount of wealth management products
Bank's wealth management product	Self-funded	1,456,317.21	623,217.21	0	0
Securities firm's wealth management product	Self-funded	717,789.71	315,683.43	0	0
Trust plan	Self-funded	292,677.54	203,500.00	0	0
Other	Self-funded	210,102.18	80,382.98	0	0
<b>Total</b>		<b>2,676,886.65</b>	<b>1,222,783.62</b>	<b>0</b>	<b>0</b>

The specific situation of high-risk entrusted financial management with a large single amount or low security, poor liquidity

☐ Applicable ☒ Not applicable

Situation in which the Company fails to recover its principal for entrusted wealth management products, or other situations that may result in impairment

☐ Applicable ☒ Not applicable

#### (2) Loan Entrusted for Wealth Management

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company did not have any entrusted loans.

### 4. Other Major Contracts

☐ Applicable ☒ Not applicable

## XVI. Other Significant Events

☐ Applicable ☒ Not applicable

## XVII. Significant Events of the Company's Subsidiaries

☐ Applicable ☒ Not applicable



## Part VII Changes in Shares and Information about Shareholders

### I. Changes in Shares

#### 1. Changes in shares

Unit: share

	Before change		Increase/decrease in the Reporting Period (+/-)					After change	
	Shares	Percentage	New issues	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Shares	Percentage
I. Restricted Shares	680,539,213	3.62%	0	0	0	-1,080,142	-1,080,142	679,459,071	3.62%
1. Shares held by state-owned legal entities	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by other domestic investors	679,314,082	3.62%	0	0	0	144,989	144,989	679,459,071	3.62%
Among which: shares held by domestic legal entities	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	679,314,082	3.62%	0	0	0	144,989	144,989	679,459,071	3.62%
3. Shares held by foreign investors	1,225,131	0.007%	0	0	0	-1,225,131	-1,225,131	0	0.00%
Among which: shares held by foreign legal entities	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign individuals	1,225,131	0.007%	0	0	0	-1,225,131	-1,225,131	0	0.00%
II. Non-restricted shares	18,098,541,554	96.38%	0	0	0	1,080,142	1,080,142	18,099,621,696	96.38%
1. RMB-denominated ordinary shares	18,098,541,554	96.38%	0	0	0	1,080,142	1,080,142	18,099,621,696	96.38%
III. Total shares	18,779,080,767	100.00%	0	0	0	0	0	18,779,080,767	100.00%

Reasons for changes in shares

☒ Applicable ☐ Not applicable

1. On June 29, 2024, the Company disclosed the *Voluntary Announcement on the Non-trading Transfer of Certain Shares of the Holders*

under the *Employee Stock Ownership Plan*. The Company has completed the second non-trading transfer under the 2021-2023 Employee Stock Ownership Plan (Phase I) and the first non-trading transfer under the 2021-2023 Employee Stock Ownership Plan (Phase II). Among them, 3,234,162 shares were transferred to the current directors, supervisors, and senior managers of the Company through non-trading transfer.

2. During the Reporting Period, restricted shares held by senior management decreased by 1,080,142 shares, as non-restricted shares increased by the same amount.

Approval of changes in shares

☐Applicable ☒Not applicable

Transfer of share ownership

☒ Applicable ☐ Not applicable

On June 29, 2024, the Company disclosed the *Voluntary Announcement on the Non-trading Transfer of Certain Shares of Holders under the Employee Stock Ownership Plan*. The Company has completed the second non-trading transfer under the 2021-2023 Employee Stock Ownership Plan (Phase I) and the first non-trading transfer under the 2021-2023 Employee Stock Ownership Plan (Phase II). Among them, 3,234,162 shares were transferred to the current directors, supervisors, and senior managers of the Company through non-trading transfer, and 42,158,024 shares were transferred to other holders through non-trading transfer.

Effects of changes in shares on the basic earnings per share, diluted earnings per share, net asset per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively

☒ Applicable ☐ Not applicable

Item	January - December 2024
Basic earnings per share (RMB/share)	0.0842
Diluted earnings per share (RMB/share)	0.0833
Item	December 31, 2024
Net assets per share attributable to ordinary shareholders of the Company (RMB)	2.8312

Other information that the Company considers necessary or is required by the securities regulatory authorities to be disclosed

☐Applicable ☒Not applicable

## 2. Changes in Restricted Shares

☒ Applicable ☐ Not applicable

Unit: Share

Name of shareholder	Number of restricted shares at period-begin	Number of increased restricted shares of the period	Number of released restricted shares of the period	Number of restricted shares at period-end	Reason for restriction	Date of restriction release
Directors, supervisors, and senior management of the Company	680,539,213	-	1,080,142	679,459,071	Part of the shareholding of directors, supervisors, and senior management is locked as stipulated	Not applicable
Total	680,539,213	-	1,080,142	679,459,071	--	--

## II. Issuance and Listing of Securities

### 1. Issuance of Securities (Preferred Shares Exclusive) in the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Names of stocks and their derivative securities	Issue date	Issue price (or interest rate)	Issue quantity	Listing date	Aggregate number of shares permitted to be traded	Transaction closing date	Index to disclosed information	Date of disclosure
Stocks								
Not applicable								
Convertible corporate bonds, convertible corporate bonds traded separately, corporate bonds								
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 2)	July 4, 2024	2.46%	100,000.00	July 15, 2024	100,000.00	July 8, 2029	www.cninfo.com.cn	July 8, 2024 July 12, 2024
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 1)	July 4, 2024	2.29%	100,000.00	July 15, 2024	100,000.00	July 8, 2029	www.cninfo.com.cn	July 8, 2024 July 12, 2024
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 2)	April 9, 2024	2.69%	150,000.00	April 19, 2024	150,000.00	April 11, 2029	www.cninfo.com.cn	April 11, 2024 April 18, 2024
Sci-Tech Innovation	January 30,	2.64%	150,000.00	February 7,	150,000.00	February 1,	www.cninfo.com.cn	January 29,

Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 1)	2024			2024		2026	o.com.cn	2024 February 6, 2024
Other derivative securities								
Not applicable								

Explanation on issuance of securities (preferred shares exclusive) during the Reporting Period

The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 1) (Stock Code: 148803; Stock Abbreviation: 24TCLK3; Total issuance amount: RMB 1 billion; Coupon rate: 2.29%) have a term of 5 years. The bonds carry three embedded options exercisable at the end of the third year: the issuer's redemption option, the option to adjust the coupon rate, and the investor's put option.

The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 2) (Stock Code: 148804; Stock Abbreviation: 24TCLK4; Total issuance amount: RMB 1 billion; Coupon rate: 2.46%) have a term of 5 years.

The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 2) (Stock Code: 148683; Stock Abbreviation: 24TCLK2; Total issuance amount: RMB 1.5 billion; Coupon rate: 2.69%) have a term of 5 years. The bonds carry three embedded options exercisable at the end of the third year: the issuer's redemption option, the option to adjust the coupon rate, and the investor's put option.

The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 1) (Stock Code: 148600; Stock Abbreviation: 24TCLK1; Total issuance amount: RMB 1.5 billion; Coupon rate: 2.64%) have a term of 2 years. The bonds carry three embedded options exercisable at the end of the first year: the issuer's redemption option, the option to adjust the coupon rate and the investor's put option.

## 2. Changes in the Total Number of Shares, Shareholder Structure, and the Structure of Assets and Liabilities

☒ Applicable ☐ Not applicable

For Changes in the total number of shares and shareholder structure, see "I. Changes in Shares" in this part.

## 3. Existing Staff-Held Shares

☐ Applicable ☒ Not applicable

### III. Shareholders and Actual Controller

#### 1. Total Number of Shareholders and Their Shareholdings

Unit: share

Total number of ordinary shareholders by the end of the reporting period	816,731	Total number of ordinary shareholders at the month-end prior to the disclosure of this Report	734,938	Total number of preferred shareholders with resumed voting rights by the end of the reporting period (if any)	0	Total number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
Shareholdings of ordinary shareholders with more than 5% or the top 10 shareholders of ordinary shares (excluding the lending of shares under refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held at the end of the Reporting Period	Increase/decrease during the Reporting Period	Number of restricted ordinary shares held	Number of non-restricted ordinary shares held	Shares in pledge, marked or frozen	
							Status	Number
Li Dongsheng	Domestic individual/Domestic general legal entity	6.74%	1,265,347,805	1,294,616	673,839,802	591,508,003	Not applicable	0
Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership)							Pledge of Jiutian Liancheng	293,668,015
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	4.76%	894,191,711	-143,420,832	0	894,191,711	Not applicable	0
Huizhou Investment Holding Co., Ltd.	Public legal entity	2.85%	535,767,694	-281,686,130	0	535,767,694	Not applicable	0
China Securities Finance Corporation Limited	Domestic general legal entity	2.19%	410,554,710	0	0	410,554,710	Not applicable	0
Industrial and Commercial Bank of China - Huatai-Pinebridge CSI 300 ETF	Fund, wealth management product, etc.	1.73%	324,194,370	184,156,640	0	324,194,370	Not applicable	0
Wuhan Optics Valley Industrial Investment Co., Ltd.	Public legal entity	1.33%	249,848,836	-282,154,180	0	249,848,836	In pledge	120,070,000
China Construction	Fund, wealth management	1.19%	223,634,265	171,032,050	0	223,634,265	Not applicable	0

Bank - Efund - CSI 300 ETF Initiated	product, etc.							
Perseverance Asset Management Partnership (Limited Partnership) - Gaoyi Xiaofeng No. 2 Zhixin Fund	Fund, wealth management product, etc.	1.06%	199,799,980	-26,936,532	0	199,799,980	Not applicable	0
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	Fund, wealth management product, etc.	0.94%	175,597,970	-28,481,790	0	175,597,970	Not applicable	0
Strategic investor or general legal entity becoming top-10 ordinary shareholders due to private placement of new shares (if any)		Not applicable						
Note on the above shareholders' associations or concerted actions		Among the top 10 shareholders, Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the <i>Agreement on Concerted Action</i> . Mr. Li Dongsheng holds 898,453,069 shares and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) holds 366,894,736 shares, representing 1,265,347,805 shares in total and becoming the largest shareholder of the Company.						
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights		Not applicable						
Explanation of repurchase accounts among the top 10 shareholders (if any)		Not applicable						
Shareholdings of top 10 non-restricted ordinary shareholders (excluding the lending of shares under refinancing and restricted shares held by senior management)								
Name of shareholder	Number of non-restricted shares held at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
Hong Kong Securities Clearing Company Ltd.	894,191,711	RMB-denominated ordinary shares	894,191,711					
Li Dongsheng	591,508,003	RMB-denominated ordinary shares	591,508,003					
Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership)								
Huizhou Investment Holding Co., Ltd.	535,767,694	RMB-denominated ordinary shares	535,767,694					
China Securities Finance Corporation Limited	410,554,710	RMB-denominated ordinary shares	410,554,710					
Industrial and Commercial Bank of China - Huatai-	324,194,370	RMB-denominated	324,194,370					

Pinebridge CSI 300 ETF		ordinary shares	
Wuhan Optics Valley Industrial Investment Co., Ltd.	249,848,836	RMB-denominated ordinary shares	249,848,836
China Construction Bank - Efund - CSI 300 ETF Initiated	223,634,265	RMB-denominated ordinary shares	223,634,265
Perseverance Asset Management Partnership (Limited Partnership) - Gaoyi Xiaofeng No. 2 Zhixin Fund	199,799,980	RMB-denominated ordinary shares	199,799,980
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	175,597,970	RMB-denominated ordinary shares	175,597,970
Related or acting-in-concert parties among top 10 non-restricted outstanding shareholders, as well as between top 10 non-restricted outstanding shareholders and top 10 shareholders	Among the top 10 shareholders with non-restricted shares, Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the <i>Agreement on Concerted Action</i> . Mr. Li Dongsheng holds 224,613,267 non-restricted shares and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) holds 366,894,736 non-restricted shares, representing 591,508,003 non-restricted shares in total.		
Explanation for the top 10 ordinary shareholders participating in securities margin trading (if any)	At the end of the Reporting Period, Wuhan Optics Valley Industrial Investment Co., Ltd., among the shareholders above, held certain shares of the Company through a credit security account.		

Participation of shareholders holding more than 5%, the top 10 shareholders, and the top 10 non-restricted shareholders in the lending of shares under the refinancing business

☒ Applicable ☐ Not applicable

Unit: Share

Participation of shareholders holding more than 5%, the top 10 shareholders, and the top 10 non-restricted shareholders in the lending of shares under the refinancing business								
Name of shareholder (full name)	Shares in the ordinary account and credit account at the beginning of the period		Shares lent under refinancing at the beginning of the period that have not been returned		Shares in the ordinary account and credit account at the end of the period		Shares lent under refinancing at the end of the period that have not been returned	
	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital
Industrial and Commercial Bank of China - Huatai-Pinebridge CSI 300 ETF	140,037,730	0.75%	136,900	0.001%	324,194,370	1.73%	0	0%
China Construction Bank - Efund - CSI 300 ETF Initiated	52,602,215	0.28%	125,900	0.001%	223,634,265	1.19%	0	0%
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	204,079,760	1.09%	1,602,800	0.01%	175,597,970	0.94%	0	0%

Change in the top 10 shareholders and the top 10 non-restricted shareholders due to securities lending/returning under refinancing as compared to the previous period

☐Applicable ☒Not applicable

Indicate whether any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conducted any promissory repurchase transactions during the Reporting Period.

☐Yes ☒No

No such cases in the Reporting Period.

## 2. The Company's controlling shareholders

Explanation of the Company's non-existence of controlling shareholders

Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the *Agreement on Concerted Action*, holding 1,265,347,805 shares in total and becoming the largest shareholder of the Company.

According to *the Company Law*, a controlling shareholder refers to a shareholder who owns over 50% of a limited liability company's total capital or over 50% of a joint stock company's total share capital; or, despite the ownership of less than 50% of a limited liability company's total capital or less than 50% of a joint stock company's total number of shares, who can still prevail in the resolution of a meeting of shareholders or a general meeting of shareholders according to the voting rights corresponding to their interest in the limited liability company's total capital or the joint stock company's total number of shares. According to the definition above, the Company has no controlling shareholder.

Change of the controlling shareholder in the Reporting Period

☐Applicable ☒Not applicable

## 3. Actual controller and its acting-in-concert parties

Explanation of the Company's non-existence of actual controller

The "actual controller" refers to an entity that, while not a shareholder of a company, effectively controls its actions or operations through investment relationships, contractual agreements, or other arrangements. According to the definition above, the Company has no actual controller.

Whether there is any shareholder holding more than 10% of the shares at the ultimate control level of the Company

☐Yes ☒No

Change of the actual controller in the Reporting Period

☐Applicable ☒Not applicable

The actual controller controls the Company through trust or other asset management methods

☐Applicable ☒Not applicable



**4. The cumulative number of shares pledged by the Company's controlling shareholder or the largest shareholder and its acting-in-concert parties accounts for 80% of their shareholdings in the Company**

☐Applicable ☒Not applicable

**5. Other corporate shareholders with a holding percentage over 10%**

☐Applicable ☒Not applicable

**6. Limits on shareholding reduction of the Company's controlling shareholder, actual controller, reorganizer, and other commitment entities**

☐Applicable ☒Not applicable

**IV. Specific Implementation of Share Repurchase During the Reporting Period**

Progress on any share repurchase

☒ Applicable ☐ Not applicable

Disclosure date of the plan	Proposed number of shares to be repurchased	Proportion to total share capital	Proposed repurchase amount (RMB'0,000)	Proposed repurchase period	Purpose of share repurchase	Number of repurchased shares (shares)	Proportion of repurchased shares to the underlying shares involved in the equity incentive plan (if applicable)
November 29, 2023	With a total repurchase amount of RMB 400 million to 600 million at a repurchase price of no more than RMB 6.04 per share (inclusive), it is estimated that the number of shares that can be repurchased will be approximately 99.3377 million shares based on the upper limit of the total repurchase amount and the upper limit of the share repurchase price	Based on the approximately 99.3377 million shares that can be repurchased, the proportion of the repurchased shares to the Company's total share capital approximately equals to 0.53%	The total amount of repurchase shall be no less than RMB 400 million (inclusive) and no more than RMB 600 million (inclusive)	Within 12 months from the date of approval of this share repurchase plan by the 36th Meeting of the Company's 7th Board of Directors	For employee stock ownership plans or equity incentives	117,993,100	-

Progress on reducing the repurchased shares by means of centralized bidding

☐Applicable ☒Not applicable

## **Part VIII Preferred Shares**

☐Applicable ☒Not applicable

During the reporting period, the Company did not have preferred shares.

## Part IX Bonds

### I. Enterprise Bonds

☐Applicable ☒Not applicable

No enterprise bonds in the Reporting Period.

### II. Corporate Bonds

☒ Applicable ☐ Not applicable

#### 1. General Information on Corporate Bonds

Unit: RMB'0,000

Bond name	Abbr.	Bond code	Date of issuance	Value date	Maturity	Outstanding balance	Coupon rate	Way of principal repayment and interest payment	Place of trading
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 2)	24TCLK4	148804.SZ	July 4, 2024	July 8, 2024	July 8, 2029	100,000.00	2.46%	Interest payable annually and principal repayable in full upon maturity	Shenzhen Stock Exchange
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 1)	24TCLK3	148803.SZ	July 4, 2024	July 8, 2024	July 8, 2029 (Note 1)	100,000.00	2.29%	Interest payable annually and principal repayable in full upon maturity	Shenzhen Stock Exchange
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 2)	24TCLK2	148683.SZ	April 9, 2024	April 11, 2024	April 11, 2029 (Note 2)	150,000.00	2.69%	Interest payable annually and principal repayable in full upon maturity	Shenzhen Stock Exchange
Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 1)	24TCLK1	148600.SZ	January 30, 2024	February 1, 2024	February 1, 2026 (Note 3)	150,000.00	2.64%	Interest payable annually and principal repayable in full upon maturity	Shenzhen Stock Exchange
Investor eligibility (if any)			For qualified investors / for professional investors; not applicable for foreign bonds						

Applicable trading mechanism	Match to trade, click to trade, inquire to trade, bid to trade, negotiate to trade; not applicable for foreign bonds
Risk of termination of listing and trading (if any) and countermeasures	No

Note 1: The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 3) (Type 1) have a term of 5 years and will expire on July 8, 2029. The bonds include the issuer's redemption option, the option to adjust the coupon rate, and the investor's put option at the end of the third year. If the issuer's call option or investors' put option is exercised, the maturity date of the exercised bonds shall be July 8, 2027.

Note 2: Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 2) have a term of 5 years and will expire on April 11, 2029. The bonds include the issuer's redemption option, the option to adjust the coupon rate, and the investor's put option at the end of the third year. If the issuer's call option or investors' put option is exercised, the maturity date of the exercised bonds shall be April 11, 2027.

Note 3: The Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 1) will distribute repurchase funds on February 5, 2025 based on the exercise results of investors' put options, and will implement the resale of repurchased bonds from February 6, 2025 to March 5, 2025. After the resale is completed, the outstanding balance will be RMB 1.5 billion, and the maturity date will be February 1, 2026.

Overdue bonds

☐Applicable ☒Not applicable

## 2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

☒ Applicable ☐ Not applicable

According to the *Prospectus for the Sci-Tech Innovation Corporate Bonds (Digital Economy) Publicly Offered by TCL Technology Group Corporation to Professional Investors in 2024 (Phase 1)*, the bondholders of 24TCLK1 were entitled to exercise a put option during the redemption window (December 19-23, 2024), allowing them to sell all or a portion of their bonds back to the issuer at RMB 100 per note (excluding accrued interest). Concurrently, the coupon rate was reset downward from 2.64% to 2.10% for the subsequent one-year period, with settlement of the repurchased bonds scheduled for February 5, 2025. According to data from the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, 2,400,000 units of the 24TCLK1 bonds were repurchased during the redemption window, totaling RMB 240,000,000.00 in principal amount (exclusive of accrued interest). According to the *Announcement on the Resale Results of Bonds 24TCLK1 Bonds issued by TCL Technology Group Corporation*, the Company will conducted the resale of the repurchased bonds from February 6 to March 5, 2025, with the total resale volume not exceeding 2,400,000 units. A total of 2,400,000 units of the bonds were successfully resold in this round. Upon completion of the resale process, no residual bonds remain pending resale, and the remaining custodied volume of 24TCLK1 is 15,000,000 units.

### 3. Intermediary organizations

Name of bond project	Name of intermediary organization	Office address	Name of signing accountants	Contact of intermediary organization	Tel.
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	CITIC Securities Co., Ltd.	Citic Office Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	-	Yang Fang, Lu Ping, Deng Xiaoqiang, Song Yuxi, Chen Donghui, Zhou Junren, Luo Qihui	0755-23835225
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	China International Capital Corporation Limited	27th and 28th Floors, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing, P.R. China	-	Li Xiaochen, Wang Chao, Gong Shu, Chen Xiaodong, Chen Jiaqi, Li Weibin, Wang Jian	010-65051166
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	Guotai Haitong Securities Co., Ltd.	No. 618, Shangcheng Road, China (Shanghai) Pilot Free Trade Zone	-	Sun Miaoyue, Wu Lei, Li Hongyu, Wen Xiao, Liu Xuanhua	021-38031979
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	Shenwan Hongyuan Securities Co., Ltd.	45F, Century Commercial Plaza, No. 989 Changle Road, Xuhui District, Shanghai	-	Yang Shangjun, Ouyang Wenjian, Cao Peixian	0755-23996949
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	Beijing Jia Yuan Law Offices	F408, Yuanyang Building, 158 Fuxingmen Inner Avenue, Beijing	-	Wen Liangjuan, Wu Junchao	0755-82789766
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	Da Hua Certified Public Accountants (Special General Partnership)	Room 1101, Building 7, No. 16 Xi Si Huan Zhong Road, Haidian District, Beijing	Qiu Junzhou, Jiang Xianmin, Xiong Xin	Qiu Junzhou, Jiang Xianmin, Xiong Xin	010-58350087
24TCLK4, 24TCLK3, 24TCLK2, 24TCLK1	China Chengxin International Credit Rating Co., Ltd.	Building 5, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmen Inner Avenue, Dongcheng District, Beijing	-	Yang Rui, Wang Du	010-66428877

Whether the above organizations were changed during the Reporting Period

☐Yes ☒No

### 4. Use of the capital raised

Unit: RMB'0,000

Bond code	Abbr.	Total amount of raised funds	Agreed purpose of raised funds	Used Amount	Actual use of raised funds (categorized by intended use, excluding temporary working capital replenishment)	Actual use of each type of funds	Unused Amount	Operation of special fund-raising account (if any)	Rectification of illegal use of raised funds (if any)	Whether consistent with the purpose, usage plan and other agreements promised in the prospectus
148804.SZ	24TCLK4	100,000.00	Used to repay interest-bearing	100,000.00	Used to repay interest-bearing	Used to repay interest-	0	Set up a fund-raising	None	Consistent

			liabilities or replace self-owned funds that have been used to repay matured debts and to supplement working capital		liabilities (excluding corporate bonds) or supplement working capital	bearing liabilities (excluding corporate bonds) or supplement working capital		account to ensure that the funds raised are earmarked for special purposes		
148803.SZ	24TCLK3	100,000.00	Used to repay interest-bearing liabilities or replace self-owned funds that have been used to repay matured debts and to supplement working capital	100,000.00	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent
148683.SZ	24TCLK2	150,000.00	Used to repay interest-bearing liabilities or replace self-owned funds that have been used to repay matured debts and to supplement working capital	150,000.00	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent
148600.SZ	24TCLK1	150,000.00	Used to repay interest-bearing liabilities or replace self-owned funds that have been used to repay matured debts and to supplement working capital	150,000.00	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	Used to repay interest-bearing liabilities (excluding corporate bonds) or supplement working capital	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent

The raised funds were used for construction projects

☐Applicable ☒Not applicable

The Company changed the usage of the above funds raised from bonds during the Reporting Period

☐Applicable ☒Not applicable

## 5. Adjustments of credit rating results during the Reporting Period

☐Applicable ☒Not applicable

**6. The implementation and changes of guarantees, debt repayment plans, and other safeguard measures regarding debt repayment during the Reporting Period, and their impact on the equity of bond investors**

☐Applicable ☒Not applicable

**III. Debt Financing Instruments of Non-Financial Enterprises**

☒ Applicable ☐ Not applicable

**1. General information on debt financing instruments of non-financial enterprises**

Unit: RMB'0,000

Bond name	Abbr.	Bond code	Date of issuance	Value date	Maturity	Bonds balance	Coupon rate	Way of principal repayment and interest payment	Place of trading
2023 Mid-Term Notes of TCL Technology Group Corporation (Phase 1) (Sci-Tech Innovation Notes)	23TCL Group MTN001 (Sci-Tech Innovation Notes)	102380151.IB	February 3, 2023	February 7, 2023	February 7, 2026	150,000.00	4.10%	Interest payable annually and principal repayable in full upon maturity	Inter-bank market
2022 Mid-Term Notes of TCL Technology Group Corporation (Phase 3) (Sci-Tech Innovation Notes)	22TCL Group MTN003 (Sci-Tech Innovation Notes)	102281474.IB	July 4, 2022	July 6, 2022	July 6, 2025	200,000.00	3.45%	Interest payable annually and principal repayable in full upon maturity	Inter-bank market
2022 Mid-Term Green Notes of TCL Technology Group Corporation (Phase 2)	22TCL Group GN002	132280040.IB	April 25, 2022	April 27, 2022	April 27, 2025	150,000.00	3.30%	Interest payable annually and principal repayable in full upon maturity	Inter-bank market
2022 Mid-Term Notes of TCL Technology Group Corporation (Phase 1)	22TCL Group MTN001	102280089.IB	January 12, 2022	January 14, 2022	January 14, 2025	200,000.00	3.45%	Interest payable annually and principal repayable in full upon maturity	Inter-bank market
Investor eligibility (if any)			Mid-term notes are issued to institutional investors in the national interbank bond market (excluding those prohibited from purchasing by national laws and regulations)						
Applicable trading mechanism			Transaction inquiry, request for quotation, and click to trade						
Risk of termination of listing and trading (if any) and countermeasures			No						

Overdue bonds

☐Applicable ☒Not applicable

## 2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

☐Applicable ☒Not applicable

## 3. Intermediary institutions

Name of bond project	Name of intermediary institution	Office address	Name of signing accountants	Contact of intermediary institution	Tel.
23TCL Group MTN001 (Sci-Tech Innovation Notes), 22TCL Group MTN001	Agricultural Bank of China	No. 69 Jianguomennei Avenue, Dongcheng District, Beijing	-	Liu Zhaoying	010-85109688
23TCL Group MTN001 (Sci-Tech Innovation Notes), 22TCL Group MTN003 (Sci-Tech Innovation Notes)	China Construction Bank Corporation	No. 25, Finance Avenue, Xicheng District, Beijing	-	Zhou Peng	010-67596478
22TCL Group MTN003 (Sci-Tech Innovation Notes), 22TCL Group GN002	Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing	-	Wu Siyi	010-81012556
22TCL Group GN002	Shanghai Pudong Development Bank Co., Ltd.	No.12 Zhongshan East 1st Road, Shanghai	-	Li Yansun	021-31884090
22TCL Group MTN001	Bank of China Limited	No.1, Fuxingmennei Avenue, Beijing	-	Zhang Shun	010-66595482
23TCL Group MTN001 (Sci-Tech Innovation Notes), 22TCL Group MTN003 (Sci-Tech Innovation Notes), 22TCL Group GN002, 22TCL Group MTN001	Beijing Jia Yuan Law Offices	F408, Yuanyang Building, 158 Fuxingmen Inner Avenue, Beijing	-	Wen Liangjuan, Wu Junchao	0755-82789766
23TCL Group MTN001 (Sci-Tech Innovation Notes), 22TCL Group MTN003 (Sci-Tech Innovation Notes), 22TCL Group GN002, 22TCL Group MTN001	Da Hua Certified Public Accountants (Special General Partnership)	Room 1101, Building 7, No. 16 Xi Si Huan Zhong Road, Haidian District, Beijing	Qiu Junzhou, Jiang Xianmin, Xiong Xin	Qiu Junzhou, Jiang Xianmin, Xiong Xin	010-58350087
23TCL Group MTN001 (Sci-Tech Innovation Notes), 22TCL Group MTN003 (Sci-Tech Innovation Notes), 22TCL Group GN002, 22TCL Group MTN001	China Chengxin International Credit Rating Co., Ltd.	Building 5, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmen Inner Avenue, Dongcheng District, Beijing	-	Yang Rui, Wang Du	010-66428877

Whether the above organizations were changed during the Reporting Period

☐Yes ☒No



#### 4. Use of the Capital Raised

Unit: RMB'0,000

Name of bond project	Total amount of raised funds	Agreed purpose of raised funds	Used amount	Unused amount	Operation of special fund-raising account (if any)	Rectification of illegal use of raised funds (if any)	Whether consistent with the purpose, usage plan, and other agreements promised in the prospectus
23TCL Group MTN001 (Sci-Tech Innovation Notes)	150,000.00	Used to repay working capital loans and supplement working capital	150,000.00	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent
22TCL Group MTN003 (Sci-Tech Innovation Notes)	200,000.00	Used to repay working capital loans and supplement working capital	200,000.00	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent
22TCL Group GN002	150,000.00	Used to repay borrowings from financial institutions	150,000.00	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent
22TCL Group MTN001	200,000.00	Used to supplement the working capital of the issuer and its subsidiaries and repay the outstanding financing	200,000.00	0	Set up a fund-raising account to ensure that the funds raised are earmarked for special purposes	None	Consistent

The raised funds were used for construction projects

☐Applicable ☒Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period

☐Applicable ☒Not applicable

#### 5. Adjustments of credit rating results during the Reporting Period

☐Applicable ☒Not applicable

**6. The implementation and changes of guarantees, debt repayment plans, and other safeguard measures regarding debt repayment during the Reporting Period, and their impact on the equity of bond investors' equity**

☐Applicable ☒Not applicable

**IV. Convertible Corporate Bonds**

☐Applicable ☒Not applicable

During the reporting period, the Company did not have convertible corporate bonds.

**V. Consolidated loss of the Reporting Period Exceeding 10% of Net Assets of the last year-end**

☐Applicable ☒Not applicable

**VI. Overdue Interest-Bearing Debts other than Bonds at Period End**

☐Applicable ☒Not Applicable

**VII. Any Violation of Rules and Regulations during the Reporting Period**

☐Yes ☒No

**VI. Key Accounting Data and Financial Indicators of the Company for the Past Two Years as at the End of the Reporting Period**

Unit: RMB'0,000

Item	End of the Reporting Period	December 31, 2023	Change
Current ratio	0.86	1.03	-16.50%
Debt/asset ratio	64.92%	62.06%	2.86%
Quick ratio	0.61	0.75	-18.67%
	2024	2023	Change
Net profits attributable to the company's shareholders after non-recurring gains and losses	29,836	102,108	-70.78%
Debt-to-EBITDA ratio	12.85%	15.03%	-2.18%
Interest coverage ratio	0.18	1.80	-90.00%
Cash coverage ratio	6.45	5.55	16.05%
EBITDA coverage ratio	5.78	6.36	-9.12%
Debt repayment ratio	100%	100%	0.00
Interest payment ratio	100%	100%	0.00

Note: The YoY decrease in the net profits attributable to the Company's shareholders after non-recurring gains and losses and interest coverage ratio was primarily attributable to the operational underperformance of the new energy photovoltaic business compared to the prior-year period.

## Auditor's Report

RCSZ [2025] No. 518Z0833

**To all the shareholders of TCL Technology Group Corporation:**

### **I. Opinion**

We have audited the financial statements of TCL Technology Group (hereinafter referred to as "TCL TECH."), which include the consolidated and parent company's balance sheets as at December 31, 2024, the consolidated and parent company's statements on income for the year 2024, the statements on cash flows and statements on changes in shareholders' equity for the year then ended, as well as the notes to these financial statements.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the consolidated and parent company's financial position of TCL TECH. as at December 31, 2024, and the consolidated and parent company's operational results and cash flows for the year 2024, in accordance with the Accounting Standards for Business Enterprises.

### **II. Basis for Opinion**

We conducted our audits in accordance with the Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of Financial Statements section in the auditor's report. According to the Code of Ethics for Chinese Certified Public Accountants, we are independent of TCL TECH., and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

And key audit matters identified in our audit are summarized as follows:

<b>Revenue Recognition</b>	
Please refer to the accounting policies as stated in 35 "Revenue Recognition" under Note III to the financial statements and 57. "Operation Revenue and Operating Cost".	
<b>Key Audit Matters</b>	<b>Audit response</b>
<p>The Company's operating revenue in the current period, compared with that of RMB174.4 billion in the previous period, accounts for RMB164.8 billion, decreased by 5.47%.</p> <p>As operating revenue is a key performance indicator for the Company, there is an inherent risk that the management may manipulate the timing of revenue recognition to meet specific targets or expectations. Given the material impact of current-period revenue recognition on the financial statements, we have identified this as a key audit matter.</p>	<p>The important audit procedures we carried out in respect to revenue recognition include:</p> <ul style="list-style-type: none"> <li>● to understand and assess whether the management's design and operation of key internal controls in respect to revenue recognition are effective;</li> <li>● to understand and assess whether the management's selection and implementation of the policies related to revenue recognition complied with the Accounting Standards for Business Enterprises;</li> <li>● to select samples of recorded transactions with revenue for the year and examine relevant supporting documents involved during the transaction process, including outbound delivery orders, customer receipt records, sale invoices, customs declarations, bills of lading, and fund receipt proofs;</li> <li>● to select samples of the recorded transactions with revenue around the balance sheet date and examined outbound delivery orders and other supporting documents to assess whether the revenue has been recorded for the appropriate accounting period;</li> <li>● to obtain the Company's sales list for the year and go through the analytic review procedures on the operating revenue so as to determine how reasonable changes in the revenue and gross profit margin for the current period were;</li> <li>● to conduct confirmation procedures with key accounts and inquire about the sales amount and the account receivable balance incurred for the current period; and</li> <li>● to examine whether the information in connection with revenue was duly presented and disclosed in the financial statements.</li> </ul>
Based on the audit work executed, we believe that the Company's recognition of revenue complies with relevant requirements of the Accounting Standards for Business Enterprises.	

### III. Key Audit Matters (Continued)

Measurement of fixed assets and construction in progress	
Please refer to the accounting policies as stated in 23 "Fixed Assets" and 24 "Construction in Progress" under Note III to the financial statements and 19 "Fixed Assets" and 20 "Construction in Progress" under Note V to the financial statements.	
Key Audit Matters	Audit response
<p>As of December 31, 2024, the total amount of fixed assets and construction in progress in the Company's consolidated statements was RMB194.1 billion, accounting for 51.31% of the total assets. The fixed assets and construction in progress mainly included machinery, equipment, and buildings used for display products, new energy photovoltaic products, and other silicon materials. Matters such as the recognition of assets meeting capitalization criteria, the timing of transferring construction-in-progress to fixed assets and commencing depreciation, as well as determining the useful lives and residual values of relevant fixed assets, all involve significant management judgments. As such, we have identified the measurement of fixed assets and construction-in-progress as a key audit matter.</p>	<p>The important audit procedures we carried out in respect to the measurement of fixed assets and construction in progress include:</p> <ul style="list-style-type: none"> <li>● to understand and evaluate the effectiveness of the design of internal controls related to fixed assets and construction in progress, and test the effectiveness of the implementation of key controls;</li> <li>● to obtain a list of new assets in the current period, and carry out a spot check of procurement contracts, payment documents, invoices, and acceptance slips for large-value assets;</li> <li>● to obtain the new settlement statements for construction in the current period, examine them against the amounts recorded in the books, and review the accuracy and completeness of the entries;</li> <li>● to discuss with the management and judge the accuracy of the point in time when the construction in progress is transferred to fixed assets and the reasonableness of the expected useful life of fixed assets;</li> <li>● to inspect the construction-in-progress site as the balance sheet date approaches, assess the work progress, and verify it against the book entries;</li> <li>● to obtain the ownership certificate of fixed assets and the company inventory sheet, and conduct on-site checks of important assets;</li> <li>● to obtain the statement of depreciation provision for fixed assets and recalculate whether the depreciation has been provisioned accurately; and</li> <li>● to examine whether the information in connection with fixed assets and construction in progress has been duly presented and disclosed in the financial statements.</li> </ul>
Based on the audit work executed, we believe that the Company measured the fixed assets and construction in progress in accordance with relevant requirements of the Accounting Standards for Business Enterprises.	

### III. Key Audit Matters (Continued)

Related-party Transactions	
Please refer to "XI. Related Parties and Related Transactions" under the notes to the financial statements.	
Key Audit Matters	Audit response
<p>The Company's daily related party transactions in 2024, compared with that of RMB36.1 billion in previous period, account for RMB36.2 billion, increased by 0.28%.</p> <p>The integrity of the disclosure of related parties and related transactions, the authenticity of related transactions, and the fairness of transaction prices will pose an important impact on the fair presentation of the financial statements. Therefore, we identify the related balance and transactions as key matters in this audit.</p>	<p>The important audit procedures we carried out in respect to related transactions include:</p> <ul style="list-style-type: none"> <li>● to examine and evaluate the internal controls adopted by management for identifying and disclosing the relationships between related parties and related transactions, and review the effectiveness of the design and implementation of the internal controls;</li> <li>● to obtain management representations regarding the completeness of related party relationships and transactions, and secure the list of related party relationships provided by the management, then verify it against information obtained from other public sources;</li> <li>● to examine the customers, suppliers, and other stakeholders that deal with the Company to identify whether there are any omissions for the related parties. to acquire the resolutions of the board of directors and the general meeting in connection with related transactions, examine the decision-making authority and procedures of the related transactions, judge the legality and compliance of the related transactions, and determine whether they have been properly authorized and approved;</li> <li>● to compare the prices for selling goods to the related parties with those of similar products sold to unrelated parties to determine the fairness of the prices of related transactions; and</li> <li>● to acquire the incurred amount and balance details of related transactions, and examine the financial vouchers corresponding to the transactions and the attached contracts or orders, dispatch notes, statements, invoices and bank documents for the selected specific samples; and conduct confirmation procedures for the incurred amounts and balances of the related transactions with important related parties.</li> </ul>
Based on the audit work we've fulfilled, we believe that the completeness of the disclosure of related-party relationships by the management, the authenticity of related-party transactions, and the fairness of transaction prices are reasonable.	

#### **IV. Other Information**

TCL TECH.'s management is responsible for the other information. Other information includes the information covered in the Company's Annual Report 2024, but excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information, and we do not express any form of assurance or conclusions thereon.

As part of our audit of the financial statements, we are required to read the other information and consider whether it is materially inconsistent with the financial statements or our audit findings, or whether it otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement for other information, we are required to report that fact. We have nothing to report in this regard.

#### **V. Responsibilities of Management and Those Charged with Governance for Financial Statements**

The Company's management is responsible for the preparation of the financial statements that provide a fair view in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing, and maintaining such internal controls as the management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of TCL TECH. is responsible for assessing TCL TECH.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concerns as a basis of accounting unless the management either intends to liquidate TCL TECH. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TCL TECH.'s financial reporting process.

#### **VI. Auditor's Responsibilities for Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that states our opinions. Reasonable assurance is

a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when one exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conduct the following works:

1. We identify and assess the risks of material misstatement in the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.

2. We obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate to the circumstances.

3. We evaluate the appropriateness of accounting policies used and determine how reasonable accounting estimates and related disclosures made by the management are.

4. We conclude the appropriateness of the management's use of the going concern assumption of accounting. Meanwhile, based on the audit evidence obtained, we draw a conclusion on whether a material uncertainty exists related to events or conditions that may cast significant doubt on TCL TECH.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw users' attention to the related disclosures in the financial statements through our audit report. Where such disclosures are inadequate, we are required to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TCL TECH. to cease to continue as a going concern.

5. We evaluate the overall presentation, structure, and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that maintains fair presentation.

6. We obtain sufficient and appropriate audit evidence regarding the financial



information of the entities or business activities within the TCL TECH. to express an opinion on the financial statements. We are responsible for directing, supervising, and performing the Company audits and undertaking full responsibility for audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any noteworthy deficiencies in internal controls that we identify during our audit.

We also provide the governance body with a declaration regarding compliance with ethical requirements related to independence, and communicate all relationships and other matters that could reasonably be considered to affect our independence—along with any applicable safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and these therefore constitute the key audit matters. We describe these matters in our auditor's report unless prohibited by law or regulation from making such public disclosures, or in exceptional circumstances, we conclude that reporting a matter would result in consequences so adverse that they would reasonably outweigh the public interest benefits of disclosure.

This page is the signature and seal page of the Audit Report (RCSZ [2025] No. 518Z0833) of TCL Technology Group Corporation.

RSM China  
(LLP)

Chinese Certified Public Accountant: \_\_\_\_\_  
Chen Zefeng (Partner)

Beijing·China

Chinese Certified Public Accountant: \_\_\_\_\_  
Chen Zhihao

April 27, 2025

TCL Technology Group Corporation  
Consolidated Balance Sheet  
(RMB'000)

	Note V	December 31, 2024	December 31, 2023
Current assets			
Monetary assets	1	23,007,773	21,924,271
Held-for-trading financial assets	2	16,560,971	23,184,117
Derivative financial assets	3	172,489	108,008
Notes receivable	4	189,853	615,392
Accounts receivable	5	22,242,153	22,003,651
Receivables financing	6	831,407	954,410
Prepayments	7	2,090,492	2,946,288
Other receivables	8	4,723,140	5,706,855
Inventories	9	17,594,133	18,481,755
Contract assets	10	395,117	343,907
Held-for-sale assets		-	162,416
Non-current assets due within one year	11	849,706	580,695
Other current assets	12	6,716,209	5,286,534
Total current assets		95,373,443	102,298,299
Non-current assets			
Debt investments	13	147,272	122,349
Long-term receivables	14	443,741	720,281
Long-term equity investments	15	24,595,634	25,431,271
Investments in other equity instruments	16	387,851	386,648
Other non-current financial assets	17	2,225,200	2,971,566
Investment property	18	612,734	911,679
Fixed assets	19	170,512,009	176,422,621
Construction in progress	20	23,580,503	17,000,052
Right-of-use assets	21	6,697,688	6,386,446
Intangible assets	22	18,117,467	18,419,544
Development costs	23	1,831,444	2,541,493
Goodwill	24	11,159,705	10,516,742
Long-term deferred expenses	25	2,163,457	3,402,689
Deferred income tax assets	26	2,486,427	2,246,222
Other non-current assets	27	17,917,341	13,081,184
Total non-current assets		282,878,473	280,560,787
Total assets		378,251,916	382,859,086

Legal representative:	Li Dongsheng	Person-in-charge of financial affairs:	Li Jian	Person-in-charge of the financial department:	Jing Chunmei
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Balance Sheet (Continued)  
(RMB'000)

Liabilities and shareholders' equity:	Note V	December 31, 2024	December 31, 2023
Current liabilities			
Short-term borrowings	28	8,193,283	8,473,582
Borrowings from the Central Bank	29	600,926	995,010
Customer deposits and deposits from other banks and financial institutions	30	177,654	270,929
Held-for-trading financial liabilities	31	232,406	251,451
Derivative financial liabilities	32	248,845	58,591
Notes payable	33	7,107,842	5,610,802
Accounts payable	34	29,347,615	29,402,493
Advances from customers	35	2,689	678
Contract liabilities	36	1,969,271	1,899,468
Employee compensation payable	37	4,188,237	3,034,497
Taxes and levies payable	38	1,206,098	861,342
Other payables	39	20,072,069	22,171,402
Non-current liabilities due within one year	40	36,224,483	24,631,659
Other current liabilities	41	1,484,915	1,563,245
Total current liabilities		111,056,333	99,225,149
Non-current liabilities			
Long-term borrowings	42	116,815,131	117,662,209
Bonds payable	43	6,488,620	9,113,848
Lease liabilities	44	6,334,786	5,737,288
Long-term payables	45	1,994,812	2,739,444
Long-term employee compensation payable	37	22,424	29,645
Deferred income	46	1,014,891	1,540,648
Deferred income tax liabilities	26	1,544,449	1,427,487
Estimated liabilities	47	249,218	117,395
Other non-current liabilities	48	27,508	-
Total non-current liabilities		134,491,839	138,367,964
Total liabilities		245,548,172	237,593,113
Share capital	49	18,779,081	18,779,081
Capital reserves	50	10,553,081	10,752,055
Less: Treasury share	51	919,322	1,094,943
Other comprehensive income	52	(740,459)	(945,798)
Surplus reserves	53	3,974,386	3,874,006
Specific reserves	54	7,189	11,343
General risk reserve	55	8,934	8,934
Retained earnings	56	21,504,719	21,537,188
Total equity attributable to shareholders of the parent company		53,167,609	52,921,866
Non-controlling interests		79,536,135	92,344,107
Total shareholders' equity		132,703,744	145,265,973
Total liabilities and shareholders' equity		378,251,916	382,859,086

Legal representative:	Li Dongsheng	Person-in-charge of financial affairs:	Li Jian	Person-in-charge of the financial department:	Jing Chunmei
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Income Statement  
(RMB'000)

	Note V	2024	2023
I. Total revenue		164,962,838	174,446,172
Including: Operating revenue	57	164,822,833	174,366,657
Interest income	58	140,005	79,515
Less: Operating cost	57	145,722,436	149,598,594
Interest expenditures	58	22,073	19,362
Taxes and levies	59	1,048,971	801,938
Sales expenses	60	2,054,073	1,692,690
Administrative expenses	61	4,446,290	4,783,247
R&D expenses	62	9,433,287	9,522,838
Financial expenses	63	4,179,270	3,972,728
Including: Interest expenses		5,052,071	4,922,120
Interest income		687,992	939,719
Plus: Other income	64	1,953,415	3,538,259
Return on investment	65	1,399,540	2,591,877
Including: Return on investment in joint ventures and associates		436,920	1,363,661
Exchange gain	58	(362)	516
Gain on changes in fair value	66	479,854	27,338
Credit impairment loss	67	1,409	(173,065)
Asset impairment loss	68	(6,026,734)	(4,813,965)
Asset disposal income	69	38,468	(41,416)
II. Operating profit		(4,097,972)	5,184,319
Plus: Non-operating income	70	291,558	71,285
Less: Non-operating expenses	71	147,391	203,780
III. Gross profit		(3,953,805)	5,051,824
Less: Income tax expenses	72	202,337	271,040
IV. Net profits		(4,156,142)	4,780,784
(I) Classification by business continuity			
1. Net profits from continuing operations		(4,156,142)	4,780,784
2. Net profits from discontinued operations		-	-
(II) Classification by ownership			
1. Net profits attributable to shareholders of the Company		1,564,112	2,214,934
2. Net profit attributable to non-controlling interests		(5,720,254)	2,565,850
V. Other comprehensive income, net of tax	52	182,693	(189,220)
(I) Other comprehensive income that cannot be subsequently reclassified into profit or loss		259,224	(48,773)
(II) Other comprehensive income that may subsequently be reclassified into profit or loss upon satisfaction of prescribed conditions		(76,531)	(140,447)
VI. Total comprehensive income		(3,973,449)	4,591,564
Total comprehensive income attributable to the shareholders of the parent company		1,769,451	2,080,958
Total comprehensive income attributable to non-controlling interests		(5,742,900)	2,510,606
VII. Earnings per share	73		
(I) Basic earnings per share (RMB yuan)		0.0842	0.1195
(II) Diluted earnings per share (RMB yuan)		0.0833	0.1179

	Person-in-charge of financial	Person-in-charge of the accounting	Jing
Legal representative: <u>Li Dongsheng</u>	affairs: <u>Li Jian</u>	department: <u>Chunmei</u>	

The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Cash Flow Statement  
(RMB'000)

		Note V	2024	2023	
I	Net cash generated from operating activities:				
	Proceeds from the sale of commodities and rendering of services		169,223,957	139,948,369	
	Net increase/(decrease) in deposits from customers, banks, and other financial institutions		(93,192)	(332,494)	
	Net increase/(decrease) in borrowings from the Central Bank		(394,269)	217,333	
	Cash received from interest, service charges, and commissions		139,471	79,515	
	Tax and levy rebates		5,175,168	8,198,667	
	Cash generated from other operating activities	74	9,568,245	6,899,258	
	Sub-total of cash generated from operating activities		183,619,380	155,010,648	
	Payments for commodities and services		(121,798,739)	(104,274,934)	
	Net (increase)/decrease in loans and advances to customers		468,915	(210,100)	
	Net (increase)/decrease in deposits in the central bank and in interbank loans granted		62,182	(19,240)	
	Cash paid to and for employees		(12,211,408)	(12,223,510)	
	Taxes and levies paid		(4,500,413)	(4,194,531)	
	Cash used in other operating activities	75	(16,113,346)	(8,773,577)	
	Sub-total of cash used in operating activities		(154,092,809)	(129,695,892)	
	Net cash generated from operating activities	80	29,526,571	25,314,756	
II.	Cash flow generated from investing activities:				
	Proceeds from disinvestments		81,620,356	55,718,288	
	Proceeds from return on investments		3,367,135	2,188,135	
	Net proceeds from disposal of fixed assets, intangible assets, and other long-term assets		316,320	140,305	
	Net proceeds from disposal of subsidiaries and other business units	80	35,197	1,566,356	
	Cash generated from other investing activities	76	825,135	1,589,202	
	Sub-total of cash generated from investment activities		86,164,143	61,202,286	
	Payments for the acquisition and construction of fixed assets, intangible assets, and other long-term assets		(23,692,323)	(29,574,296)	
	Payments for investments		(87,916,550)	(71,131,067)	
	Net payments for acquiring subsidiaries and other business units	80	(4,447)	(370,928)	
	Cash used in other investing activities	77	(1,232,830)	(923,051)	
	Subtotal of cash used in investing activities		(112,846,150)	(101,999,342)	
	Net cash used in investing activities		(26,682,007)	(40,797,056)	
Legal representative:	Li Dongsheng	Person-in-charge of financial affairs:	Li Jian	Person-in-charge of the accounting department:	Jing Chunmei

The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Cash Flow Statement (Continued)  
(RMB'000)

	Note V	2024	2023
III. Cash flow generated from financing activities:			
Capital contributions received		99,635	3,182,627
Including: Capital contributions by non-controlling interests to subsidiaries		99,635	3,182,627
Borrowings raised		71,661,298	61,391,001
Cash received from bond issue		5,000,000	1,500,000
Cash generated from other financing activities	78	<u>1,032,222</u>	<u>3,950,311</u>
Sub-total of cash generated from financing activities		<u>77,793,155</u>	<u>70,023,939</u>
Cash paid for debt repayment		(69,624,231)	(53,877,371)
Cash paid for distribution of dividends and profits or the repayment of interests		(7,922,416)	(6,317,209)
Including: Dividend and Profit paid by subsidiaries to minority shareholders		(1,039,878)	(423,710)
Cash used in other financing activities	79	<u>(2,252,450)</u>	<u>(8,037,595)</u>
Subtotal of cash used in financing activities		<u>(79,799,097)</u>	<u>(68,232,175)</u>
Net cash generated from financing activities		<u>(2,005,942)</u>	<u>1,791,764</u>
IV. Effect of exchange rate changes on cash and cash equivalents		<u>25,818</u>	<u>11,727</u>
V. Net increase in cash and cash equivalents		864,440	(13,678,809)
Add: Beginning balance of cash and cash equivalents		<u>19,996,815</u>	<u>33,675,624</u>
VI. Ending balance of cash and cash equivalents	80	<u>20,861,255</u>	<u>19,996,815</u>

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Statement of Changes in Shareholders' Equity  
(RMB'000)

	2024										
	Equity attributable to shareholders of the parent company										
	Share capital	Other equity instruments	Capital reserves	Treasury share	Specific reserves	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Non-controlling interests	Total shareholders' equity
I. Balance at the end of the prior year	18,779,081	-	10,752,055	(1,094,943)	11,343	(945,798)	3,874,006	8,934	21,537,188	92,344,107	145,265,973
Plus: Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the current period	18,779,081	-	10,752,055	(1,094,943)	11,343	(945,798)	3,874,006	8,934	21,537,188	92,344,107	145,265,973
III. Movement of the current period	-	-	(198,974)	175,621	(4,154)	205,339	100,380	-	(32,469)	(12,807,972)	(12,562,229)
(I) Total comprehensive income	-	-	-	-	-	211,465	-	-	1,564,112	(5,742,900)	(3,967,323)
(II) Capital contributed and reduced by shareholders	-	-	(224,909)	175,621	-	-	-	-	-	(6,029,663)	(6,078,951)
1. Capital contributed by shareholders	-	-	-	-	-	-	-	-	-	99,435	99,435
2. Share-based payments included in owners' equity	-	-	240,222	175,621	-	-	-	-	-	26,752	442,595
3. Amount of bond issuance included in owners' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	(465,131)	-	-	-	-	-	-	(6,155,850)	(6,620,981)
(III) Profit distribution	-	-	-	-	-	-	100,380	-	(1,602,707)	(1,021,287)	(2,523,614)
1. Appropriation of surplus reserves	-	-	-	-	-	-	100,380	-	(100,380)	-	-
2. Appropriation to shareholders	-	-	-	-	-	-	-	-	(1,502,327)	(1,021,287)	(2,523,614)
3. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of owner's equity	-	-	-	-	-	(6,126)	-	-	6,126	-	-
1. Capitalization of capital reserves into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Other comprehensive income transferred to retained earnings	-	-	-	-	-	(6,126)	-	-	6,126	-	-
(V) Specific reserves	-	-	-	-	(4,154)	-	-	-	-	(14,122)	(18,276)
1. Accrued in the period	-	-	-	-	26,412	-	-	-	-	57,023	83,435
2. Specific reserves used in the current period	-	-	-	-	(30,566)	-	-	-	-	(71,145)	(101,711)
(VI) Others	-	-	25,935	-	-	-	-	-	-	-	25,935
IV. Balance as at the end of the current period	18,779,081	-	10,553,081	(919,322)	7,189	(740,459)	3,974,386	8,934	21,504,719	79,536,135	132,703,744

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Consolidated Statement of Changes in Shareholders' Equity (Continued)  
(RMB'000)

2023										
	Equity attributable to shareholders of the parent company								Non-controlling interests	Total Shareholders' equity
	Share capital	Other equity instruments	Capital reserves	Treasury share	Specific reserves	Other comprehensive income	Surplus reserves	General risk reserve		
I. Balance at the end of the prior year	17,071,892	-	12,522,793	(1,314,581)	2,301	(811,822)	3,712,273	8,934	19,486,730	132,138,753
Plus: Change in accounting policies	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the current period	17,071,892	-	12,522,793	(1,314,581)	2,301	(811,822)	3,712,273	8,934	19,486,730	132,138,753
III. Movement of current period	1,707,189	-	(1,770,738)	219,638	9,042	(133,976)	161,733	-	2,050,458	13,127,220
(I) Total comprehensive income	-	-	-	-	-	(136,719)	-	-	2,214,934	4,588,821
(II) Capital contributed and reduced by shareholders	-	-	(131,061)	219,638	-	-	-	-	8,791,175	8,879,752
1. Capital contributed by shareholders	-	-	-	-	-	-	-	-	8,815,929	8,815,929
2. Share-based payments included in owners' equity	-	-	242,757	466,809	-	-	-	-	336,118	1,045,684
3. Amount of bond issuance included in owners' equity	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	(373,818)	(247,171)	-	-	-	-	(360,872)	(981,861)
(III) Profit distribution	-	-	-	-	-	-	161,733	-	(161,733)	(437,951)
1. Appropriation of surplus reserves	-	-	-	-	-	-	161,733	-	(161,733)	-
2. Appropriation to shareholders	-	-	-	-	-	-	-	-	(437,951)	(437,951)
3. Others	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of owner's equity	1,707,189	-	(1,707,189)	-	-	2,743	-	-	(2,743)	-
1. Capitalization of capital reserves into capital (or share capital)	1,707,189	-	(1,707,189)	-	-	-	-	-	-	-
2. Other comprehensive income transferred to retained earnings	-	-	-	-	-	2,743	-	-	(2,743)	-
(V) Specific reserves	-	-	-	-	9,042	-	-	-	20,044	29,086
1. Accrued in the period	-	-	-	-	32,220	-	-	-	76,587	108,807
2. Specific reserves used in the current period	-	-	-	-	(23,178)	-	-	-	(56,543)	(79,721)
(VI) Others	-	-	67,512	-	-	-	-	-	-	67,512
IV. Balance as at the end of the current period	18,779,081	-	10,752,055	(1,094,943)	11,343	(945,798)	3,874,006	8,934	21,537,188	145,265,973

Legal representative:

Li Dongsheng

Person-in-charge of financial affairs:

Li Jian

Person-in-charge of the financial department:

Jing Chunmei

The attached notes to the financial statements form an integral part of the financial statements.



TCL Technology Group Corporation  
Balance Sheet of the Company  
(RMB'000)

assets	Note XVII	December 31, 2024	December 31, 2023
Current assets			
Monetary assets		1,551,692	2,646,890
Held-for-trading financial assets		11,703,700	14,178,884
Derivative financial assets		-	66
Accounts receivable	1	185,239	350,788
Prepayments		17,740	9,241
Other receivables	2	9,910,856	19,614,272
Other current assets		22,518	1,629
Total current assets		23,391,745	36,801,770
Non-current assets			
Long-term equity investments	3	81,062,401	79,664,992
Other non-current financial assets	4	723,543	644,300
Investment property		73,683	77,364
Fixed assets		35,361	34,806
Construction in progress		23,410	-
Right-of-use assets		423,543	435,915
Intangible assets		84,043	96,319
Long-term deferred expenses		26,603	33,005
Deferred income tax assets		7	7
Other non-current assets		2,600,666	-
Total non-current assets		85,053,260	80,986,708
Total assets		108,445,005	117,788,478

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Balance Sheet of the Parent Company (Continued)  
(RMB'000)

Liabilities and shareholders' equity:	Note XVII	December 31, 2024	December 31, 2023
Current liabilities			
Short-term borrowings		780,798	2,124,045
Derivative financial liabilities		1,764	-
Accounts payable		24,762	202,691
Contract liabilities		-	6,750
Employee compensation payable		178,592	184,320
Taxes and levies payable		10,056	12,415
Other payables		19,252,413	26,818,710
Non-current liabilities due within one year		10,912,982	6,167,442
Other current liabilities		9,071	3,656
Total current liabilities		31,170,438	35,520,029
Non-current liabilities			
Long-term borrowings		15,289,799	19,963,555
Bonds payable		6,488,620	6,992,012
Lease liabilities		16,485	20,816
Long-term employee compensation payable		19,191	26,215
Deferred income		55,985	53,147
Total non-current liabilities		21,870,080	27,055,745
Total liabilities		53,040,518	62,575,774
Share capital		18,779,081	18,779,081
Capital reserves		16,332,255	16,127,030
Less: Treasury share		919,322	1,094,943
Other comprehensive income		167,402	(142,055)
Surplus reserves		3,772,322	3,671,942
Retained earnings		17,272,749	17,871,649
Total shareholders' equity		55,404,487	55,212,704
Total liabilities and shareholders' equity		108,445,005	117,788,478

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Income Statement of the Company  
(RMB'000)

	Note XVII	2024	2023
I. Operating revenue	5	946,361	1,719,960
Less: Operating cost	5	608,274	1,197,154
Taxes and levies		7,883	15,213
Sales expenses		32,263	32,997
Administrative expenses		344,822	496,759
R&D expenses		136,815	95,705
Financial expenses		1,140,654	1,126,842
Including: Interest expenses		1,583,369	1,581,566
Interest income		346,977	346,028
Plus: Other income		2,630	11,680
Return on investment	6	2,018,248	2,360,797
Including: Share of profit or loss of joint ventures and associates	6	1,237,987	1,213,417
Gain on changes in fair value		315,367	492,641
Credit impairment loss		(385)	(1,192)
Asset disposal income		9	1,065
II. Operating profit		1,011,519	1,620,281
Plus: Non-operating income		151	3,372
Less: Non-operating expenses		7,863	6,325
III. Gross profit		1,003,807	1,617,328
Less: Income tax expenses		-	-
IV. Net profits		1,003,807	1,617,328
V. Other comprehensive income		309,458	(13,860)
VI. Total comprehensive income		1,313,265	1,603,468

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Cash Flow Statement of the Company  
(RMB'000)

	Note XVII	2024	2023
I. Net cash generated from operating activities:			
Proceeds from the sale of commodities and rendering of services		1,054,182	1,540,380
Tax and levy rebates		1,427	408
Cash generated from other operating activities		4,090,375	1,065,410
Sub-total of cash generated from operating activities		5,145,984	2,606,198
Payments for commodities and services		(726,833)	(884,951)
Cash paid to and for employees		(182,118)	(179,035)
Taxes and levies paid		(99,611)	(175,341)
Cash used in other operating activities		(1,042,966)	(9,420,940)
Sub-total of cash used in operating activities		(2,051,528)	(10,660,267)
Net cash generated from operating activities	7	3,094,456	(8,054,069)
II. Cash flow generated from investing activities:			
Proceeds from disinvestments		39,330,086	17,561,714
Proceeds from return on investments		2,252,665	1,359,286
Net proceeds from disposal of fixed assets, intangible assets, and other long-term assets		-	-
Cash generated from other investing activities		-	-
Sub-total of cash generated from investment activities		41,582,751	18,921,000
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets		(33,465)	(13,483)
Payments for investments		(40,360,868)	(27,016,746)
Cash used in other investing activities		-	-
Subtotal of cash used in investing activities		(40,394,333)	(27,030,229)
Net cash used in investing activities		1,188,418	(8,109,229)

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Cash Flow Statement of the Company (Continued)  
(RMB'000)

	Note XVII	2024	2023
III. Cash flow generated from financing activities:			
Capital contributions received		-	-
Borrowings raised		14,913,000	18,920,000
Cash received from bond issue		5,000,000	1,500,000
Cash generated from other financing activities		425,625	205,647
		<hr/>	<hr/>
Sub-total of cash generated from financing activities		20,338,625	20,625,647
		<hr/>	<hr/>
Cash paid for debt repayment		(21,623,200)	(17,827,419)
Cash paid for distribution of dividends and profits or repayment of interests		(2,669,516)	(1,284,988)
Cash used in other financing activities		(1,463,593)	(276,715)
		<hr/>	<hr/>
Subtotal of cash used in financing activities		(25,756,309)	(19,389,122)
		<hr/>	<hr/>
Net cash generated from financing activities		(5,417,684)	1,236,525
		<hr/>	<hr/>
IV. Effect of exchange rate changes on cash and cash equivalents		763	(1,382)
		<hr/>	<hr/>
V. Net increase in cash and cash equivalents		(1,134,047)	(14,928,155)
Add: Beginning balance of cash and cash equivalents		2,642,115	17,570,270
		<hr/>	<hr/>
VI. Ending balance of cash and cash equivalents	8	1,508,068	2,642,115
		<hr/>	<hr/>

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Statement of Changes in Shareholders' Equity of the Company  
(RMB'000)

	2024							Total shareholders' equity
	Share capital	Other equity instruments	Capital reserves	Treasury share	Other comprehensive income	Surplus reserves	Retained earnings	
I. Balance at the end of the prior year	18,779,081	-	16,127,030	(1,094,943)	(142,055)	3,671,942	17,871,649	55,212,704
Plus: Change in accounting policies	-	-	-	-	-	-	-	-
II. Balance at the beginning of current period	18,779,081	-	16,127,030	(1,094,943)	(142,055)	3,671,942	17,871,649	55,212,704
III. Movement of current period	-	-	205,225	175,621	309,457	100,380	(598,900)	191,783
(I) Total comprehensive income	-	-	-	-	309,457	-	1,003,807	1,313,264
(II) Capital contributed and reduced by shareholders	-	-	208,766	175,621	-	-	-	384,387
1. Capital contributed by owners	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payments included in owners' equity	-	-	208,766	175,621	-	-	-	384,387
4. Amount of bond issuance included in owners' equity	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	100,380	(1,602,707)	(1,502,327)
1. Appropriation of surplus reserves	-	-	-	-	-	100,380	(100,380)	-
2. Appropriation to shareholders	-	-	-	-	-	-	(1,502,327)	(1,502,327)
3. Others	-	-	-	-	-	-	-	-
(IV) Internal transfer of owner's equity	-	-	-	-	-	-	-	-
1. Capitalization of capital reserves into capital (or share capital)	-	-	-	-	-	-	-	-
(V) Others	-	-	(3,541)	-	-	-	-	(3,541)
IV. Balance as at the end of the current period	18,779,081	-	16,332,255	(919,322)	167,402	3,772,322	17,272,749	55,404,487

Legal representative:	Li Dongsheng	Person-in-charge of financial affairs:	Li Jian	Person-in-charge of the financial department:	Jing Chunmei
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Statement of Changes in Shareholder Equity of the Company (Continued)  
(RMB'000)

	2023							
	Share capital	Other equity instruments	Capital reserves	Treasury share	Other comprehensive income	Surplus reserves	Retained earnings	Total shareholders' equity
I. Balance at the end of the prior year	17,071,892	-	17,715,533	(1,314,581)	(128,195)	3,510,209	16,416,054	53,270,912
Plus: Change in accounting policies	-	-	-	-	-	-	-	-
II. Balance at the beginning of the current period	17,071,892	-	17,715,533	(1,314,581)	(128,195)	3,510,209	16,416,054	53,270,912
III. Movement of current period	1,707,189	-	(1,588,503)	219,638	(13,860)	161,733	1,455,595	1,941,792
(I) Total comprehensive income	-	-	-	-	(13,860)	-	1,617,328	1,603,468
(II) Capital contributed and reduced by shareholders	-	-	108,217	219,638	-	-	-	327,855
1. Capital contributed by owners	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payments included in owners' equity	-	-	108,217	466,809	-	-	-	575,026
4. Amount of bond issuance included in owners' equity	-	-	-	-	-	-	-	-
5. Others	-	-	-	(247,171)	-	-	-	(247,171)
(III) Profit distribution	-	-	-	-	-	161,733	(161,733)	-
1. Appropriation of surplus reserves	-	-	-	-	-	161,733	(161,733)	-
2. Appropriation to shareholders	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-
(IV) Internal transfer of owner's equity	1,707,189	-	(1,707,189)	-	-	-	-	-
1. Capitalization of capital reserves into capital (or share capital)	1,707,189	-	(1,707,189)	-	-	-	-	-
(V) Others	-	-	10,469	-	-	-	-	10,469
IV. Balance as at the end of the current period	18,779,081	-	16,127,030	(1,094,943)	(142,055)	3,671,942	17,871,649	55,212,704

Legal representative:	<u>Li Dongsheng</u>	Person-in-charge of financial affairs:	<u>Li Jian</u>	Person-in-charge of the financial department:	<u>Jing Chunmei</u>
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The attached notes to the financial statements form an integral part of the financial statements.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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I. General information

TCL Technology Group Corporation (hereinafter referred to as "the Company") is a limited liability company established in Huizhou on July 17, 1997. It was changed to a limited liability company as a whole in 2002 and was listed on the Shenzhen Stock Exchange in January 2004. Through years of new share placements, private placements, capital conversion, share option exercises, and share repurchases and cancellations, the registered capital and share capital of the Company were RMB 18,779,080,767 as of December 31, 2024.

The main business structure of the Company and its subsidiaries consists of display, new energy photovoltaic and other silicon materials, industrial finance, and other businesses. The relevant information of the Company's subsidiaries is detailed in Note VIII.

The registered address of the Company is: TCL TECH. Building, 17 Huifeng Third Road, Zhongkai Hi-Tech Development District, Huizhou City, Guangdong Province.

Approval and issue: These financial statements were authorized for issue by the Company's Board of Directors on April 27, 2025.

II. Basis for the preparation of financial statements

1 Basis for the preparation

The preparation of financial statements of the Company is based on the actual transactions and events in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* published by the Ministry of Finance and specific Accounting Standards for Business Enterprises, application guidelines for Accounting Standards for Business Enterprises, Accounting Standards for Business Enterprises interpretations and other relevant regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") for confirmation and measurement, combining the provisions of *Regulations on Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports* (revised in 2023) published by CSRC.

2 Going concern basis

The Company has evaluated the ability to continue as a going concern for 12 months from the end of the Reporting Period and has not identified any issues or circumstances that result in significant doubts about its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

III. Significant accounting policies and accounting estimates

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. The business not mentioned shall be implemented in accordance with the relevant accounting policies in the Accounting Standards for Business Enterprises.



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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III Significant accounting policies and accounting estimates (continued)

1 Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are in compliance with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the financial position, operating results, cash flow, and other relevant information of the Company during the Reporting Period.

2 Accounting period

The Company adopts the calendar year as an accounting period, and its fiscal year is from January 1 to December 31 of the Gregorian calendar.

3 Operations cycle

An operations cycle refers to a period from the purchase of assets by an enterprise for processing to the realization of cash or cash equivalents. The Company takes a 12-months' period as an operations cycle and takes the operating cycle as the criteria for liquidity classification of assets and liabilities.

4 Functional currency for bookkeeping

The Company uses RMB as its functional currency. Its overseas subsidiaries use the currencies of the main economic environment in which they operate as their respective functional currencies, and their financial statements are converted into RMB and presented in RMB thousands unless otherwise specified.

5 Method and selection basis for determining importance criteria

Item	Importance criteria
The recovery, reversal, and actual write-off of bad debt provisions for important receivables with bad debt provisions accrued on an individual basis	The amount of an individual item is greater than RMB 50 million.
Important construction in progress	The ending carrying amount of an individual item exceeds RMB 10 billion.
Important non-wholly-owned subsidiaries	The total assets of non-wholly-owned subsidiaries exceeds 10% of that of the Group, or the total revenue of non-wholly-owned subsidiaries exceeds 10% of that of the Group.
Important joint ventures or associates	The carrying amount of long-term equity investments in a single investee exceeds 5% of the total assets of the Group.
Important prepayments, contract liabilities, accounts payable, and other payables are aged for more than 1 year	The amount of an individual item exceeds 0.5% of the total assets of the Group.
Important capitalized research and development items	The cumulative expenditure of an individual item exceeds 0.5% of the total assets of the Group.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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III Significant accounting policies and accounting estimates (continued)

6 Accounting treatments for business combinations involving enterprises under and not under common control

(1) When the terms, conditions, and economic influence of transactions in the process of a step-by-step combination conform to one or more of the following, accounting for multiple transactions is treated as a package transaction:

- (a) These transactions are made simultaneously or with consideration of influence on each other;
- (b) These transactions can only achieve a complete business outcome when they are accounted for collectively;
- (c) The occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- (d) A transaction is uneconomical individually, but is economical when considered collectively with other transactions.

(2) Business combinations involving enterprises under common control

A combination of enterprises that are ultimately controlled by the same party or parties before and after the combination on a non-temporary basis constitutes a business combination under common control.

Assets and liabilities acquired by the Company in a business combination are measured at the carrying amounts of assets and liabilities of the acquired party in the consolidated financial statements of the ultimate controlling party as at the date of combination (including the goodwill resulting from the acquisition of the acquired party by the ultimate controlling party). The difference between the carrying amount of net assets acquired in the combination and that of the consideration paid for the combination (or the total par value of shares issued) is used to adjust the share capital premium in the capital reserve, and when the share capital premium in the capital reserve is insufficient for offset, it is used to adjust the retained earnings. If there is a contingent consideration and it is necessary to confirm estimated liabilities or assets, the difference between the amounts of the estimated liabilities or assets and the settlement amount of subsequent contingent consideration is used to adjust the capital reserve (capital premium or share capital premium), and when the capital reserve is insufficient, it is used to adjust the retained earnings.

For a business combination that is ultimately realized through multiple transactions, if it is a package transaction, each transaction is treated as a transaction that acquires control; if it is not a package transaction, on the date of acquisition of control, the difference between the initial cost of long-term equity investments and the carrying amount of long-term equity investments before the combination plus the carrying amount of the newly paid considerations on the date of combination is used to adjust the capital reserve; and when the capital reserve is insufficient for offset, it is used to adjust the retained earnings. For equity investments held prior to the date of combination, no accounting treatment is carried out for other comprehensive gains recognized by equity accounting or financial instrument confirmation and measurement standards, and up to the disposal of the investment, the accounting treatment shall be based on the same basis as the direct disposal of the assets or liabilities of the invested entity; other changes in the owner's equity other than net profits or loss, other comprehensive income, or profit distribution of net assets of the invested company recognized as equity are not subject to accounting, and will be transferred to the current profit and loss until disposal of the investment.

(3) Business combination not under common control

A combination of enterprises that are not ultimately controlled by the same party or parties before and after the combination constitutes a business combination not under common control.

III Significant accounting policies and accounting estimates (continued)

6 Accounting treatments for business combinations involving enterprises under and not under common control (continued)

(3) Business combination not under common control (continued)

Assets paid and liabilities incurred or assumed by the Company as consideration for the business combination are measured at fair value on the date of purchase, and the difference between the fair value and their carrying amount is recognized in current profits and losses.

The difference between the higher combination cost and lower share in the fair value of net identifiable assets of the acquired party gained in the combination is recognized as goodwill. If the combination cost is lower than the share in the fair value of net identifiable assets of the acquired party gained in the combination, the fair values of the identifiable assets, liabilities, and contingent liabilities of the acquired party gained and the measurement of the combination cost are first reviewed; and if it is reviewed that the combination cost is lower than the share in the fair value of net identifiable assets of the acquired party gained in the combination, the difference between the lower combination cost and higher share in the fair value of net identifiable assets of the acquired party gained in the combination is included in current profits and losses.

In the case where a business combination not under common control is realized through multiple exchanges and transactions, if it is a package transaction, each transaction will be accounted for as a transaction for acquiring control; in the case it is not a package transaction, if the equity investment held before the date of combination is accounted for using equity method, the sum of the carrying amount of equity investments of the acquired party held before the date of acquisition, plus the new investment cost on the date of acquisition will be recognized as the initial cost of the investment; the remaining comprehensive income recognized in equity investments using equity method before the date of acquisition will be recorded, when the investment is disposed of on the same basis as those the investee adopted directly to dispose of the relevant assets or liabilities. If the equity investment held before the date of combination is accounted for by financial instrument recognition and measurement criteria, the sum of the fair value of the equity investment on the date of combination plus the new investment cost is taken as the initial investment cost on the date of combination. The difference between the fair value and the carrying amount of the original equity, and the accumulated fair value changes originally included in other comprehensive income should be transferred to return on investment in the current period, which matches the combination date.

(4) Expenses incurred from combination

The agency fees paid for audits, legal services, assessments, and consultations and other directly related expenses incurred in the business combination are recognized in profit or loss during the period in which they are incurred. The transaction costs for the issuance of equity securities for the business combination that may be directly attributed to equity transactions can be deducted from equity;

III Significant accounting policies and accounting estimates (continued)

7 Methods for judging control and preparing consolidated financial statements

(1) Criteria for judging control

Control means having the power of control over the investee, enjoying variable returns by participating in the relevant activities of the investee, and having the ability to use the power over the investee to influence the amount of returns.

The Company judges whether it controls the investee based on comprehensive consideration of all relevant facts and circumstances. Once any change in relevant facts and circumstances causes the relevant elements involved in the definition of control to be changed, the Company will conduct a reassessment. The relevant facts and circumstances mainly include:

- ① The purpose for which the investee is established;
- ② The relevant activities of the investee and how to make decisions on such activities;
- ③ Whether the rights enjoyed by the investor enable it to currently lead the relevant activities of the investee;
- ④ Whether the investor is entitled to variable returns by participating in the relevant activities of the investee;
- ⑤ Whether the investor has the ability to exercise its power over the investee to affect the amount of return;
- ⑥ The relationship between the investor and other parties.

(2) Consolidation scope

The scope of consolidation of the Company's consolidated financial statements is determined on the basis of control, and all subsidiaries (including separate entities controlled by the Company) are included into the consolidated financial statements.

(3) Consolidation procedure

The Company prepares the consolidated financial statements based on the financial statements of itself and its subsidiaries and other relevant information. The Company prepares the consolidated financial statements in a manner that the whole group will be treated as an accounting entity to reflect the financial position, operating results, and cash flow of the group as a whole under unified accounting policies, in accordance with the recognition, measurement, and presentation requirements of relevant accounting standards for business enterprises.

The accounting policies and accounting periods adopted by all subsidiaries included in the consolidated financial statements are consistent with those of the Company. If the accounting policies or accounting periods adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments will be made in accordance with the Company's accounting policies and accounting periods when preparing consolidated financial statements.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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III Significant accounting policies and accounting estimates (continued)

7 Methods for judging control and preparing consolidated financial statements (continued)

(3) Consolidation procedure (continued)

The impact of intracompany transactions between the Company and its subsidiaries, and intracompany transactions between subsidiaries, on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, and consolidated statement of changes in shareholders' equity is offset in the preparation of consolidated financial statements. Where a transaction is recognized by the Company or its subsidiaries as the transaction subject, which is different from that under the consolidated financial statement of the group, the transaction should be adjusted at the group level.

If the current losses shared by the minority shareholders of a subsidiary exceed the share enjoyed by the minority shareholder in the initial owners' equity of the subsidiary, the balance will still be used to offset the equity of minority interests.

During the Reporting Period, if a subsidiary or business is added due to the business combination involving enterprises under common control, the beginning balances of the consolidated balance sheet are adjusted; the income, expenses and profits of the subsidiary or business as from the beginning of the period of combination to the end of the Reporting Period are included in the consolidated income statement; the cash flows of the subsidiary or business as from the beginning of the period of combination to the end of the Reporting Period are included in the consolidated cash flow statement, and the relevant items of the comparative statements are adjusted as if the reporting entity after the combination had existed since the time point when the ultimate controller began to control.

If the Company is able to exercise control over the investee under common control due to additional investment or for other reasons, it shall be deemed that the parties participating in the combination had made adjustments based on their current state when the ultimate controller began to control. For the equity investment held before obtaining the control over the acquired party, relevant gains and losses, other comprehensive income, and other changes in net assets recognized between the date of obtaining the original equity or the date when the acquiring party and the acquired party are under common control, whichever later, and the date of combination shall be used to offset the beginning retained earnings or the profits and losses of the comparative statement period.

During the Reporting Period, if a subsidiary or business is added due to a business combination involving enterprises under non-common control, the beginning balance of the consolidated balance sheet is not adjusted; the income, expenses, and profits of the subsidiary or business from the date of acquisition to the end of the Reporting Period are included in the consolidated income statement; the cash flow of the subsidiary or business from the date of acquisition to the end of the Reporting Period is included in the consolidated cash flow statement.

If the Company is able to exercise control over the investee not under common control due to additional investment or for other reasons, the Company shall remeasure the equity of the purchased party held before the purchase date at its fair value as at the purchase date, and the difference between the fair value and its carrying amount shall be recognized in the return on investment of the current period. If the equity of the purchased party held before the purchase date involves other comprehensive income accounted for under the equity method and other changes in owner's equity other than net profits and loss, other comprehensive income, and profit distribution, the relevant other comprehensive income and other changes in owner's equity shall be converted into the return on investment of the current period which matches the purchase date, except for other comprehensive income arising from the investee's remeasurement of the changes in net liabilities or net assets of defined benefit plans.

During the Reporting Period, if the Company disposes of a subsidiary or business, the income, expenses, and profits of the subsidiary or business for the period from the beginning of the period to the disposal date are included in the consolidated income statement; and the cash flow of the subsidiary or business for the period from the beginning of the reporting period to the disposal date is included in the consolidated cash flow statement.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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III Significant accounting policies and accounting estimates (continued)

7 Methods for judging control and preparing consolidated financial statements (continued)

(3) Consolidation procedure (continued)

When the Company loses control over the invested party due to disposal of part of the equity investment or other reasons, the remaining equity investment after disposal will be re-measured based on its fair value by the Company on the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, less the sum of the share of net assets and goodwill of the original subsidiary that should be enjoyed in accordance with the original shareholding ratio since the date of acquisition or combination, is accounted for the return on investment in the current period of loss of control. Other comprehensive income or net profits and losses related to the original subsidiary's equity investment, other comprehensive income, and other changes in owners' equity other than profit distribution, will be converted into current return on investment when control is lost, except for other comprehensive gains arising from the re-measurement of net liabilities of the Benefit Plan made by the invested party or changes in net assets.

When the equity investment in a subsidiary is disposed of step by step through multiple transactions until the loss of control, when the terms, conditions, and economic influence of the transactions of the equity investment in the subsidiary conform to one or more of the following, it usually indicates that the multiple transaction items shall be accounted for as a transaction package:

- ① These transactions are made simultaneously or with consideration of influence on each other;
- ② These transactions can only achieve a complete business outcome when they are accounted for collectively;
- ③ The occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- ④ A transaction is uneconomical individually, but is economical when considered collectively with other transactions.

If transactions through which the equity investment in a subsidiary is disposed of until the loss of control constitute a transaction package, the Company will account for such transactions as one transaction through which the subsidiary is disposed of with the loss of control over it; provided that the difference between the price for each disposal and the share in the net asset of the subsidiary corresponding to the investment disposed of, before the loss of control, is recognized as other comprehensive income in the consolidated financial statements and is transferred to the profits and losses of the current period in which the loss of control occurs.

When transactions through which the equity investment in a subsidiary is disposed of until the loss of control do not constitute a transaction package, such transactions shall be accounted for i) before the loss of control, in accordance with the relevant policies for partial disposal of an equity investment in a subsidiary without losing control; and ii) upon the loss of control, in accordance with the general accounting method for disposing of a subsidiary.

The difference, between the long-term equity investment obtained by the Company through the purchase of minority interests and the share in the net asset of the subsidiary calculated continuously from the purchase date (or combination date) based on the new shareholding percentage shall be used to adjust i) the share capital premium under the capital reserve in the consolidated balance sheet or ii) the retained earnings, if the share capital premium under the capital reserve is insufficient to offset.

The difference between the disposal price obtained from the partial disposal of a long-term equity investment in a subsidiary without losing control and the share, corresponding to the long-term equity investment disposed of, in the net asset of the subsidiary calculated continuously from the purchase date or combination date shall be used to adjust i) the share capital premium under the capital reserve in the consolidated balance sheet or ii), the retained earnings, if the share capital premium under the capital reserve is insufficient to offset.

III Significant accounting policies and accounting estimates (continued)

8 Classification of joint arrangements and accounting treatment method for joint operations

(1) Classification of joint arrangements

The Company classifies a joint arrangement as a joint operation or a joint venture according to factors such as the structure and legal form of the joint arrangement, the terms agreed in the joint arrangement, other relevant facts and circumstances.

Joint arrangements not reached through independent entities are classified as joint operations; joint arrangements reached through independent entities are usually classified as joint ventures; however, a joint arrangement that is indicated by conclusive evidence of meeting any of the following conditions and meeting the provisions of relevant laws and regulations is classified as a joint operation:

- ① The legal form of the joint arrangement shows that the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- ② The contractual terms of the joint arrangement stipulates that the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- ③ Other relevant facts and circumstances show that the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. For example, the parties enjoy all the output substantially related to the joint arrangement, and the repayment of the liabilities relating to the arrangement continues relying on the support of the parties.

(2) Accounting treatment for joint operation

The Company shall recognize the following items in relation to interest in the joint operation, and carry out accounting treatment in accordance with the provisions of relevant accounting standards for business enterprises:

- ① its assets, including its share of any assets held jointly;
- ② its liabilities, including its share of any liabilities incurred jointly;
- ③ its revenue from the sale of its share of the output arising from the joint operations;
- ④ its share of the revenue from the sale of the output by the joint operations; and
- ⑤ its expenses, including its share of any expenses incurred jointly.

If investing or selling assets (except those that constitute a business), etc., into or to the joint operation, the Company shall only recognize the part of the profit and loss arising from the transaction attributable to other participants in the joint operation, before the assets, etc., are sold to a third party by the joint operation. The Company will recognize in full the asset impairment loss arising if the assets invested or sold are impaired in compliance with the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, etc.

If purchasing assets (except those that constitute a business), etc., from the joint operation, the Company shall only recognize the part of the profit and loss arising from the transaction attributable to other participants in the joint operation, before the assets, etc., are sold to a third party by the Company. The Company will recognize its share of the asset impairment loss arising if the assets purchased are impaired in compliance with the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, etc.

The Company does not enjoy joint control over the joint operations. If the Company has rights to the assets, and obligations for the liabilities, relating to the joint operation, it shall still be accounted for by the above principles; otherwise, it shall be accounted for by the relevant accounting standards for business enterprises.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

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III Significant accounting policies and accounting estimates (continued)

9 Criteria for determining cash and cash equivalents

In the preparation of the cash flow statement, the Company recognizes cash holdings and deposits that can be used for payment at any time as cash.

The Company recognizes cash that is easily converted into a known amount with a short holding period (generally due within three months from the date of purchase) and strong liquidity, and investments with a low risk of changes in value (including investments in bonds which due within three months, while excluding equity investments), as cash equivalents.

10 Foreign currency business and translation of foreign currency statements

(1) Foreign currency transactions

Foreign currency transactions between the Company and its subsidiaries are translated into base currency at the spot exchange rate on the transaction date.

Foreign currency monetary items are translated at the spot exchange rate on the balance sheet date, and the exchange differences resulted therefrom, except that the exchange differences arising from special foreign currency loans related to the acquisition and construction of assets eligible for capitalization should be treated in accordance with the principle of capitalization of borrowing costs, are all included in the current profit and loss. Foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the transaction date, and the amount of base currency for bookkeeping is not changed.

Foreign currency non-monetary items measured at fair value are translated at the spot exchange rates on the date when the fair value is determined, and the exchange differences resulted therefrom are included in current profits and losses as a change in fair value. In the case of foreign currency non-monetary items that are at fair value through other comprehensive income, the exchange differences incurred are included in other comprehensive income.

(2) Translation of foreign currency financial statement

When the Company translates the financial statements of overseas operations, the assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. The owner's equity items, except for the "Retained earnings" item, are translated at the spot exchange rate at the time of occurrence of the items. All the incurred items in the income statement are translated at the current average exchange rate of the period in which transactions occur. The translation differences of foreign currency financial statements arising from the above translation are included in other comprehensive income.

When disposing of an overseas operation, the translation differences in the foreign currency financial statements related to the overseas operation listed in other comprehensive income in the balance sheet are transferred from the other comprehensive income to the profit and loss. When the disposal of a portion of the equity investment or otherwise causes a decrease in the proportion of equity held in the overseas operation without losing control over the overseas operation, the translation differences in the foreign currency statements related to the part of the overseas operation disposed of will be attributed to minority interests, rather than to the current profits and losses. When the overseas operation disposes of a portion of the equity of an associate or joint venture, the translation difference of the foreign statements related to the overseas operation should be transferred to the profit or loss for the period in proportion to the disposal of the overseas operation.



III Significant accounting policies and accounting estimates (continued)

11 Financial instruments

When the Company becomes a party to a financial instrument, it recognizes a financial asset or liability.

The effective interest method refers to the method of calculating the amortized cost of financial assets or liabilities and allocating interest income or interest expenses into each accounting period.

The effective interest rate refers to the interest rate used to discount the estimated future cash flow of a gross amount or financial liability during its expected duration to the book balance of the gross amount or the amortized cost of the financial liability. When determining the effective interest rate, the expected cash flow is estimated on the basis of considering all contract terms of financial assets or liabilities (such as prepayment, extension, call options, or other similar options), but the expected credit loss is not considered.

The amortized cost of a financial asset or financial liability is the accumulated amortization amount formed by deducting the repaid principal from the initial recognition amount of the financial asset or financial liability, adding or subtracting the difference between the initial recognition amount and the maturity amount by using the effective interest method, and then deducting the accumulated accrued loss reserve (only applicable to financial assets).

(1) Classification and measurement of financial assets

According to the business model of the financial assets under management and the contractual cash flow characteristics of the financial assets, the Company divides the financial assets into the following three categories:

- (a) Financial assets are measured at amortized cost.
- (b) Financial assets are measured at fair value through other comprehensive income.
- (c) Financial assets are measured at fair value through profit or loss.

Financial assets are measured at fair value when initially recognized, but if the accounts or notes receivable arising from the sale of goods or the provision of services do not contain significant financing components or do not consider financing components for no more than one year, the initial measurement shall be made at the transaction price.

For financial assets measured at fair value through profit or loss, transaction expenses are directly recognized in the current profit and loss. For other financial assets, transaction expenses are included in the initial recognition amount.

Subsequent measurement of financial assets depends on their classification. All related financial assets affected will be reclassified when and only when the Company changes its business model of managing financial assets.

- (a) Financial assets are classified as those measured at amortized cost  
The contract terms of a financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest on the amount of outstanding principal, and the business model for managing the financial asset is to collect the contractual cash flow, then the Company classifies the financial asset as measured at amortized cost. Financial assets of the Company that are classified as those measured at amortized cost include monetary assets, notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(1) Classification and measurement of financial assets (continued)

(a) Financial assets classified as those measured at amortized cost (continued)

The Company recognizes interest income from such financial assets with the effective interest method, and carries out subsequent measurement at amortized cost. Gains or losses arising from impairment or derecognition or modification are included in current profits and losses. The Company calculates and determines the interest income based on the book balance of financial assets multiplied by the effective interest rate, except for the following circumstances:

① For purchased or originated credit-impaired financial assets, the Company calculates and determines their interest income at the amortized cost of the financial assets and the credit-adjusted effective interest rate since the initial recognition.

② For financial assets not credit-impaired at the time of being purchased or originated but in the subsequent period, the Company calculates and determines their interest income at the amortized cost and the effective interest rate of the financial assets in the subsequent period. If the financial instrument is no longer credit-impaired due to the improvement of its credit risk in the subsequent period, the Company calculates and determines the interest income by multiplying the effective interest rate by the book balance of the gross amount.

(b) Financial assets are classified as those measured at fair value through other comprehensive income

The contract terms of a financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest on the amount of outstanding principal, and the business model for managing the financial assets is both to collect contractual cash flow and for its sale, then the Company classifies the financial assets as measured at fair value through other comprehensive income.

The Company recognizes interest income from such financial assets with the effective interest method. Except that the interest income, impairment loss, and exchange difference are recognized as the current profit and loss, other changes in fair value are included in other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out and included in current profits and losses.

Notes and accounts receivable measured at fair value through other comprehensive income are reported as receivables financing, and such other financial assets are reported as other debt investments. Among them, other debt investments maturing within one year from the balance sheet date are reported as the current portion of non-current assets, and other debt investments maturing within one year are reported as other current assets.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(1) Classification and measurement of financial assets (continued)

(c) Financial assets designated as measured at fair value through other comprehensive income

At the time of initial recognition, the Company may irrevocably designate non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income on the basis of individual financial assets.

Changes in the fair value of such financial assets are included in other comprehensive income without allowance for impairment. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out and included in the retained earnings. During the investment period when the Company holds the equity instrument, the dividend income is recognized and included in the current profit and loss. When the Company's right to receive dividends has been established, the economic benefits related to dividends are likely to flow into the Company, and the amount of dividends can be measured reliably. The Company reports such financial assets under the item of investments in other equity instruments.

An investment in equity instruments is a financial asset measured at fair value through current profits and losses when it is obtained mainly for recent sale, or is part of the identifiable portfolio of financial assets centrally managed when initially recognized and objective evidence exists for a short-term profit model in the near future, or is a derivative (except for derivatives defined as financial guarantee contracts and designated as effective hedging instruments).

(d) Financial assets are classified as those measured at fair value through profit or loss

If failing to be classified as those measured at amortized cost or at fair value through other comprehensive income, or not designated as measured at fair value through other comprehensive income, financial assets are all classified as those measured at fair value through profit or loss.

The Company carries out subsequent measurement of such financial assets at fair value, and includes gains or losses arising from changes in fair value as well as dividend and interest income associated with such financial assets into current profits and losses.

The Company reports such financial assets as held-for-trading financial assets and other non-current financial assets according to their liquidity.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(1) Classification and measurement of financial assets (continued)

(e) Financial assets designated as measured at fair value through current profits and losses

At the time of initial recognition, the Company may irrevocably designate financial assets as measured at fair value through current profits and losses on the basis of individual financial assets in order to eliminate or significantly reduce accounting mismatches.

If the mixed contract contains one or more embedded derivative instruments and its main contract is not any financial asset as above, the Company may designate the whole of the mixed contract as a financial instrument measured at fair value through current profits and losses. Except under the following circumstances:

- ① Embedded derivatives do not significantly change the cash flow of mixed contracts.
- ② When determining initially whether similar mixed contracts need to be split, it is substantially clear that embedded derivatives contained in them should not be split without analysis. If the prepayment right embedded in a loan allows the holder to prepay the loan at an amount close to the amortized cost, the prepayment right does not need to be split.

The Company carries out subsequent measurement of such financial assets at fair value, and includes gains or losses arising from changes in fair value as well as dividends and interest income associated with such financial assets into current profits and losses.

The Company reports such financial assets as held-for-trading financial assets and other non-current financial assets according to their liquidity.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(2) Classification and measurement of financial liabilities

The Company classifies a financial instrument or its components into financial liabilities or equity instruments upon initial recognition according to the contract terms and the economic substance reflected by the financial instrument issued, rather than only in legal form, in combination with the definitions of financial liabilities and equity instruments. Financial liabilities are classified at initial recognition as measured at fair value through profit or loss, or other financial liabilities, or derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value upon initial recognition. For financial liabilities measured at fair value through current profits and losses, relevant transaction expenses are directly included in current profits and losses; for other categories of financial liabilities, relevant transaction expenses are included in the initial recognition amount.

Subsequent measurement of financial liabilities depends on their classification:

(a) Financial liabilities measured at fair value through current profits and losses

Such financial liabilities include held-for-trading financial liabilities (including derivatives falling under financial liabilities) and financial liabilities designated as measured at fair value upon initial recognition and through current profits and losses.

A financial liability is a held-for-trading financial liability if it is mainly undertaken for recent sale or repurchase, or is part of the identifiable portfolio of financial instruments centrally managed, and there is objective evidence that the enterprise has recently employed a short-term profit model, or is a derivative instrument, except for derivatives designated as effective hedging instruments and derivatives conforming to financial guarantee contracts. Held-for-trading financial liabilities (including derivatives falling under financial liabilities) are subsequently measured at fair value. All changes in fair values except for hedging accounting are included in current profits and losses.

The Company irrevocably designates financial liabilities as measured at fair value through current profits and losses at the time of initial recognition in order to provide more relevant accounting information, provided:

- ① Such financial liabilities can eliminate or significantly reduce accounting mismatches.
- ② The financial liability portfolio, or the portfolio of financial assets and liabilities is managed and evaluated for performance on the basis of fair value according to the enterprise risk management or investment strategy stated in the official written documents, and is reported to key management personnel within the enterprise on this basis.

The Company subsequently measures such financial liabilities at fair value. Apart from changes in fair value that are brought about by changes in the Company's own credit risk and included in other comprehensive income, other changes in fair value are included in current profits and losses. Unless including such changes in other comprehensive income will cause or expand accounting mismatch in profit or loss, the Company will include all changes in fair value (including the amount affected by changes in its own credit risk) in current profits and losses.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(2) Classification and measurement of financial liabilities (continued)

(b) Other financial liabilities

The Company classifies financial liabilities, except for the following items as measured at amortized cost. Such financial liabilities are recognized by the effective interest method and subsequently measured at amortized cost. Gains or losses arising from derecognition or amortization are included in current profits and losses:

- ① Financial liabilities measured at fair value through current profits and losses.
- ② Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets.
- ③ Financial guarantee contracts that do not fall under the first two categories hereof, and loan commitments that do not fall under category (1) hereof and lend at a below-market interest rate.

Financial guarantee contracts refer to contracts that require the issuer to pay a specific amount to the contract holder who has suffered losses when a specific debtor fails to pay the debt in accordance with the original or modified terms of the debt instrument. Financial guarantee contracts that are not financial liabilities designated as measured at fair value through profit or loss are measured after initial recognition according to the loss reserve amount and the initial recognition amount, less the accumulated amortization amount during the guarantee period, whichever is higher.

(3) Derecognition of financial assets and liabilities

(a) Financial assets are derecognized, i.e. written off from their account and balance sheet if any of the following conditions is met:

- ① The contractual right to receive cash flow from the financial asset is terminated; or
- ② The financial asset has been transferred, which meets the requirements for derecognition of financial assets.

(b) Conditions for derecognition of financial liabilities

If the current obligation of a financial liability (or part thereof) has been discharged, such financial liability (or part thereof) is derecognized.

The existing financial liability is derecognized with a new one recognized, and the difference between the carrying amount and the consideration paid (including transferred non-cash assets or assumed liabilities) is included in current profits and losses, if an agreement is signed between the Company and the lender to replace the existing financial liability by assuming a new one, and the contract terms of these two financial liabilities are substantially different, or the contract terms of the existing financial liability (or part thereof) are substantially modified.

If the Company repurchases part of a financial liability, the carrying amount of the financial liability shall be distributed according to the proportion of the fair value of the continuing recognition portion and the derecognition portion to the overall fair value on the repurchase date. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including transferred non-cash assets or liabilities assumed) shall be included in current profits and losses.

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III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(4) Recognition basis and measurement method of financial asset transfer

When a financial asset is transferred, the Company evaluates the risks and rewards retained of the financial asset ownership:

- (a) If almost all the risks and rewards of the financial asset ownership are transferred, such financial asset shall be derecognized, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities.
- (b) If risks and rewards of the financial asset ownership are substantially retained, such financial asset shall continue to be recognized.
- (c) In circumstances where the Company neither transfers nor retains risks and rewards of the financial asset ownership substantially (i.e. circumstances other than ① and ② of this article), based on whether it retains control over such financial asset,

① The financial asset shall be derecognized, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities if such control is not retained; or

② The relevant financial asset shall continue to be recognized to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly if such control is retained. The extent that it continues to be involved in the transferred financial asset refers to the extent the Company bears the risks or rewards of changes in the value of the transferred financial asset.

When judging whether the transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form shall be adopted. The Company divides the transfer of financial assets into overall transfer and partial transfer.

- (a) If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts shall be included in the current profits and losses:

① The carrying amount of the transferred gross amount on the date of derecognition.

② The sum of the consideration received for the transfer of financial assets and the amount of the respective derecognized portion of the accumulated changes in fair value originally included in other comprehensive income directly (the financial assets involved in the transfer are financial assets at fair value through other comprehensive income).

- (b) If the financial asset is partially transferred and the transferred part meets the conditions for derecognition, the carrying amount of the gross amount before transfer shall be allocated between the derecognition portion and the continuing recognition portion (in this case, the retained service asset shall be regarded as the continuing recognition part of the financial asset) according to the respective relative fair values on the transfer date, and the difference between the following two amounts shall be included in the current profits and losses:

① The carrying amount of the derecognized portion on the derecognition date.

② The sum of the consideration received for the derecognized portion and the amount of the corresponding derecognized portion of the accumulated changes in fair value originally included in other comprehensive income (the financial assets involved in the transfer are financial assets at fair value through other comprehensive income).

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(4) Recognition basis and measurement method of financial asset transfer (continued)

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

(5) Determination of fair value of financial assets and liabilities

The fair value of a financial asset or liability with an active market shall be determined by the quoted price in the active market, unless the financial asset has a sell-off period for the asset itself. For the financial assets restricted for the assets themselves, the compensation amount demanded by market participants due to the risk of not being able to sell the financial assets on the open market within the specified period shall be deducted from the quoted price in the active market. Quoted prices in the active market include those for related assets or liabilities that can be easily and regularly obtained from exchanges, dealers, brokers, industry groups, pricing or regulatory agencies, and can represent actual and recurring market transactions on the basis of fair trade.

Financial assets initially acquired or derived or financial liabilities assumed shall be determined on the basis of market transaction price.

The fair value of financial assets or liabilities without an active market shall be determined by valuation techniques. At the time of valuation, the Company adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, selects input values consistent with the characteristics of relevant assets or liabilities considered by market participants in the transactions thereof, and gives priority to the use of relevant observable input values whenever possible. If the relevant observable input value cannot be obtained or be feasibly obtained, the unobservable input value shall be used.

Based on the expected credit loss, the Company conducts impairment accounting of financial assets classified as those measured at amortized cost, financial assets classified as those measured at fair value through other comprehensive income, and financial guarantee contracts and recognizes loss reserves.



III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(6) Impairment of financial instruments

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows discounted at the original effective interest rate and receivable according to the contract and all cash flows expected to be collected by the Company, i.e. the present value of all cash shortfalls. Among them, credit-impaired purchased or originated financial assets of the Company shall be discounted at the credit-adjusted effective interest rate of such financial assets.

For receivables arising from transactions regulated by the income criteria, the Company uses the simplified measurement method to measure the loss reserve according to the amount equivalent to the expected credit loss during the entire duration.

For credit-impaired purchased or originated financial assets, only the accumulated changes in the expected credit losses during the entire duration since the initial recognition are recognized as loss reserves on the balance sheet date. On each balance sheet date, the amount of change in the expected credit loss during the entire duration is included in the current gains and losses as impairment loss or gains. Even if the expected credit loss during the entire duration on the balance sheet date is less than that reflected in the estimated cash flow upon initial recognition, the favorable change in the expected credit loss is recognized as impairment gains.

In addition to other financial assets adopting the above simplified measurement method and other than the credit-impaired purchased or originated ones, the Company evaluates whether the credit risk of relevant financial instruments has increased significantly since the initial recognition, measures its loss reserves, and recognizes the expected credit loss and its changes respectively according to the following circumstances on each balance sheet date:

- (a) If the credit risk of the financial instrument has not increased significantly since its initial recognition, it is in the first stage, and its loss reserve shall be measured according to an amount equivalent to its expected credit loss over the next 12 months, and the interest income shall be calculated according to the book balance and the effective interest rate.
- (b) If the credit risk of the financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage, and its loss reserve shall be measured according to an amount equivalent to its expected credit loss throughout its life, and the interest income shall be calculated according to the book balance and the effective interest rate.
- (c) If the financial instrument is credit-impaired since its initial recognition, it is in the third stage, and the Company shall measure its loss reserve according to an amount equivalent to its expected credit loss throughout its life, and calculate the interest income at the amortized cost and the effective interest rate.

The increase or reversed amount of the credit loss reserve for financial instruments shall be included in the current profits and losses as impairment loss or gains. Except for financial assets classified as those measured at fair value through other comprehensive income, the credit loss reserve will offset the carrying amount of the financial assets. For financial assets classified as those measured at fair value through other comprehensive income, the Company recognizes its credit loss reserve in other comprehensive income without reducing its carrying amount presented in the balance sheet.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(6) Impairment of financial instruments (continued)

In the previous accounting period, the Company measured the loss reserve, the amount equivalent to the expected credit loss of the financial instruments throughout their life. However, on the balance sheet date of the current period, the financial instrument no longer conforms to the situation of significant increase in credit risk since initial confirmation; on the balance sheet date of the current period, the Company has measured the loss reserve of the financial instruments, the amount equivalent to the expected credit loss in the next 12 months, and the reversed amount of the loss reserve thus formed is included in current profits and losses as impairment profit.

(a) Significant increase in credit risk

In order to determine whether the credit risk of financial instruments has increased significantly since the initial recognition, the Company uses the available reasonable and based forward-looking information and compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial confirmation date. When the Company applies provisions on depreciation of financial instruments to financial guarantee contracts, the initial recognition date shall be regarded as the date when the Company becomes a party to make irrevocable commitments.

For the assessment of whether the credit risk has increased significantly, the Company will consider the following factors:

- ① According to whether the actual or expected debtor's operations results have changed significantly;
- ② Whether the regulatory, economic, or technological environment of the debtor has undergone significant adverse changes;
- ③ Whether the following items have changed significantly: the value of collateral as debt mortgage, or the guarantee provided by a third party, or the quality of credit enhancement; these changes will reduce the debtor's economic motivation to repay the loan within the time limit stipulated in the contract and could impact the probability of default;
- ④ Whether the debtor's expected performance and repayment behavior have changed significantly;
- ⑤ Whether the Company's credit management methods for financial instruments have changed, etc.

If, on the balance sheet date, the credit risk of the financial instrument is judged to be low by the Company, the Company assumes that the credit risk of the financial instrument has not increased significantly since the initial recognition. The financial instrument will be deemed to have lower credit risk under the following circumstances: the default risk of the financial instrument is lower; the borrower has a strong capacity to fulfill its contractual cash flow obligations in a short time; furthermore, even if there are adverse changes in the economic situation and operating environment for a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations.

III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(6) Impairment of financial instruments (continued)

(b) Financial assets with depreciation of credit

If one or more events have adverse effects on the expected future cash flow of a financial asset, the financial asset will become a financial asset that has suffered credit impairment. The following observable information can be regarded as evidence of credit impairment of financial assets:

- ① The issuer or debtor is in serious financial difficulty;
  - ② The debtor breaches the contract, such as default or overdue payment of interest or principal, etc.;
  - ③ The creditor gives concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties; the concessions will not be made under any other circumstances;
  - ④ There is a great possibility of bankruptcy or other financial restructuring of the debtor;
  - ⑤ The issuer or debtor has financial difficulties, resulting in the disappearance of the active market for the financial assets;
  - ⑥ Purchasing or generating a financial asset with a large discount, which reflects the fact of credit loss.
- Credit impairment of financial assets may not be caused by separately identifiable events but may be caused by the combined effect of multiple events.

(c) Determination of expected credit loss

The expected credit losses of financial instruments are assessed individually and collectively. During the assessment of the expected credit losses, the Company will take into account reasonable and reliable information about past events, the current situation, and the future economic situation forecast.

The Company divides financial instruments into different combinations on the basis of common credit risk characteristics. Common credit risk characteristics adopted by the Company include: financial instrument type, credit risk rating, aging combination, overdue aging combination, contract settlement cycle, debtor's industry, etc. To understand the individual evaluation criteria and combined credit risk characteristics of relevant financial instruments, please refer to the accounting policies of relevant financial instruments for details.

The Company adopts the following methods to determine the expected credit losses of relevant financial instruments:

- ① In terms of financial assets, credit loss is equivalent to the present value of the difference between the contract cash flow that the Company shall receive and the expected cash flow.
- ② In terms of the financial guarantee contract, credit loss is equal to the expected amount of payment made by the Company to the holder of the contract for credit loss incurred, less the present value of the difference between the amount expected to be collected from the holder of the contract, the debtor, or any other party.
- ③ If, on the balance sheet date, a financial asset has suffered credit impairment, but one does not purchase or generate a financial asset that has suffered credit impairment, the credit loss is equivalent to the difference between the book balance of the gross amount and the present value of the estimated future cash flow discounted at the original actual interest rate.

Factors reflected in the Company's method of predicting credit losses by quantitative finance tools include an unbiased probability-weighted average amount determined by evaluating a series of possible results; the time value of money; and reasonable and reliable information about past events, the current situation and the future economic situation forecast that can be obtained on the balance sheet date without unnecessary extra costs or efforts.

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III Significant accounting policies and accounting estimates (continued)

11 Financial instruments (continued)

(6) Impairment of financial instruments (continued)

(d) Write-off of financial assets

If the Company cannot reasonably expect the contract cash flow of the financial asset to be fully or partially recovered, the book balance of the gross amount will be written off directly. This write-off constitutes the derecognition of relevant financial assets.

(7) Offset of financial assets and financial liabilities

In the balance sheet, financial assets and financial liabilities are shown separately without offsetting each other. However, if the following conditions are met at the same time, the net amount after offset will be listed in the balance sheet:

(a) The Company has the legal right, which is currently enforceable, to offset the confirmed amount;

(b) The Company plans to settle on a net basis or realize the financial assets and settle the financial liabilities at the same time.

12 Notes receivable

For the determination method and accounting treatment method of the Company's expected credit loss on notes receivable, please refer to 11(6) of note III Impairment of financial instruments.

If sufficient evidence of expected credit loss cannot be evaluated at a reasonable cost at the level of a single instrument, the Company will refer to the experience of historical credit loss, combine the current situation and judgment on the future economic situation, divide notes receivable into several combinations according to the characteristics of credit risk, and calculate expected credit loss on the basis of combinations.

13 Accounts receivable

For the determination method and accounting treatment method of the Company's expected credit loss on accounts receivable, please refer to 11(6) of note III Impairment of financial instruments.

As for the accounts receivable, if there is objective evidence that the Company will not be able to recover the money according to the original terms of the accounts receivable, the Company will separately determine its credit loss.

If sufficient evidence of expected credit loss cannot be assessed at a reasonable cost at the level of single instrument, the Company will divide the accounts receivable into several combinations according to the credit risk characteristics and calculate the expected credit loss on the basis of the combinations (with reference to the experience of historical credit loss and in combination with the current situation with the judgment of the future economic situation)

III Significant accounting policies and accounting estimates (continued)

14 Receivables financing

Accounts receivable classified as those measured at fair value through other comprehensive income, with a maturity of i) less than one year (including one year) from the initial recognition date, are listed as receivables financing; or ii) more than one year from the initial recognition date, are listed as other debt investments. For the relevant accounting policies, please refer to 11(6) of note III Impairment of financial instruments.

15 Other receivables

For the determination method and accounting treatment method of the Company's expected credit loss of other receivables, please refer to 11(6) of note III Impairment of financial instruments.

For other receivables for which there is objective evidence that the Company will not be able to recover the amount according to the original terms of the receivables, the Company will separately determine its credit loss.

If sufficient evidence of expected credit loss cannot be evaluated at a reasonable cost at the level of a single instrument, the Company will refer to the experience of historical credit loss, combine the current situation and judgment on the future economic situation, divide other receivables into several combinations according to the characteristics of credit risk, and calculate expected credit loss on the basis of combinations.

16 Inventories

(1) Classification of inventories

Inventories refer to, among other things, finished products or goods held by the Company for sale in its daily activities, work in progress in production, materials, and supplies consumed in the production or provision of labor services. Inventories mainly include but are not limited to raw materials, work in progress, finished goods, and turnover materials.

(2) Valuation method for inventories shipped in transit

When acquired, inventory is initially measured at cost, including purchase costs, processing costs, and other costs. Inventories are shipped in transit by the weighted average method.

III Significant accounting policies and accounting estimates (continued)

16 Inventories (continued)

(3) Basis for determining the net realizable value of inventories and accrual method for inventory valuation allowance

After conducting a comprehensive counting at the end of the period, inventory valuation allowance shall be accrued or adjusted based on whichever is lower of the cost and net realizable value of the inventories. For inventories of goods directly used for sale, such as finished goods, merchandise inventories and materials for sale, in the normal production and operations process, the net realizable value is determined by the amount of the estimated Sales expenses of the inventory less the estimated sales cost and relevant taxes and fees; for material inventories that need to be processed, in the normal production and operations process, the net realizable value is determined by the amount of the estimated selling expenses of finished goods produced less the estimated cost occurred at the time of completion, the estimated selling expenses and related taxes; for inventories held for the execution of sales contracts or labor contracts, the net realizable value is calculated on the basis of the contract price, and if the quantity of inventories held is more than the quantity specified in sales contracts, the net realizable value of excess inventories is calculated based on the general sales price.

At the end of the period, inventory valuation allowance is accrued according to individual inventory items; but for a large number of inventories with lower unit prices, inventory valuation allowance is accrued according to inventory category; for inventories related to the product series produced and sold in the same region with the same or similar end use or purpose, which is difficult to measure separately from other items, thus inventory valuation allowance is accrued and combined with other items.

If the influencing factors of the write-down of inventory value have disappeared, the amount written-down is recovered and reversed to the amount of inventory valuation allowance already accrued, and the amount reversed is included in current profits and losses.

(4) Inventory system

The Company adopts a perpetual inventory system for inventory management.

(5) Amortization method of turnover materials

The Company's turnover materials are amortized by the one-time amortization method.

17 Contract assets

A contract asset shall be recognized if the Company has transferred the goods to the customer and has the right to receive a consideration depending on other factors than the passage of time. The right of the Company to unconditionally receive the considerations from customers (i.e., only depending on the passage of time) is listed independently as receivables.

For the determination method and accounting treatment method of the Company's expected credit loss on contract assets, please refer to 11(6) of note III Impairment of financial instruments.

III Significant accounting policies and accounting estimates (continued)

18 Held-for-sale non-current assets or disposal groups

(1) Criteria for classification as being held for sale

The Company recognizes non-current assets or disposal groups that meet both of the following conditions as components held for sale:

- ① They can be sold immediately under the current status according to the practice of selling such assets or disposal groups in similar transactions;
- ② The sale is likely to occur, that is, the Company has made a resolution on the sale plan, obtained the approval from the regulatory authorities (if applicable), and obtained a confirmed purchase commitment that the sale is expected to be completed in one year.

The confirmed purchase commitment refers to a legally binding purchase agreement concluded by and between the Company and another party, which contains important terms such as transaction price, time and sufficiently severe penalty for breach of contract, so that there will be little possibility of major adjustments to or cancellation of the agreement.

(2) Accounting treatment for held-for-sale assets

The Company shall not depreciate or amortize non-current assets or disposal groups held for sale. If the carrying amount is higher than the amount of fair value net of selling expenses, the former shall be written down to the latter. The amount written down shall be recognized as asset impairment loss and included in the current profit and loss, and the impairment allowance for assets held for sale shall be accrued at the same time.

The non-current asset or disposal group classified as being held for sale on the date of acquisition shall be initially measured at whichever initially measured amount is lower under the assumption that it is not classified as being held for sale and the amount of fair value net of selling expenses.

The above principles are applicable to all non-current assets, except Investment property subsequently measured by the fair value model, biological assets measured by the amount of fair value net of selling expenses, assets formed by employee compensation, deferred income tax assets, financial assets regulated by the relevant accounting standards of financial instruments, and rights arising from insurance contracts regulated by the relevant accounting standards of insurance contracts.

19 Debt Investments

For the determination method and accounting treatment methods of the Company's expected credit loss of debt investments, please refer to 11(6) "Impairment of financial instruments" under Note III.

20 Long-term receivables

For the determination method and accounting treatment method of the Company's expected credit loss on long-term receivables, please refer to 11(6) of note III Impairment of financial instruments.

If sufficient evidence of expected credit loss cannot be evaluated at a reasonable cost at the level of a single instrument, the Company will refer to the experience of historical credit loss, combine the current situation and judgment on future economic situations, divide long receivables into several combinations according to the characteristics of credit risk, and calculate expected credit loss on the basis of combinations.

III Significant accounting policies and accounting estimates (continued)

21 Long-term equity investments

(1) Recognition of initial investment cost

(a) Long-term equity investment formed by business combination

For details on accounting policies, please refer to "6 accounting treatments for business combinations involving enterprises under and not under common control" under Note III.

(b) Long-term equity investment acquired by other means

For long-term equity investment acquired by cash payment, the actual acquisition price is recognized as initial investment cost. The the initial investment cost includes expenses, taxes, and other necessary expenses directly related to the acquisition of the long-term equity investment.

For long-term equity investment acquired by issuing equity securities, the fair value of equity securities issued is recognized as the initial investment cost; the transaction costs arising from issuing or acquiring the own equity instruments of the acquirer will be offset from the equity in directly attributable transactions.

Provided that the non-monetary asset exchange contains commercial substance and the fair value of the assets received or assets surrendered can be reliably measured, the initial investment cost of the long-term equity investment received with non-monetary assets is determined based on the fair value of the assets surrendered, except that there is conclusive evidence that indicates that the fair value of assets received is more reliable. For non-monetary assets that do not satisfy the above condition, the carrying amount of assets surrendered and related taxes and fees payable are recognized as the initial investment cost of the long-term equity investment.

The initial investment cost of a long-term equity investment acquired by debt restructuring is determined on the basis of fair value.

For methods of impairment test and accrual of provision for impairment for long-term equity investments, please refer to "28 Impairment on long-term assets" under Note III.



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III Significant accounting policies and accounting estimates (continued)

21 Long-term equity investments (continued)

(2) Subsequent measurement and recognition of profit and loss

(a) Cost method

The long-term equity investment by which the Company exercises control over the investee is accounted for by the cost method and measured at the initial investment cost. When the long-term equity investment is added or recovered, its cost should be adjusted thereby.

In addition to the actual payment or the cash dividends or profits included in the consideration that have been declared but not yet paid when acquiring the investment, the Company recognizes the investment income for the period the investee's cash dividends or profits attributable to the Company will be recorded in gains from investment for the period.

(b) Equity method

The long-term equity investments made by the Company in affiliates and joint ventures are accounted for using the equity method. Among them, the portion of equity investments in affiliates, held indirectly through venture capital, mutual funds, trusts, or similar entities, including investment-linked insurance funds, are measured at fair value through profit or loss.

The difference between the higher initial cost of the long-term equity investment and the fair value share of identifiable net assets of the investee enjoyed in the investment is not used to adjust the initial investment cost of the long-term investment; the difference between the lower initial investment cost and the higher fair value share of identifiable net assets of the investee enjoyed at the time of conducting the investment is included in current profits and losses.

After the Company acquires a long-term equity investment, the investment income and other comprehensive income should be recognized respectively based on the Company's share in the net profits and loss and other comprehensive income realized by the investee, and the carrying amount of the long-term equity investment should be adjusted accordingly; the Company's share in the profits or cash dividends declared by the investee should be calculated, and the carrying amount of the long-term equity investment should be reduced accordingly; the carrying amount of the long-term equity investment should be adjusted based on changes in owners' equity of the investee other than net profits and loss, other comprehensive income, and profit distribution, and included in owners' equity.

Before the Company recognizes its share in the net profits and loss of the investee, the net profits of the investee are adjusted based on the fair value of the identifiable assets of the investee as at the acquisition of the investment. Any unrealized profit and loss from internal transactions between the Company and its affiliates or joint ventures attributed to the Company based on the Company's, will be offset, and the investment profit and loss is recognized thereon.

When the Company recognizes its share in the losses incurred by the investee, the Company should, firstly, offset the carrying amount of the long-term equity investment. Then, if the carrying amount of the long-term equity investment is insufficient for the offset, the investment loss continues to be recognized, and the carrying amount of long-term receivable items is offset, subject to other carrying amounts of the long-term equity constituting the net investment in the investee. Finally, after the above-mentioned treatment, if the Company still bears additional obligations in accordance with the investment contract or agreement, the provisions are recognized according to the estimated liabilities and included in the current investment losses.

If the investee realizes profit in the future period, the Company shall, after deducting the unconfirmed loss share, conduct the process in the reverse order of the above to write down the book balance of the recognized estimated liabilities and recover other long-term equity that substantially constitutes net investment of the investee and the carrying amount of the long-term equity, and then recover the recognition of the profit as return on investment.

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III Significant accounting policies and accounting estimates (continued)

21 Long-term equity investments (continued)

(3) Conversion accounting treatment of long-term the equity investments

(a) Accounting treatment for the transfer from fair value measurement to equity method

For an equity investment, originally held by the Company without control, joint control or significant impact on the investee that is accounted for based on the financial instrument recognition and measurement standards, if as a result of additional investment or otherwise, the equity investment enables the Company to exercise significant impact on or joint control (rather than control) over the investee, the sum of the fair value of the originally held equity investment determined under the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and the new investment cost should be deemed as the initial cost of the investment accounted for using equity method.

The difference between the lower initial investment cost accounted for using the equity method and the higher share of the fair value of the identifiable net assets of the investee as at the date of the additional investment calculated based on the new shareholding percentage (%) after the additional investment is made, shall be used to adjust the carrying amount of the long-term equity investment and included in the non-operating income for the period.

(b) Transfer from fair value measurement or equity method to cost method

For an equity investment, originally held by the Company without control, joint control or significant impact on the investee that is accounted for based on the financial instrument recognition and measurement standards, or a long-term equity investment originally held by the Company in an affiliate or joint venture, if as a result additional investment or for other reasons, the investment enables the Company to exercise control over an investee that is not under the common control with Company, the sum of the carrying amount of the originally held equity investment and the new investment cost should be the initial cost of the investment accounted for using cost method in preparation of the individual financial statements of the Company.

The other comprehensive income recognized in equity investments using the equity method before the date of acquisition is accounted for, when the investment is disposed of, on the same basis as those the investee adopted directly to dispose of the underlying assets or liabilities.

If the equity investment held before the acquisition date is subject to the accounting treatment under the relevant provisions of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the cumulative changes in fair value originally included in other comprehensive income should be transferred to the profit or loss for the period when the investment is accounted for using the cost method.

(c) Transfer from equity method to fair value measurement

If the Company loses joint control or significant impact on the investee due to the disposal of part of the equity investment or otherwise, the equity remaining after the disposal should be accounted for under the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the difference between the fair value and carrying amount as at the date of losing the joint control or significant impact should be included in current profits and losses.

Other comprehensive income recognized for the original equity investment accounted for using equity method should be accounted for on the same basis as the direct disposal of the underlying assets or liabilities by the investee when the equity method is terminated.

(d) Transfer from cost method to equity method

Where the Company loses control over the investee due to the disposal of part of the equity investment or otherwise, if the equity remaining after the disposal by which the Company can exercise joint control or significant impact on the investee in preparation of the individual financial statements of the Company, the investment will be accounted for using the equity method, and such remaining equity will be adjusted as if it were accounted for using the equity method from the time when it is acquired.

III Significant accounting policies and accounting estimates (continued)

21 Long-term equity investments (continued)

(3) Conversion accounting treatment of long-term equity investments (continued)

(e) Transfer from cost method to fair value measurement

If the Company loses control over the investee due to the disposal of part of the equity investment or otherwise, the equity remaining after the disposal by which the Company cannot exercise joint control or significant impact on the investee should be accounted for based on the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, in preparation of the individual financial statements of the Company, and the difference between the fair value and carrying amount as at the date of losing the control should be included in current profits and losses.

(4) Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between the carrying amount of the long-term equity investment and the actual acquisition price shall be included in current profits and losses. For a long-term equity investment accounted for using the equity method, when the investment is disposed of, the part originally included in other comprehensive income should be accounted for in the corresponding proportion and on the same basis as the direct disposal of the underlying assets or liabilities by the investee.

When the terms, conditions, and economic influence of transactions of the equity investment of the subsidiary conform to one or more of the following, accounting for multiple transactions is treated as a package transaction:

- (a) These transactions are made simultaneously or with consideration of influence on each other;
- (b) These transactions can only achieve a complete business outcome when they are accounted for collectively;
- (c) The occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- (d) A transaction is uneconomical individually, but is economical when considered collectively with other transactions.

When an enterprise loses control over the original subsidiary due to disposal of part of the equity investment or other reasons, if the transactions do not belong to a package transaction, the accounting treatment of individual financial statements and consolidated financial statements should be distinguished as follows:

- (a) In the individual financial statements, the disposed equity should be accounted for in accordance with the *Accounting Standards for Business Enterprises No. 2 - Long-Term Equity Investment*; meanwhile, the remaining equity should be recognized as long-term equity or other related financial assets based on its carrying amount. If the remaining equity after disposal can be used to exercise common control or significant influence on the original subsidiary, it shall be accounted for in accordance with the relevant provisions on the conversion of the cost method into the equity method.

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III Significant accounting policies and accounting estimates (continued)

21 Long-term equity investments (continued)

(4) Disposal of long-term equity investments (continued)

- (b) In the consolidated financial statements, the remaining equity should be remeasured in accordance with its fair value on the date of loss of control. The difference between the sum of the consideration acquired from the disposal of the equity and the fair value of the remaining equity, less the share of net assets of the original subsidiary that should be enjoyed in accordance with the original shareholding ratio from the date of acquisition, is included in the current profit and loss of the period in which loss of control occurred. Other comprehensive income related to the original subsidiary's equity investment should be converted into current investment income when control is lost. The Company shall disclose in the notes the fair value of the remaining equity after disposal on the date of loss of control and the amount of relevant gains or losses arising from the disposal remeasured based on the fair value.

If the transactions of disposal of equity investment in a subsidiary until the loss of control are a package transaction, the accounting treatment of individual financial statements and consolidated financial statements should be distinguished as follows:

- (a) In the individual financial statements, the difference between each disposal price and the carrying amount of the long-term equity investment corresponding to the disposed equity before the loss of control is recognized as other comprehensive income, and transferred to the current profit and loss of the period in which the loss of control occurred;
- (b) In the consolidated financial statements, the difference between each disposal price and the disposal of investment corresponding to the share of the net assets of the subsidiary before the loss of control is recognized as other comprehensive income, and transferred to the current profit and loss of the period in which the loss of control occurred.
- (5) Criteria for judgment of joint control and significant impact

If the Company exerts joint control over an arrangement with other participants in accordance with the relevant agreement, and decision on activities that has a significant impact on the return of the arrangement requires the unanimous consent of the participants sharing the control, the Company and other participants will be deemed to have joint control over the arrangement - a joint venture arrangement.

If a joint venture arrangement is entered into through an independent entity, and the Company has rights over the net assets of the independent entity based on the relevant agreements, the independent entity shall be deemed as a joint venture and accounted for using the equity method. If based on the relevant agreement, the Company does not have rights to the net assets of the individual entity, the individual entity shall be deemed as a joint operation, and the items related to the share of interests in the joint operation should be recognized and accounted for in accordance with the provisions of relevant Accounting Standards for Business Enterprises.

Significant impact means the investor's power to participate in the decision-making of the financial and operating policies of the investee, but by which the investor cannot control or commonly control together with other parties the formulation of the policies. Significant impact on the investee will be determined based on one or more of the cases with reference to all facts and conditions:

- 1) Assigning a representative to the board of directors or similar authority of the investee;
- 2) Participating in formulation of the financial and operational policies of the investee;
- 3) Entering into a significant transaction with the investee;
- 4) Assigning an officer to the investee; or
- 5) Providing key technical information to the investee.

III Significant accounting policies and accounting estimates (continued)

22 Investment property

The Company's investment property means the property held for the purpose of earning rent or capital appreciation, or both, including the land use rights that have been leased, the land use rights that are held for transfer upon appreciation, and the leased buildings. In addition, for the vacant buildings held by the Company for the purpose of leases, if the Board of Directors makes a written resolution that expressly indicates that the buildings will be used for leases and the intention of holding will not change in a short-term, the building will also be reported as investment property.

An investment property of the Company will be recorded at its cost that comprises i) in case of a purchased investment property, the purchase price, relevant taxes, and other expenses directly attributable to the asset; or ii) in case of a self-constructed investment property, the necessary expenses incurred before the asset is constructed to reach its intended serviceable state.

The Company adopts the cost model for subsequent measurement of investment property. For the purpose of depreciation or amortization method, the same amortization policy adopted for buildings as fixed assets and land use rights as intangible assets is used.

When the purpose of an investment property is changed to self-use, the Company shall convert the investment property into a fixed asset or intangible asset from the date of change. When the purpose of a self-used property is changed to earning rent or capital appreciation, the Company will convert the fixed asset or intangible asset into an investment property from the date of change. When such a conversion occurs, the carrying amount before the conversion shall be used as the recorded value after the conversion.

When an investment property is disposed of, or when it permanently withdraws from use and no economic benefit is expected to be obtained from the disposal of it, the investment property shall be derecognized. The disposal income from the sale, transfer, scrapping, or damage of an investment property, net of its carrying amount and related taxes and fees, is recognized in current profits and losses.

For methods of impairment test and accrual of provision for impairment of investment property, please refer to "28 Impairment on long-term assets" under Note III.

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III Significant accounting policies and accounting estimates (continued)

23 Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets mean tangible assets held for the purpose of producing goods, rendering services, leases or operation management, whose service life is more than one fiscal year. Fixed assets satisfying the following conditions are recognized:

- (a) The economic benefits associated with the fixed assets are likely to flow into the enterprise;
- (b) The cost of the fixed asset can be measured in a reliable way.

The Company's fixed assets are classified into buildings, machinery and equipment, office and electronic equipment, transportation vehicles, and fixed assets renovation in line with capitalization conditions. Where each component of a fixed asset with a different service life provides economic benefits to the Company in different ways and applies different depreciation rates, it is recognized as a single fixed asset.

Fixed assets are initially measured at cost. The cost of purchasing fixed assets includes the purchase price, related taxes, and other expenses attributable to the fixed asset before it is ready for the intended use, such as the expenses on transportation, handling, installation and professional services, etc. When determining the cost of fixed assets, discard expenses should be considered. Subsequent expenditures related to fixed assets that satisfy the recognition criteria of fixed assets are included in the cost of fixed assets; otherwise, they are recognized in profit and loss in the period in which they arise.

Fixed assets are depreciated by the straight-line method. The depreciation rate of various fixed assets is determined according to the estimated service life and estimated residual value (the estimated residual value is 0-10% of the gross amount). The depreciation rate of classified fixed assets is as follows:

Asset Category	Estimated Service Life	Annual Depreciation Rate
Houses and buildings	20-50 years	1.8%-5%
Machinery equipment	5-15 years	6%-20%
Office and electronic equipment	2-5 years	18%-50%
Transportation equipment	3-5 years	18%-33.33%
Power stations	20-25 years	3.8%-4.75%
Others	4-5 years	18%-25%

Fixed assets renovation is amortized evenly over the benefit period.

All fixed assets are subject to depreciation, except for fixed assets that have been fully depreciated and continue to be used, and the land that is priced and recorded separately. Fixed assets are depreciated on a monthly basis. Fixed assets added are not depreciated in the current month when being added but from the following month; fixed assets reduced are still depreciated in the current month when being reduced, and no depreciation is made from the following month. Fixed assets that are not profitable for the Company or not used temporarily (other than seasonally deactivated) are recognized as idle fixed assets. The estimated life expectancy and depreciation rate of idle fixed assets should be reestimated, and depreciation is directly included in the current profit and loss.

The methods for impairment testing and accrual of impairment provisions of fixed assets are detailed in 28 "Long-term Asset Impairment" under Note III.

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III Significant accounting policies and accounting estimates (continued)

24 Construction in progress

Construction in progress refers to the necessary expenses incurred by the Company for the purchase and construction of fixed assets or investment property before being ready for the expected usable status, including engineering materials costs, labor costs, related taxes and fees, borrowing costs that should be capitalized and indirect costs that should be apportioned. Construction in progress is accounted for separately according to individual projects.

After the construction in progress is ready for its intended use, it must be transferred to fixed assets or investment property, whether the final accounting procedures are completed or not.

The methods for impairment testing and accrual of impairment provisions of construction in progress are detailed in 28 "Long-term Asset Impairment" under Note III.

25 Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Company as a result of borrowings, including interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings.

Borrowing costs that can be directly attributable to the acquisition, construction, or production of assets eligible for capitalization are capitalized and included in the relevant asset cost. Other borrowing costs are recognized as expenses in the period in which they are incurred, and are included in the current profit and loss. Assets eligible for capitalization refer to fixed assets, investment property, inventories, and other assets that require a substantial period of acquisition, construction or production activities to get ready for the intended use or sale status.

Borrowing costs become capitalized when:

- (1) The asset expenditure has occurred, including expenditure incurred in the form of cash payments, transfer of non-cash assets, or assuming interest-bearing debts for the purpose of acquisition, construction, or production of assets that are eligible for capitalization;
- (2) Borrowing costs have occurred;
- (3) The acquisition, construction, or production activities necessary to enable the assets to be ready for the intended usable or saleable state have commenced.

When an asset that satisfied the capitalization conditions is abnormally interrupted during the process of acquisition, construction or production and the interruption period lasts for more than three months, the capitalization of the borrowing costs is suspended and recognized as the current expenses until the acquisition, construction or production of the assets starts again. When an asset that satisfied the capitalization conditions is ready for its intended use or sale, the capitalization is stopped and the borrowing costs incurred in the future are included in the current profit and loss.

The period of capitalization refers to the period from the time when the borrowing costs start to be capitalized to the point when the capitalization is stopped, and the period in which the borrowing costs are suspended for capitalization is not included. During the period of capitalization, if special borrowings are made for the acquisition, construction, or production of assets eligible for capitalization, the amount of the interest expenses actually incurred during the current period of the special borrowings, less the amount of interest income earned by depositing unused borrowing funds in a bank or investment income earned by temporary investment, is recognized as the amount of capitalization. When a general loan is occupied for the purpose of purchasing, constructing or producing assets that satisfied the capitalization conditions, the amount of capitalization is determined according to the weighted average of the accumulated asset expenditure exceeding the special loan portion multiplied by the capitalization rate of the general loan occupied; the capitalization rate is determined based on the weighted average interest rate of general borrowings.

III Significant accounting policies and accounting estimates (continued)

26 Right-of-use assets

The Company initially measures right-of-use assets at cost. Such costs include:

- (1) The initial measurement amount of lease liabilities;
- (2) Lease payments made on or before the commencement date of the lease term (if a lease incentive exists, net of the amount related to the lease incentive already taken);
- (3) Initial direct costs incurred by the Company;
- (4) Costs expected to be incurred by the Company to disassemble and remove the leased asset(s), restore the premises where the leased asset(s) is/are located, or restore the leased asset(s) to the condition agreed upon under the terms of the lease (excluding costs incurred to produce inventory).

After the commencement date of the lease term, the Company uses the cost model for subsequent measurement of right-of-use assets.

If it is reasonably certain that ownership of the leased asset(s) will be obtained at the end of the lease term, the Company depreciates the leased asset(s) over its/their remaining service life. If it is not reasonably certain that ownership of the leased asset(s) will be obtained at the end of the lease term, the Company depreciates the leased asset(s) over the lease term or the remaining service life of the leased asset(s), whichever is shorter. Right-of-use assets for which impairment reserves have been accrued are depreciated in future periods at their carrying amount net of impairment reserves, with reference to the above principles.

In accordance with the provisions of *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, the Company determines whether right-of-use assets have been impaired and accounts for the recognized impairment loss, as detailed in 28 "Long-term Asset Impairment" under Note III.



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III Significant accounting policies and accounting estimates (continued)

27 Intangible assets

Intangible assets refer to the identifiable non-monetary assets, owned or controlled by the Company, without physical form, including land use rights, intellectual property rights, and non-patented technologies, etc.

Intangible assets are recorded at the actual cost at the time of acquisition. The service life of intangible assets is analyzed and judged at the time of acquisition. Intangible assets with a finite service life are amortized on the shortest of the estimated service lives, the beneficial period of the contract, and the effective period specified by law from the time when the intangible assets are available for use. The amortization period is as follows:

Category	Amortization years
Land use rights	The shorter of the years of the land use rights and the operating years of the Company
Patents and non-patent technologies	10 years or the shorter of service life, beneficiary years and legally valid years
Others	Beneficiary period

The Company reviews the service life and amortization method of intangible assets with limited service life at least at the end of each year, and makes adjustments if necessary.

The methods for impairment testing and accrual of impairment provisions of intangible assets are detailed in 28 "Long-term Asset Impairment" under Note III.

If an intangible asset is foreseen as unable to bring economic benefits to the Company, it is regarded as an intangible asset with an indefinite service life, which will be reviewed in each accounting period. If evidence indicates that the service life of the intangible asset is limited, then it is converted to an intangible asset with a limited service life. Intangible assets with indefinite service lives are not amortized.

The expenditures of the Company's internal research and development items are classified into expenditures in the research phase and expenditures in the development phase. Research means an original, planned survey of acquiring and understanding new scientific or technical knowledge. Development means the application of research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products, etc. prior to commercial production or use.

The expenditures in the research phase of the Company's internal research and development items are included in the current profit and loss when incurred; expenditures in the development phase are recognized as intangible assets only when the following conditions are all satisfied:

- (1) It is technically feasible to complete the intangible asset to enable it to be used or sold;
- (2) There is intent to complete the intangible asset and use or sell it;
- (3) The intangible assets can bring economic benefits;
- (4) There are sufficient technical, financial, and other resources to support the development of the intangible assets as well as the ability to use or sell the intangible assets;
- (5) Expenditures attributable to the development stage of the intangible asset can be measured in a reliable way.

If the above conditions cannot all be satisfied, the expenditures are included in the current profit and loss when incurred.

III Significant accounting policies and accounting estimates (continued)

28 Impairment of long-term assets

The Company determines whether there is any sign of possible impairment of the long-term assets on the balance sheet date. If there is any sign of impairment in a long-term asset, the Company estimates the recoverable amount thereof based on the individual asset. If it is difficult to estimate the recoverable amount of the individual asset, the recoverable amount of the asset is determined based on the asset group to which the asset belongs.

The recoverable amount of an asset is determined based on the net amount of the fair value of the asset less the disposal expenses, or the present value of estimated future cash flows of the asset, whichever is higher.

If the measurement results of the recoverable amount indicate that the recoverable amount of the long-term investment is lower than its carrying amount, the carrying amount of the long-term investment is written off to the recoverable amount, and the amount written by is recognized as asset impairment loss, which is included in current profits and losses, while provision for asset impairment is made. Once the asset impairment loss is confirmed, it cannot be reversed in the future accounting period.

After the asset impairment loss is recognized, the depreciation or amortization expense of the impaired assets will be adjusted accordingly in the future periods so that the adjusted carrying amount of the asset (deducting the expected net residual value) will be systematically amortized over the remaining service life of the asset.

For the goodwill formed by business combination and the intangible assets with indefinite service life, an impairment test is carried out every year regardless of whether there is any indication of impairment.

In the impairment test of goodwill, the carrying amount of goodwill is apportioned to the asset group or asset group portfolio expected to benefit from the synergy of the business combination. When impairment tests are conducted on underlying asset groups or asset group portfolios that contain goodwill, impairment tests will be first conducted on the asset groups or asset group portfolios that do not contain goodwill, provided there is any sign of impairment in the asset groups or asset group portfolios related to the goodwill and the recoverable amount will be calculated and compared with the relevant carrying amount to recognize the corresponding impairment loss. Further impairment tests will be conducted on asset groups or asset group portfolios that contain goodwill, by comparing the carrying amount of such underlying asset groups or asset group portfolios (including the part of the carrying amount of the allocated goodwill) with their recoverable amount. If the recoverable amount of the underlying asset group or asset group portfolio is lower than its carrying amount, the impairment loss shall be recognized for goodwill.

29 Long-term deferred expenses

Long-term deferred expenses refer to various expenses that the Company has paid, should be amortized over the current and future periods, and whose period of amortization is more than one year, such as the improvement expenses incurred in renting fixed assets by operating leases. Long-term deferred expenses are amortized on a straight-line basis within the beneficial period of the expense items.

30 Contract liabilities

The Company recognizes as contract liabilities the part of the obligation to transfer the goods to the customer due to received or receivable consideration from the customer.

III Significant accounting policies and accounting estimates (continued)

31 Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits, and other long-term employee benefits provided in various forms of consideration in exchange for service rendered by employees or compensation for the termination of employment relationships.

(a) Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonuses, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, and short-term paid absences. During the accounting period when employees provide services, the Company recognizes the actual short-term remuneration as liabilities, and includes it in current profits and losses or related asset costs according to the beneficiaries of the services provided by employees. Non-monetary benefits are measured at their fair value.

(b) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the Reporting Period, the Company's defined contribution plans mainly include basic pensions and unemployment insurance.

(c) Termination benefits

If the Company terminates the labor relationship with an employee before the labor contract expires or offers compensation for encouraging the employee to accept the redundancies voluntarily, the liabilities arising from compensation for the termination of labor relations with the employee are determined, and also included in current profits and losses at the time when the Company cannot unilaterally withdraw the termination of the labor relationship plan or redundancies proposal or the time when the cost associated with reorganization involving payment of termination benefits is confirmed, whichever is earlier.

(d) Other long-term employee benefits

Other long-term employee benefits refer to all employee benefits except short-term employment benefits, post-employment benefits, and termination benefits.

For other long-term employee benefits that meet the conditions of a defined contribution plan, the amount to be contributed shall be recognized as a liability during the accounting period when the employee provides services to the Company, and shall be included in profit or loss for the period or the underlying asset costs. For long-term employee benefits other than those mentioned above, on the balance sheet date, the benefit obligations arising from the defined benefit plan shall be attributed to the periods during which the employee provides services and shall be included in profit or loss for the period or the underlying asset costs.

III Significant accounting policies and accounting estimates (continued)

32 Estimated liabilities

(1) Recognition standards for estimated liabilities

An obligation related to product quality assurance, loss contracts, restructuring, and other contingencies shall be recognized as a provision, if i) it is a current obligation of the Company, ii) the fulfillment of this obligation is likely to result in an outflow of economic benefits, and iii) the amount of this obligation can be reliably measured.

(2) Measurement methods for estimated liabilities

The estimated liabilities of the Company are initially measured on the basis of the best estimate of the expenditure required to perform the relevant current obligations.

When determining the best estimate, the Company considers factors such as risks, uncertainties, and time value of money related to contingent events. Where the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows.

The best estimates are handled as follows:

In case there is a continuous range (or interval) of required expenditures, within which the possibility of occurrence of various results is the same, the best estimate is determined by the average of the middle value of the range, that is, the average of the upper and lower limits.

In case there is no continuous range (or interval) of required expenditures, or there is a continuous range but the possibility of various results in the range is different, if the contingency involves a single item, the best estimate is determined based on the most probable amount; if a contingency involves multiple items, the best estimate is determined based on various possible outcomes and associated probabilities.

If all or part of the expenses required by the Company to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount is separately recognized as an asset when it is basically confirmed to be received, and the recognized compensation amount should not exceed the carrying amount of the estimated liabilities.

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III Significant accounting policies and accounting estimates (continued)

33 Lease liabilities

The Company initially measures lease liabilities at the present value of the lease payments outstanding on the commencement date of the lease term. When calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the rate of discount. If the implicit interest rate of the lease cannot be determined, the incremental loan interest rate of the Company shall be used as the discount rate. Lease payments include:

- (a) The amount of fixed payments, net of amounts related to lease incentives, and the amount of substantive fixed payments;
- (b) Variable lease payments that depend on indexation or ratio;
- (c) The exercise price of the purchase option, when applicable, if the Company is reasonably certain that the option will be exercised;
- (d) The amount required to be paid to exercise the option to terminate the lease if the lease term reflects that the Company will exercise the option to terminate the lease;
- (e) The estimated amount payable is based on the secured residual value provided by the Company.

The Company calculates the interest expenses of lease liabilities for each period within the lease term at a fixed rate of discount and includes them in profit or loss for the current period or cost of the related assets.

Variable lease payments that are not included in the measurement of lease liabilities should be included in profit or loss for the current period or cost of the related assets when they are actually incurred.

34 Share-based payments

The share-based payments of the Company are mainly equity-settled share-based payments and are only allow to be exercised by employees after the completion of their services in the waiting period. On each balance sheet date in the waiting period, based on the best estimate of the number of vesting equity instruments, the services obtained in the current period are included in the relevant costs or expenses and capital reserve based on the fair value at the grant date of the equity instruments.

The fair value of equity instruments is determined by the external appraiser or management based on the binomial distribution method. The best estimate of the vesting equity instrument is determined by the management based on historical statistics on the vesting weights and turnover rates on the balance sheet date.

Equity-settled share-based payments are measured based on the fair value of the equity instruments granted to employees. In case the vesting right is available immediately after the grant, it is included in the relevant cost or expense based on the fair value of the equity instrument on the grant date, and the capital reserve is increased accordingly. In case the vesting right is available after the completion of services in the waiting period or satisfaction of stipulated performance conditions, on each balance sheet day during the waiting period, the services acquired in the current period are included into the relevant costs or expenses and capital reserve on the basis of the best estimate of the number of feasible equity instruments and at the fair value of the date on which the equity instruments are granted. No adjustments are made to the identified related costs or expenses or total owners' equity after the vesting date.

III Significant accounting policies and accounting estimates (continued)

35 Revenue recognition

(1) General principles applied to revenue recognition

The Company shall recognize the revenue according to the transaction price assigned to the performance obligation when any due performance obligation is fulfilled (namely when the client obtains control over relevant commodities or services). Performance Obligation means that, under the contract, the Company promises to transfer commodities or services that can be clearly distinguished to the client. "Obtain the control over relevant commodities or services" refers to the ability to completely dominate the use of commodities and obtain almost all economic benefits. From the contract's effectiveness date, the Company shall evaluate the contract, recognize each single performance obligation included, and determine whether each performance obligation is fulfilled within a certain period or at a time point.

When any of the following conditions is met for a performance obligation to be fulfilled within a certain period, the Company shall recognize corresponding revenue within the period according to the performance schedule:

- (a) While fulfilling the due obligation in the Company, the client obtains and consumes the resulting economic benefit;
- (b) The client is able to control the commodities under construction during the Company's fulfillment;
- (c) Commodities generated from the Company's fulfillment possess irreplaceable purpose, and the Company has the right to charge all fulfilled performance obligations within the whole contract period; otherwise, the Company shall recognize corresponding revenue when the client obtains control over relevant commodities or services.

For any performance obligation with a certain period, the Company shall apply the output method/input method to determine the appropriate fulfillment schedule based on the specific nature of commodities and services. The output method is to determine the fulfillment schedule according to the value of commodities transferred to the client (while the input method is to determine the fulfillment schedule according to the Company's input to fulfill the performance obligation). If the fulfillment schedule cannot be reasonably determined and the Company's costs are predicted to be compensated, corresponding revenue shall be recognized based on the specific cost amount until the fulfillment schedule can be reasonably determined.

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III Significant accounting policies and accounting estimates (continued)

35 Revenue recognition (continued)

(2) Specific revenue recognition method

(a) Product sales contract

According to the contract terms, for the selling of products subject to performance obligation fulfillment conditions at a time point and other products, the Company shall recognize the realization of sales revenues when the client obtains control over relevant commodities or services according to the delivery condition agreed in the sales contract upon signing by the client after commodities are received.

(b) Technical service contract

If revenues are recognized within a certain period based on the technical service contract, corresponding revenues shall be recognized according to the performance schedule.

(c) Royalty income

Accounted for according to the time and method of charging as stipulated in the relevant contract or agreement.

(d) Revenue from photovoltaic power stations

a. Centralized power stations: Power stations are connected to the grid. The revenue is recognized based on the documents on power supply provided by the business departments of the Company, after the duration of continuous and trouble-free operation specified by the electric power company is met. b. Distributed power stations: Power stations are connected to the grid. The revenue is recognized based on the documents on settlement provided by the business departments of the Company.

(3) Principles of handling revenues from specific transactions

(a) For the contract containing the sales return article: When the client obtains the control over relevant commodities, corresponding revenue shall be recognized according to the consideration amount (excluding the amount predicted to be returned due to sales return) predicted to be duly charged from transferring commodities to the client, and corresponding liabilities shall be recognized based on the amount predicted to be returned due to sales return. Meanwhile, when commodities are sold, the balance through deducting the predicted cost for taking back commodities from the carrying amount of commodities predicted to be returned (including the impairment of value of returned commodities) shall be accounted for under "Returned Commodities Cost Receivable".

(b) For the contract containing the quality assurance article: it's required to evaluate whether the quality assurance involves any separable service except for the promise (to the client) that commodities conform to established standards. If the Company provides additional service, it shall be deemed as a single performance obligation and subject to the accounting treatment according to relevant revenue criteria provisions; otherwise, the quality assurance liability shall be subject to the accounting treatment according to the accounting criteria provisions on Contingency.

(c) For the sales contract containing the client's additional purchase option: the Company shall evaluate whether the option provides the client with any significant right. If any, it shall be deemed as a single performance obligation, and the transaction price shall be apportioned to the performance obligation, and corresponding revenues shall be recognized when the client executes the purchase option right and obtains the control over relevant commodities in the future or when the option becomes invalid. If the separable selling price applied to the client's additional purchase option right cannot be directly observed, it's required to comprehensively consider the difference in discounts between the client's execution of option right and the client's non-execution of option right and analyze the possibility for the client to execute the option right and other relevant information. Then, a corresponding reasonable estimate shall be made.

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III Significant accounting policies and accounting estimates (continued)

35 Revenue recognition (continued)

(3) Principles of handling revenues from specific transactions (continued)

(d) The contract licenses the IP right to the client: It's required to evaluate whether the IP right license constitutes any single performance obligation; if any, it is necessary to determine whether the performance obligation fulfillment is fulfilled within a certain period or at a time point. If any IP right license is granted to the client and royalties are charged based on the client's actual sales or usage, corresponding revenues shall be recognized at a later time between the following dates: the day when the client's subsequent selling or usage occurs; the day when the Company fulfills relevant performance obligations.

(e) Major responsible person and agent: Based on whether the Company has control over the goods or service before transferring it to the customer, it is determined whether the Company is the major responsible person or an agent in the transactions. If the Company is able to control the goods or service before transferring it to the customer, the Company shall be deemed as major responsible person and the revenue shall be recognized at the total amount of the consideration received or receivable; otherwise, the Company shall be deemed as an agent, and the revenue shall be recognized at the amount of the commission or handling fee to which it expects to be entitled. The amount of the commission or handling fee is determined by deducting the amount payable to other relevant parties from the total amount of consideration received or receivable.

36 Contract costs

(1) Contract performance cost

For the cost resulting from performing the contract which is not included in other ASBE except the revenue standards and meets the following conditions, the Company shall recognize it as an asset:

- (a) The cost is directly related to a current or predicted contract, including the direct labor, direct material, and manufacturing expenses (or similar expenses), the cost borne by the client, and other costs resulting from the contract;
- (b) The cost adds various resources that can be applied by the Company to fulfill due performance obligations; and
- (c) The cost is predicted to be recovered.

The asset shall be presented and reported in inventory or other non-current assets, which depends on whether the amortization period exceeds a normal operating cycle during the initial recognition.

(2) Contract acquisition cost

If the incremental cost resulting from the Company's acquisition of the contract is predicted to be recovered, it shall be recognized as an asset as the contract acquisition cost. Increment Cost refers to the cost that only results from the contract acquisition, like the sales commission. If the amortization period is less than one year, it shall be included in current profit and loss.

(3) Contract cost amortization

The asset related to the contract cost shall, by adopting the same basis for the recognition of commodities or services revenues related to the asset, be amortized during the period of fulfilling the performance obligation or according to the fulfillment schedule and be included into current profit and loss.



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III Significant accounting policies and accounting estimates (continued)

36 Contract costs (continued)

(4) Impairment of contract costs

For the asset related to the contract cost as mentioned above, if the carrying amount is higher than the difference between the residual consideration predicted to be obtained from the Company's transfer of commodities related to the asset and the cost to be incurred due to such transfer, depreciation reserves shall be calculated and withdrawn for the surplus which shall also be recognized as the asset impairment loss.

After the provision for impairment is made, if changes in depreciation factors during previous periods have made the above difference higher than the asset's carrying amount, it shall be restituted to previously established asset impairment allowances and included in current profit and loss. However, the carrying amount of restituted assets shall not exceed the carrying amount of the asset on the date of restitution without establishing impairment allowances.

37 Public grants

(1) Type of change

Public grants are transfers of monetary or non-monetary assets from the public to the Group at nil consideration. According to the grant targets stipulated in the relevant public documents, public grants are classified into public grants related to assets and public grants related to income.

(2) Recognition of public grants

If a public grant is a monetary asset, it is measured at the amount received or receivable. If a public grant is a non-monetary asset, it is measured at fair value. If the fair value cannot be obtained in a reliable way, there are measured at the nominal amount (RMB 1). Public grants measured at nominal amounts are recognized directly in the current profits and losses.

(3) Accounting treatment

Public grants related to assets offset the carrying amount of the underlying assets.

If the public grants related to income are used to compensate related costs or losses in the subsequent period, it is recognized as deferred income and included in the current profit and loss or offset costs in the period in which the related costs or losses are recognized; public grants used to compensate costs or losses incurred by the enterprise shall be directly included in current profits and losses or offset related costs. For public grants related to the day-to-day activities of the enterprise, the R&D and VAT-related subsidies and the taxation, or operation-based incentive public subsidies are included in other income; other public grants are written off against related costs based on the substance of economic activities. Public grants not related to daily activities of the Company are included in the non-operating income and expenditure. For preferential loans for policy discounts, if the public finance department appropriates the discounted funds to the lending bank, the borrowing cost is accounted for according to the principal of the loan and the policy preferential interest rate, with the amount actually received as the entry value of the loan. If the public finance department directly appropriates the interest grant funds to the Company, the grants shall offset the related borrowing costs.

In case a recognized public grant is required to be returned, the carrying amount of the asset is adjusted if the carrying amount of relevant assets is offset at the initial recognition; if there is related deferred income, the book balance of deferred income is offset, and the excess is included in the current profit and loss; and in case of other circumstances, it is directly included in current profits and losses.

III Significant accounting policies and accounting estimates (continued)

38 Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities shall be recognized based on the difference (temporary difference) between the tax basis and carrying amount of the underlying assets or liabilities. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured based on the tax rate applicable during the period when it is expected to recover the assets or pay off the liabilities.

(1) Basis for recognition of deferred income tax assets

The Company recognizes deferred income tax assets arising from deductible temporary differences to the extent that it is likely to acquire taxable income that can be used to offset the deductible temporary differences, deductible losses that can be carried forward to future years and tax credits. However, deferred income tax assets arising from the initial recognition of assets or liabilities in a transaction with all the following characteristics shall not be recognized: (1) the transaction is not a business combination; and (2) the occurrence of the transaction does not affect accounting profits or taxable income or deductible losses.

For a deductible temporary difference related to investments in affiliates, the corresponding deferred income tax asset will be recognized if the following criteria are met simultaneously: the temporary difference is likely to be reversed in the foreseeable future and it is likely to obtain taxable income that can be used to offset the deductible temporary difference in the future.

(2) Basis for recognition of deferred income tax liabilities

The Company recognizes the taxable temporary differences that should be paid but are not paid for the current and previous periods as deferred income tax liabilities. But deferred tax liabilities do not include:

(a) Temporary differences arising from the initial recognition of goodwill;

(b) Temporary differences arising from transactions or events that are not formed by a business combination and do not affect accounting profits or taxable income (or deductible losses) upon their occurrence;

(c) For taxable temporary differences related to investments in subsidiaries and associates, the timing of the reversal of the temporary differences can be controlled and the temporary differences are unlikely to be reversed in the foreseeable future.

(3) Deferred income tax assets and liabilities are presented on a net basis after the following conditions are met:

(a) An enterprise has the legal right to settle current income tax assets and liabilities on a net basis;

(b) Deferred income tax assets and liabilities relate to income taxes levied by the same taxing authority on either the same taxable entity or different taxable entities that intend to either settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are reversed.

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III Significant accounting policies and accounting estimates (continued)

39 Leases

From the effective date of a contract, the Company assesses whether the contract is a lease or includes a lease. If a party to the contract transfers the right allowing the control over the use of one or more assets that have been identified within a certain period, exchange for a consideration, such a contract is a lease or includes a lease.

(1) Lease contract split

If a contract contains multiple single leases at the same time, the Company will split the contract, and conduct accounting treatment of each single lease respectively.

If a contract contains both lease and non-lease parts at the same time, the Company will split the lease and non-lease parts, conduct accounting treatment of the lease part in accordance with the accounting standards governing leases, and conduct accounting treatment of the non-lease part in accordance with other applicable Accounting Standards for Business Enterprises.

(2) Lease contract combination

With regard to two or multiple contracts containing leases concluded by the Company with the same counterparty or its related parties at the same or a similar time, when any of the following conditions is met, the contracts are combined into one contract for accounting treatment:

- (a) Two or multiple contracts are concluded based on an overall business purpose and constitute a package deal, and if they are not considered as a whole, the overall business purpose cannot be understood.
- (b) The consideration amount of one contract among the two or multiple contracts depends on the pricing or performance of other contracts.
- (c) The rights to use assets transferred by the two or multiple contracts constitute one single lease.

(3) Accounting treatment with the Company as lessee

On the commencement date of the lease term, the Company recognises the right-of-use assets and lease liabilities for the lease, unless it is a simplified short-term lease or low-value asset lease.

(a) Short-term leases and low-value asset leases

A short-term lease refers to a lease that does not include a purchase option and whose lease term does not exceed 12 months. A low-value asset lease refers to a lease where the value will be low when a single leased asset is a new asset.

The Company does not recognize the right-of-use assets or lease liabilities for the following short-term leases and low-value asset leases. In each period within the lease term, the relevant lease payments are included in the cost of the related assets or profit or loss for the current period on a straight line basis or according to other systemic and reasonable methods.

Item	Simplified leased asset type
Short-term lease	A lease whose lease term does not exceed 12 months from the commencement date of the lease term
Low-value asset lease	An asset lease with a value of less than RMB 40,000 or its foreign currency equivalents

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III Significant accounting policies and accounting estimates (continued)

39 Leases (continued)

(3) Accounting treatment with the Company as lessee (continued)

The Company recognizes the right-of-use assets and lease liabilities for short-term leases and low-value asset leases other than those mentioned above.

(b) The accounting policies for right-of-use assets and lease liabilities are detailed in Note III, 26 and Note III, 33.

(4) Accounting treatment with the Company as lessor

(a) Lease classification:

The Company classifies leases into finance leases and operating leases at the inception of leases. A finance lease refers to a lease where almost all the risks and rewards related to the ownership of the leased asset(s), are substantially transferred, regardless of whether the ownership is transferred eventually. An operating lease refers to all leases other than finance leases.

Usually, the Company classifies a lease that meets any one or more of the following conditions as a finance lease:

- 1) Upon expiry of the lease term, the ownership of the leased asset(s) is transferred to the lessee.
- 2) The lessee has the option to purchase the leased assets. As the agreed purchase price is low enough compared with the fair value of the leased asset(s) at the time the option is expected to be exercised, it can be reasonably determined at the inception of the lease that the lessee will exercise the option.
- 3) Although the ownership of the asset(s) is not transferred, the lease term accounts for the majority of the service life of the leased asset(s).
- 4) At the inception of the lease, the present value of the lease payments receivable is almost equal to the fair value of the leased asset(s).
- 5) The leased asset(s) is/are special in nature and can be only used by the lessee, unless there is a large alteration.

The Company may also classify a lease that falls under any one or more of the following circumstances as a finance lease:

- 1) If the lessee cancels the lease, losses to the lessor caused by the cancellation will be borne by the lessee.
- 2) Gains or losses arising from fluctuations in the fair value of the residual value of the leased asset(s) are borne by the lessee.
- 3) The lessee is able to renew the lease with a rental far lower than the market level for the next term.

(b) Accounting treatment of finance leases

On the commencement date of the lease term, the Company recognizes the finance lease receivables for the finance lease and derecognizes the leased asset(s) of the finance lease.

In the initial measurement of finance lease receivables, the sum of the unsecured residual value and the present value of the lease payments receivable not yet received on the commencement date of the lease term discounted at the interest rate implicit in the lease is the entry value of the finance lease receivables. Lease payments receivable include:

- 1) The amount of fixed payments, net of amounts related to lease incentives, and the amount of substantive fixed payments;
- 2) Variable lease payments that depend on indexation or ratios;
- 3) The exercise price of the purchase option, when applicable, if it is reasonably certain that the lessee will exercise the purchase option;
- 4) The amount required to be paid by the lessee to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease;
- 5) Secured residual value provided to the lessor by the lessee, a party related to the lessee, or an independent third party that has the financial ability to perform the security provision obligation.

The received variable lease payments that are not included in the measurement of the net investment in the lease are included in profits and losses for the current period when they are actually incurred.

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III Significant accounting policies and accounting estimates (continued)

39 Leases (continued)

(4) Accounting treatment with the Company as lessor (continued)

(c) Accounting treatment of operating leases

For each period of the lease term, the Company adopts the straight-line method or other systematic and reasonable methods to recognize the lease receipts of the operating lease as rental income; the Company capitalizes the initial direct expenses incurred in connection with the operating lease, amortizes them over the lease term on the same basis as that for the recognition of the rental income, and includes them in the current profit and loss by stage; the Company includes the variable lease payments, obtained in connection with the operating lease that are not included in the lease receipts, in current profits and losses when they are actually incurred.

(5) Sale and leaseback

(a) The Company as seller and lessee

If the asset transfer in a sale and leaseback transaction is a sale, the Company will measure the right-of-use assets formed by the sale and leaseback based on the portion of the original asset's carrying amount that is related to the use right acquired by the leaseback, and recognize related gains or losses only for the right transferred to the lessor. If the fair value of the sales consideration is different from the fair value of the asset, or if the lessor does not charge the rent at the market price, the Company will conduct accounting treatment with the sales consideration amount below the market price as the prepaid rent, or the amount above the market price as the additional financing provided by the lessor to the lessee; at the same time, the relevant sales gains or losses will be adjusted based on the fair value.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company will continue to recognize the transferred asset and at the same time recognize a financial liability equivalent to the transfer income.

(b) The Company as buyer and lessor

If the asset transfer in a sale and leaseback transaction is a sale, the Company will conduct corresponding accounting treatment for asset purchase and apply the accounting standards governing leases to the accounting treatment of the asset lease. If the fair value of the sales consideration is different from the fair value of the asset, or if the Company does not charge the rent at the market price, the Company will conduct accounting treatment with the sales consideration amount below the market price as the pre-collected rent, or the amount above the market price as the additional financing provided by the Company to the lessee; at the same time, the rental receipt will be adjusted based on the market price.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company will recognize a financial asset equivalent to the transfer income.

40 Related parties

If one party controls, commonly controls or exerts a significant influence on the other party, and two or more parties are under the control, common control or significant influence of the other party, they constitute related parties. Enterprises that are solely controlled by the state and do not have any other related party relationship shall not be deemed as related parties.

III Significant accounting policies and accounting estimates (continued)

41 Discontinued operations

The Company will recognize a component that meets one of the following conditions, has been disposed of or classified as being held for sale, and can be separately identified, as a component of discontinued operation:

- (1) This component represents an independent main business or a separate main operation region.
- (2) This component is part of a related plan to dispose of an independent main business or a separate main operation region.
- (3) This component is a subsidiary acquired for the sole purpose of resale.

Operating profit and loss, such as impairment loss for discontinued operations and the amount reversed, and disposal profit and loss are presented in the income statement as profit and loss of discontinued operations.

In the balance sheet, the Company presents, independently from other assets, the held-for-sale non-current assets or assets in held-for-sale disposal groups, and presents, independently from other liabilities, the liabilities in held-for-sale disposal groups. The held-for-sale non-current assets or assets in held-for-sale disposal groups and the liabilities in held-for-sale disposal groups shall not offset each other, but shall be presented as current assets and current liabilities, respectively. In the income statement, the Company presents the profits and losses from going concern and the profits and losses from discontinued operations. For the discontinued operations reported in the current period, the Company represents in the financial statements for the current period, the information previously presented as the profits and losses from going concern as the profits and losses from discontinued operations for the comparable accounting period. If the discontinued operations are no longer eligible for being classified as held-for-sale categories, the Company will represent in the financial statements for the current period, the information previously presented as the profits and losses from discontinued operations as the profits and losses from going concern for the comparable accounting period.

42 Hedge Accounting

Hedge is classified as a fair value hedge, cash flow hedge or net foreign investment hedge based on the hedging relationship.

- (1) A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:
  - (a) The hedging relationship consists only of eligible hedging instruments and eligible hedged items.
  - (b) At the inception of the hedging relationship, there is formal designation of hedging instruments and hedged items, and documentation of the hedging relationship and the Company's risk management strategies and objectives for undertaking the hedge have been prepared.

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III Significant accounting policies and accounting estimates (continued)

42 Hedge Accounting (continued)

- (1) A hedging relationship qualifies for hedge accounting only if all of the following criteria are met (continued)
- (c) The hedging relationship meets the hedge effectiveness requirements.  
The hedging relationship meets the hedge effectiveness requirements only if all of the following criteria are met:
- 1) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes opposite changes in the value of the hedging instrument and the hedged item in the face of the identical hedged risk.
- 2) The effect of credit risk does not dominate the value changes that result from that economic relationship.
- 3) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.
- (2) Fair value hedge accounting
- (a) Gain or loss on the hedging instrument shall be recognized in profit or loss. If the hedging instrument hedges a non-trading equity instrument (or a component thereof) that the Company has elected to be measured at fair value through other comprehensive income, the hedging gain or loss generated by the hedging instrument shall be recognized in other comprehensive income.
- (b) Gain or loss generated by the hedged item due to the hedged risk exposure shall be recognized in profit or loss and shall adjust the carrying amount of the recognized hedged item that is not measured at fair value. If the hedged item is a financial asset (or a component thereof) measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognized in profit or loss, and will not be required for adjustment since the carrying amount has been measured at fair value. However, if the hedged item is a non-trading equity instrument (or a component thereof) that the Company has elected to be measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognized in other comprehensive income and will not be required for adjustment, since the carrying amount has been measured at fair value.  
When a hedged item represents a defined commitment that has not been unrecognized (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation caused by the hedge relationship is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. When a defined commitment is made to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability is adjusted to include the cumulative change in the fair value of the hedged item that has been recognized.
- (c) If the hedged item is a financial instrument (or a component thereof) measured at amortized cost, the adjustment made to the carrying amount of the hedged item shall be amortized based on the effective interest rate recalculated on the amortization commencement date and recognized in current profits and losses. This amortization can commence from the adjustment date, but not later than the time when the hedging gain or loss adjustment is made for the termination of the hedged item. If the hedged item is a financial asset (or a component thereof) measured at fair value through other comprehensive income, the cumulative recognized hedging gain or loss shall be amortized in the same manner and recognized in the profit or loss, but the carrying amount of the financial asset (or a component thereof) shall not be adjusted.

III Significant accounting policies and accounting estimates (continued)

42 Hedge Accounting (continued)

(3) Accounting treatment of cash flow hedges

- (a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e., the portion that is offset by the change in the cash flow hedge reserve) shall be recognized in other comprehensive income. The amount of cash flow hedging reserves shall be determined based on the lower of the absolute amount of the following two items:

- 1) The cumulative gain or loss on the hedging instrument since the commencement of the hedge;
- 2) The cumulative change in the present value of expected future cash flows of the hedged item since the commencement of the hedge. The amount of cash flow hedging reserves recognized in other comprehensive income for each period is the change in cash flow hedging reserves for the period.

- (b) The portion of the gain or loss on the hedging instrument that is determined to be an ineffective hedge (i.e., other gain or loss after deducting that recognized in other comprehensive income) shall be recognized in current profits and losses.

- (c) The amount that has been accumulated in the cash flow hedge reserve shall be accounted for as follows:

- 1) If any hedged item is an expected transaction, and the expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a defined commitment for which fair value hedge accounting treatment is applied, the Company shall remove that amount from the cash flow hedge reserve previously recognized in other comprehensive income and include it in the initial cost of the asset or the liability.

- 2) For cash flow hedges other than those covered by 1), that amount from the cash flow hedge reserve previously recognized in other comprehensive income shall be reclassified from the cash flow hedge reserve to current profits and losses in the same period or the period during which the hedged expected future cash flows affect profit or loss.

- 3) However, if that amount from the cash flow hedge reserve previously recognized in other comprehensive income is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered from other comprehensive income to current profits and losses.

(4) Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment shall be accounted for similarly to cash flow hedges:

- (a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income.

When disposing of all or part of the foreign operation, the gain or loss on the hedging instrument recognized in other comprehensive income shall be correspondingly transferred out and recognized in current profits and losses.

- (b) The portion of the gain or loss on the hedging instrument that is determined to be an ineffective hedge shall be recognized in current profits and losses.



III Significant accounting policies and accounting estimates (continued)

42 Hedge Accounting (continued)

(5) Termination of hedge accounting

Hedge accounting will be terminated if one of the following situations occurs:

- (a) The hedging relationship no longer meets the risk management objectives due to changes in risk management objectives.
- (b) The hedging instrument has expired or been sold, or the contract has been terminated or has been exercised.
- (c) The economic relationship no longer exists between the hedged item and the hedging instrument, or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- (d) The hedging relationship no longer meets other conditions for applying hedging accounting stipulated in this standard. In case the rebalancing of the hedging relationship is applied, the Company shall first consider the rebalancing of the hedging relationship and then evaluate whether the hedging relationship meets the conditions for applying hedging accounting stipulated in this standard.

Termination of hedge accounting may affect the whole or a portion of the hedging relationship, and when only a portion thereof is affected, hedge accounting remains applicable to the remaining unaffected portion.

(6) Fair value selection of credit risk exposure

When credit derivative instruments measured at fair value through current profits and losses are used to manage the credit risk exposure of a financial instrument (or a component thereof), the financial instrument (or a component thereof) can be designated as a financial instrument measured at fair value through current profits and losses during its initial recognition, subsequent measurement, or when not yet recognized, with written records made simultaneously, provided that the following criteria are met:

- (a) The subject (such as the borrower or the loan commitment holder) of the credit risk exposure of the financial instrument is consistent with the subject involved in the credit derivative;
- (b) The reimbursement level of the financial instrument is consistent with that of the instrument required to be delivered under the terms of the credit derivative.

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III Significant accounting policies and accounting estimates (continued)

43 Changes to major accounting policies and estimates

(1) Change of accounting policies

(a) Impact of the adoption of the *Interpretation to Accounting Standards for Business Enterprises No. 17* on the Company

On October 25, 2023, the Ministry of Finance promulgated the *Interpretation of Accounting Standards for Business Enterprises No. 17* (Cai Kuai [2023] No. 21, hereinafter referred to as the "Interpretation No. 17"), which was implemented from January 1, 2024. From January 1, 2024, the Company started implementing the provisions of Interpretation No. 17, and the implementation of such accounting treatment provisions had no significant impact on the Company's financial statements during the Reporting Period.

(b) Reclassification of guarantee-based warranty expenses

In the *Compilation of Application Guidelines of the Accounting Standards for Business Enterprises 2024* promulgated in March 2024 and the *Interpretation of Accounting Standards for Business Enterprises No. 18* promulgated on December 6, 2024 by the Ministry of Finance, it is specified that the guarantee-based warranty expenses shall be included in operating cost. From January 2024, the Company started implementing such provision, and included the guarantee-based warranty expenses in operating cost. The implementation of such an accounting treatment provision had no impact on the retained earnings of the earliest financial statements at the beginning of the prior reporting period. The adjustments to relevant items in the 2023 (consolidated) comparative financial statements are as follows:

Item of the income statement	Before change	2023	After change
		Cumulative impacted amount	
Operating cost	148,767,597	830,997	149,598,594
Sales expenses	2,523,687	(830,997)	1,692,690

(2) Changes to accounting estimates

No significant change occurred to the major accounting estimates in the Reporting Period.

44 Correction of previous accounting errors

No previous accounting errors were identified and corrected in the Reporting Period.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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IV. Taxes

1 Value-added tax

In the Reporting Period, output tax was calculated at 3%, 5%, 6%, 9%, or 13% of the taxable income of general taxpayers, and the value-added-tax was paid based on the difference after deducting the allowance deduction of input tax in the current period. The value added-tax payment for the Company's directly exported goods is executed in accordance with the regulations of "Exemption, Offset and Refund". The tax refund rate is 0%-13% during the reporting period.

2 Urban maintenance and construction tax

Subject to the relevant tax laws and regulations of the state and local regulations, urban maintenance and construction tax is paid based on the proportion stipulated by the state according to the individual circumstances of each member of the Company.

3 Education surcharges

Education surcharges are paid according to the individual circumstances of each member of the Company based on the proportion stipulated by the state in accordance with the relevant national tax regulations and local regulations.

4 Property tax

Property tax is paid on the houses with property rights according to the proportion stipulated by the state in accordance with the relevant national tax regulations and local regulations.

5 Corporate income tax

The corporate income tax rate for the Company was 15% in the current period.

According to Article 28 of the *Enterprise Income Tax Law of the People's Republic of China*, a reduced corporate income tax rate of 15% is applied to important high-tech enterprises that the public supports.

According to the relevant provisions of the *Announcement on the Preferential Income Tax Policies for Small and Micro Enterprises and Self-employed Businesses* (Announcement No. 6 [2023] of the Ministry of Finance and the State Taxation Administration) and the *Announcement of the Ministry of Finance and the State Taxation Administration on Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Self-employed Businesses* (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), issued by the Ministry of Finance and the State Taxation Administration in 2023, from January 1, 2023 to December 31, 2027, the annual taxable income of small and low-profit enterprises not exceeding RMB 1 million will be included in the taxable income at a reduced rate of 25%, and the enterprise income tax will be paid at the rate of 20%.

Except for the following subsidiaries entitled to preferential tax treatment and the overseas subsidiaries that adopt local applicable tax rate, other entities under the Company are subject to the applicable tax rate of 25%, or the preferential tax rate for small and micro enterprises.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

IV Taxes (continued)

5 Corporate income tax (continued)

Subsidiaries entitled to tax preferences:

Company Name	Preferential tax rate	Reason
TCL Financial Technology (Shenzhen) Co., Ltd.	15.00%	High-tech enterprise
Shenzhen TCL High-Tech Development Co., Ltd.	15.00%	High-tech enterprise
China Display Optoelectronics Technology (Huizhou) Co., Ltd.	15.00%	High-tech enterprise
TCL China Star Optoelectronics Technology Co., Ltd.	15.00%	High-tech enterprise
Wuhan China Star Optoelectronics Technology Co., Ltd.	15.00%	High-tech enterprise
Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	15.00%	High-tech enterprise
Wuhan China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	15.00%	High-tech enterprise
Guangzhou China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	15.00%	High-tech enterprise
Suzhou China Star Optoelectronics Technology Co., Ltd.	15.00%	High-tech enterprise
Huizhou Kedate Smart Display Technology Co., Ltd.	15.00%	High-tech enterprise
Shenzhen Qianhai Maojia Software Technology Co., Ltd.	15.00%	High-tech enterprise
Tianjin Huan'Ou Bandaoti Material&Technology Co., Ltd.	15.00%	High-tech enterprise
Tianjin Huanzhi New Energy Technology Co., Ltd.	15.00%	High-tech enterprise
Inner Mongolia Zhonghuan Solar Material Co., Ltd.	15.00%	High-tech enterprise
Tianjin Zhonghuan Advanced Material&Technology Co., Ltd.	15.00%	High-tech enterprise
Huansheng New Energy (Jiangsu) Co., Ltd.	15.00%	High-tech enterprise
Zhonghuan Advanced Bandaoti Technology Co., Ltd.	15.00%	High-tech enterprise
Wuxi Zhonghuan Applied Materials Co., Ltd.	15.00%	High-tech enterprise
Huansheng New Energy (Tianjin) Co., Ltd.	15.00%	High-tech enterprise
Tianjin Huanou New Energy Technology Co., Ltd.	15.00%	High-tech enterprise
Xuzhou Jingrui Bandaoti Equipment Technology Co., Ltd.	15.00%	High-tech enterprise
Tianjin Printronics Circuit Corporation	15.00%	High-tech enterprise
Techigh Circuit Technology (Huizhou) Co., Ltd.	15.00%	High-tech enterprise
Huhehaote Huanju New Energy Development Co., Ltd.	15.00%	Encouraged business in West China
Sonid Left Banner Huanxin New Energy Co., Ltd.	15.00%	Encouraged business in West China
Otog Banner Huanju New Energy Co., Ltd.	15.00%	Encouraged business in West China
Ongniud Banner Guangrun New Energy Co., Ltd.	15.00%	Encouraged business in West China
Inner Mongolia New Huanyu Yangguang New Energy Technology Co., Ltd.	15.00%	Encouraged business in West China

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

IV Taxes (continued)

5 Corporate income tax (continued)

Company Name	Preferential tax rate	Reason
Tuquan Guanghuan New Energy Co., Ltd.	15.00%	Encouraged business in West China
Shaanxi Huanshuo Green New Energy Co., Ltd.	15.00%	Encouraged business in West China
Suzhou China Star Environmental Protection Technology Co., Ltd.	15.00%	Corporate income tax is levied at a reduced rate of 15% on eligible third-party enterprises engaged in pollution prevention and control
Inner Mongolia Zhonghuan Advanced Bandaoti Material Co., Ltd.	15.00%	High-tech enterprise and encouraged business in West China
Inner Mongolia Zhonghuan Crystal Materials Co., Ltd.	15.00%	High-tech enterprise and encouraged business in West China
Ningxia Zhonghuan Solar Material Co., Ltd.	9.00%	High-tech enterprise and encouraged business in West China
Ningxia Huanou New Energy Technology Co., Ltd.	9.00%	Encouraged business in West China
Dangxiong Youhao New Energy Development Co., Ltd.	7.50%	State-supported public infrastructure item and encouraged business in West China
Shaanxi Runhuan Tianyu Technology Co., Ltd.	7.50%	State-supported public infrastructure item and encouraged business in West China
Xuzhou Huanneng New Energy Co., Ltd.	Tax-exempt	State-supported public infrastructure item
Tianjin Binhai Huanxu New Energy Co., Ltd.	Tax-exempt	State-supported public infrastructure item
Tianjin Zhonghuan New Energy Co., Ltd.	Tax-exempt	State-supported public infrastructure item
Hohhot Dishengsheng New Energy Co., Ltd.	Tax-exempt	State-supported public infrastructure item
Shaanxi Huabo New Energy Power Engineering Construction Co., Ltd.	Tax-exempt	State-supported public infrastructure item
Hohhot Shuguang New Energy Co., Ltd.	Tax-exempt	State-supported public infrastructure item and encouraged business in West China

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V. Notes to Consolidated Financial Statements

1 Monetary assets

	December 31, 2024	December 31, 2023
Cash on hand	482	583
Bank deposits	20,526,899	19,807,150
Deposits with the central bank	285,264	397,191
Other monetary assets	2,195,128	1,719,347
	<u>23,007,773</u>	<u>21,924,271</u>

Note Monetary assets with restricted use rights

	December 31, 2024	December 31, 2023
TCL Tech Finance's statutory reserve deposits with the central bank	278,910	341,091
Other restricted monetary assets	1,867,608	1,586,365
	<u>2,146,518</u>	<u>1,927,456</u>

As of December 31, 2024, the Company's bank deposits of RMB 278,910,000 (December 31, 2023: RMB 341,091,000) were statutory deposit reserves deposited with the Central Bank by TCL Technology Group Finance Co., Ltd., a subsidiary of the Company.

As of December 31, 2024, the Company's monetary assets offshore amounted to RMB 3,151,386,000 (December 31, 2023: RMB 1,533,937,000), all of which were owned by the overseas subsidiaries of the Company.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

2 Held-for-trading financial assets

	December 31, 2024	December 31, 2023
Financial assets classified as those measured at fair value through profit or loss	16,560,971	23,184,117
Including: Debt instrument investments	16,525,080	23,131,691
Equity instrument investments	<u>35,891</u>	<u>52,426</u>
	<u>16,560,971</u>	<u>23,184,117</u>

3 Derivative financial assets

	December 31, 2024	December 31, 2023
Foreign exchange forwards and foreign exchange swaps	172,489	73,645
Interest rate swaps	<u>-</u>	<u>34,363</u>
	<u>172,489</u>	<u>108,008</u>

4 Notes receivable

(1) Notes receivable by category

	December 31, 2024	December 31, 2023
Bank acceptance notes	188,776	615,059
Trade acceptance notes	<u>1,077</u>	<u>333</u>
	<u>189,853</u>	<u>615,392</u>

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

4 Notes receivable (continued)

(2) Presentation of provision for bad debts on notes receivable by category

	December 31, 2024					December 31, 2023				
	Gross amount Amount	Ratio (%)	Bad-debt Amount	Allowance Accrual percentage	Carrying amount	Gross amount Amount	Ratio (%)	Bad-debt Amount	Allowance Accrual percentage	Carrying amount
Notes receivable for which the allowance for doubtful accounts were established on the grouping basis	189,853	100%	-	-	189,853	615,392	100%	-	-	615,392
Including: low-risk portfolio	189,853	100%	-	-	189,853	615,392	100%	-	-	615,392
	189,853	100%	-	-	189,853	615,392	100%	-	-	615,392

(3) As at December 31, 2024, notes receivable in pledge were RMB 47,247,000.

(4) As at December 31, 2024, endorsed or discounted notes receivable that were outstanding and derecognized amounted to RMB 14,541,000 without any endorsed or discounted notes receivable that were outstanding and not derecognized.

5 Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	22,589,419	22,362,875
Less: allowance for doubtful accounts	347,266	359,224
	22,242,153	22,003,651



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

5 Accounts receivable (continued)

- (1) Accounts receivable as at December 31, 2024 are classified as follows by how the doubtful debts were provisioned:

Category	December 31, 2024					December 31, 2023				
	Gross amount		Bad-debt Allowance		Carrying amount	Gross amount		Bad-debt Allowance		Carrying amount
	Amount	Ratio (%)	Amount	Accrual Ratio (%)		Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Allowances for bad debts accrued on an individual basis	261,025	1.16%	188,520	72.22%	72,505	234,417	1.05%	202,962	86.58%	31,455
Provision for impairment based on portfolio of credit risk characteristics	22,328,394	98.84%	158,746	0.71%	22,169,648	22,128,458	98.95%	156,262	0.71%	21,972,196
	22,589,419	100%	347,266	1.54%	22,242,153	22,362,875	100%	359,224	1.61%	22,003,651

- (2) The aging of accounts receivable is analyzed as follows:

	December 31, 2024		December 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	20,652,345	91.43%	21,061,059	94.18%
1 to 2 years	1,033,212	4.57%	489,084	2.19%
2 to 3 years	206,083	0.91%	193,256	0.86%
Over 3 years	697,779	3.09%	619,476	2.77%
	22,589,419	100%	22,362,875	100%

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

5 Accounts receivable (continued)

(3) Allowances for doubtful accounts receivable are analyzed as follows:

	December 31, 2024
Beginning amount	359,224
New subsidiary	5,412
Accrued in the period	61,436
Reversal of current period	(68,961)
Write-off of current period	(9,848)
Reduced subsidiary	(168)
Exchange adjustment	171
	<hr/>
Ending amount	347,266
	<hr/>

(4) On December 31, 2024, the accounts receivable of the top five balances are as follows:

	December 31, 2024	December 31, 2023
Total amount owed by the top five	11,971,964	10,129,405
Proportion of total accounts receivable	53.00%	45.30%

(5) Accounts receivable derecognized due to transfer of financial assets

Item	Methods of transfer of financial assets	Amount derecognized for the period	Gain or loss on derecognition
Accounts receivable	Factoring without recourse	6,816,348	(16,560)

6 Receivables financing

	December 31, 2024	December 31, 2023
Notes receivable financing	584,362	954,410
Receivable financing	247,045	-
	<hr/>	<hr/>
	831,407	954,410
	<hr/>	<hr/>

As at December 31, 2024, the financing for endorsed or discounted receivables that were outstanding and derecognized amounted to RMB 5,443,459,000.

As of December 31, 2024, the Company believes that receivables financing it held did not have significant credit risks and will not cause significant losses due to default.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

7 Prepayments

(1) Prepayments are analyzed as follows:

	December 31, 2024	December 31, 2023
Within 1 year	1,807,562	2,798,957
1-2 years	209,382	138,561
2-3 years	67,877	7,423
Over 3 years	5,671	1,347
	<u>2,090,492</u>	<u>2,946,288</u>

(2) As of December 31, 2024, the prepayments of the top five balances are as follows:

	December 31, 2024	December 31, 2023
Total amount owed by the top five	1,122,292	1,790,548
As % of total prepayments	53.69%	60.77%

8 Other receivables

	December 31, 2024	December 31, 2023
Dividends receivable	675,119	1,381,490
Other receivables	<u>4,048,021</u>	<u>4,325,365</u>
	<u>4,723,140</u>	<u>5,706,855</u>

(1) Dividends receivable

	December 31, 2024	December 31, 2023
Xinjiang Goens Energy Technology Co., Ltd.	698,082	1,398,344
Tianjin Binhai Huanneng New Energy Co., Ltd.	-	192
Less: allowance for doubtful accounts	<u>22,963</u>	<u>17,046</u>
	<u>675,119</u>	<u>1,381,490</u>

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

8 Other receivables (continued)

(1) Dividends receivable (continued)

(a) Presentation of provision for bad debts on dividends receivable by category

Category	December 31, 2024		December 31, 2023		Carrying amount	December 31, 2024		December 31, 2023		Carrying amount
	Gross amount	Bad-debt Allowance	Gross amount	Bad-debt Allowance		Gross amount	Bad-debt Allowance	Gross amount	Bad-debt Allowance	
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Allowances for bad debts accrued on an individual basis	698,082	100%	22,963	3.29%	675,119	1,398,536	100%	17,046	1.22%	1,381,490
	698,082	100%	22,963	3.29%	675,119	1,398,536	100%	17,046	1.22%	1,381,490

(2) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	4,478,337	4,691,149
Less: allowance for doubtful accounts	430,316	365,784
	4,048,021	4,325,365

(a) Nature of other receivables is analyzed as follows:

	December 31, 2024	December 31, 2023
Subsidy receivables	1,849,469	2,342,535
Equity transfer receivables	561,969	618,752
Security and deposits	490,401	497,819
Others	1,146,182	866,259
	4,048,021	4,325,365

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

8 Other receivables (continued)

(2) Other receivables (continued)

(b) Presentation of provision for bad debts on other receivables by category

Category	December 31, 2024					December 31, 2023				
	Gross amount Amount	Ratio (%)	Bad-debt Allowance Amount	Accrual percentage	Carrying amount	Gross amount Amount	Ratio (%)	Bad-debt Allowance Amount	Accrual percentage	Carrying amount
Allowances for bad debts accrued on an individual basis	684,637	15.29%	351,362	51.32%	333,275	426,084	9.08%	293,600	68.91%	132,484
Provisions for bad debts accrued on a portfolio basis	3,793,700	84.71%	78,954	2.08%	3,714,746	4,265,065	90.92%	72,184	1.69%	4,192,881
	4,478,337	100%	430,316	9.61%	4,048,021	4,691,149	100%	365,784	7.80%	4,325,365

(c) Allowance for doubtful other receivables is analyzed as follows:

	12-Month ECL	Lifetime ECL (credit not impaired)	Lifetime ECL (credit impaired)	Total
December 31, 2023	62,322	28,965	274,497	365,784
Transfer into Stage 3	(39,741)	(28,965)	68,706	-
Current accrual	21,812	-	28,180	49,992
Addition of new subsidiaries	-	-	61,184	61,184
Reversal of current period	(14,486)	-	(25,030)	(39,516)
Write-off of current period	(37)	-	-	(37)
Decrease due to disposal of subsidiaries	-	-	(5,000)	(5,000)
Exchange adjustment	(968)	-	(1,123)	(2,091)
December 31, 2024	28,902	-	401,414	430,316

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

8 Other receivables (continued)

(d) The aging of other receivables is analyzed as follows:

	December 31, 2024		December 31, 2023	
	Carrying amount	Ratio (%)	Carrying amount	Ratio (%)
Within 1 year	2,406,461	53.74%	3,192,635	68.05%
1 to 2 years	1,254,934	28.02%	785,690	16.75%
2 to 3 years	185,767	4.15%	371,464	7.92%
Over 3 years	631,175	14.09%	341,360	7.28%
	<u>4,478,337</u>	<u>100%</u>	<u>4,691,149</u>	<u>100%</u>

(e) As of December 31, 2024, the other receivables of the top five balances are as follows:

	December 31, 2024	December 31, 2023
Total amount owed by the top five	2,354,691	3,006,544
As % of total other receivables	52.58%	64.09%

(f) On December 31, 2024, there was no transfer of other receivables that did not conform to the conditions for derecognition in the balance of this account; no transaction arrangement for asset securitization with other receivables as the subject asset; and no financial instrument that was the subject of securitization and did not conform to the conditions for derecognition.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

9 Inventories

(1) Inventories are classified as follows:

	December 31, 2024			December 31, 2023		
	Gross amount	Provision for depreciation of inventories / provision for impairment of contract performance costs	Carrying amount	Gross amount	Provision for depreciation of inventories / provision for impairment of contract performance costs	Carrying amount
Raw materials	5,368,313	663,905	4,704,408	6,605,273	636,587	5,968,686
Work in progress	3,594,152	950,333	2,643,819	3,656,706	659,073	2,997,633
Finished Goods	12,589,255	2,499,767	10,089,488	10,640,524	1,536,291	9,104,233
Turnover materials	157,865	1,447	156,418	412,583	1,380	411,203
	<u>21,709,585</u>	<u>4,115,452</u>	<u>17,594,133</u>	<u>21,315,086</u>	<u>2,833,331</u>	<u>18,481,755</u>

As of December 31, 2024, the Company had no inventory for liabilities guarantee.

(2) Provision for depreciation of inventories / provision for impairment of contract performance costs:

	December 31, 2023	Accrued in the period	Reversal and write-off in the period	Other changes	December 31, 2024
Raw materials	636,587	625,117	(698,101)	100,302	663,905
Work in progress	659,073	1,264,010	(1,244,198)	271,448	950,333
Inventory of goods	1,536,291	3,702,748	(3,470,688)	731,416	2,499,767
Turnover materials	1,380	198	(131)	-	1,447
	<u>2,833,331</u>	<u>5,592,073</u>	<u>(5,413,118)</u>	<u>1,103,166</u>	<u>4,115,452</u>

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

V Notes to Consolidated Financial Statements (Continued)

10 Contract assets

(1) Contract assets are classified as follows:

	December 31, 2024			December 31, 2023		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Contract assets	422,207	27,090	395,117	362,058	18,151	343,907

(2) Valuation allowances for contract assets are analyzed as follows:

	December 31, 2023	Accrued in the period	Reversal or write-off in the period	Other increases and decreases	December 31, 2024
Contract assets	18,151	8,983	(44)	-	27,090

11 Non-current assets due within one year

	December 31, 2024	December 31, 2023
Other non-current assets due within one year	842,072	461,179
Debt investments due within one year	7,634	119,516
	849,706	580,695

12 Other current assets

	December 31, 2024	December 31, 2023
VAT to be deducted, to be certified, etc.	6,201,277	4,244,948
Loans and advances to customers	390,720	845,764
Others	124,212	195,822
	6,716,209	5,286,534



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

13 Debt Investments

	December 31, 2024	December 31, 2023
Treasury bonds and corporate bonds	<u>147,272</u>	<u>122,349</u>

14 Long-term receivables

	December 31, 2024			December 31, 2023		
	Gross amount	Bad-debt Allowance	Carrying amount	Gross amount	Bad-debt Allowance	Carrying amount
Finance lease	306,397	-	306,397	720,281	-	720,281
Including:						
Unrealized	(220,030)	-	(220,030)	(518,000)	-	(518,000)
financing income						
Others	<u>165,145</u>	<u>27,801</u>	<u>137,344</u>			
	<u>471,542</u>	<u>27,801</u>	<u>443,741</u>	<u>720,281</u>	<u>-</u>	<u>720,281</u>

15 Long-term equity investments

	December 31, 2024			December 31, 2023		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Associates (1)	24,140,271	1,444	24,138,827	26,404,102	1,452,985	24,951,117
Joint ventures (2)	<u>506,310</u>	<u>49,503</u>	<u>456,807</u>	<u>529,657</u>	<u>49,503</u>	<u>480,154</u>
	<u>24,646,581</u>	<u>50,947</u>	<u>24,595,634</u>	<u>26,933,759</u>	<u>1,502,488</u>	<u>25,431,271</u>

As of December 31, 2024, the Company made impairment allowances for long-term equity investments in investees with poor management and insolvent assets. In addition, there was no significant restriction on the realization of investment and the repatriation of investment income for long-term equity investment.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

15 Long-term equity investments (continued)

(1) Associates

Name of investee	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase/ decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Cash dividends or profits declared and distributed	Provision for impairment	Other increases and decreases	
Bank of Shanghai Co., Ltd.	13,726,174	-	1,310,075	309,447	(310)	(605,240)	-	-	14,740,146
China Innovative Capital Management Limited	970,300	-	13,939	-	-	-	-	-	984,239
LG Electronics (Huizhou) Co., Ltd.	89,810	-	11,573	-	-	(13,400)	-	-	87,983
Shenzhen Jucai Supply Chain Technology Co., Ltd.	19,642	-	5,560	5	831	-	-	-	26,038
Shenzhen Tixiang Business Management Technology Co., Ltd.	1,375	-	(732)	-	(12)	-	-	-	631
TCL Air-Conditioner (Wuhan) Co., Ltd.	40,982	-	(12,220)	-	-	-	-	-	28,762
TCL Finance (Hong Kong) Co., Limited	111,096	-	424	-	-	-	-	-	111,520
Urumqi TCL Equity Investment Management Co., Ltd.	1,087	-	(31)	-	-	-	-	-	1,056
Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited Partnership)	1,159,319	(347,902)	238,772	-	-	-	-	-	1,050,189
Ningbo Dongpeng Weichuang Equity Investment Partnership (Limited Partnership)	425,471	(9,588)	(8,397)	(6,475)	-	-	-	1,091	402,102
Deqing Puhua Equity Investment Fund Partnership (Limited Partnership)	149,118	-	5,577	-	-	-	-	-	154,695
Ningbo Dongpeng Heli Equity Investment Partnership (Limited Partnership)	274,943	(1,499)	(906)	-	-	-	-	1	272,539
Wuxi TCL Aisikai Bandaoti Industry Investment Fund Partnership (Limited Partnership)	278,753	(30,892)	34,101	-	-	(30,471)	-	-	251,491
Wuxi TCL Venture Capital Partnership (Limited Partnership)	36,842	-	87	23	-	-	-	-	36,952
Ningbo Meishan Bonded Port Qiyu Investment Management Partnership (Limited Partnership)	32,183	-	(523)	-	-	-	-	-	31,660
Shanghai Gen Auspicious Venture Capital Partnership (Limited Partnership)	15,766	-	(2,724)	5,610	-	(13,045)	-	-	5,607

TCL Technology Group Corporation  
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Name of investee	December 31, 2023	Increase or decrease in current period						December 31, 2024	
		Increase/decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Cash dividends and profits declared and distributed	Provision for impairment		Other increases and decreases
Nanjing Zijin A Dynamic Investment Partnership (Limited Partnership)	20,862	(8,851)	606	(784)	-	-	-	-	11,833
Huizhou Kaichuang Venture Investment Partnership (Limited Partnership)	8,903	-	(2,832)	-	-	-	-	-	6,071
Beijing A Dynamic Venture Capital Center (Limited Partnership)	4,138	-	38	-	-	-	-	-	4,176
Yixing Jiangnan Tianyuan Venture Capital Company (Limited Partnership)	4,212	(273)	(760)	(789)	-	-	-	-	2,390
Shenzhen Chuangdong New Industry Investment Fund Enterprise (Limited Partnership)	2,335	-	(3)	-	-	-	-	-	2,332
Hubei Changjiang Hezhi Equity Investment Fund Management Co., Ltd.	10,127	-	(480)	-	-	-	-	-	9,647
Huizhou Kaimeng Angel Investment Partnership (Limited Partnership)	2,490	-	(43)	-	-	-	-	-	2,447
Ningbo Jiutian Matrix Investment Management Co., Ltd.	9,852	-	2,988	-	-	(4,094)	-	-	8,746
Urumqi Qixinda Equity Investment Management Co., Ltd.	5,375	-	(691)	-	-	-	-	-	4,684
Urumqi TCL Create Dynamic Equity Investment Management Co., Ltd.	758	-	(2)	-	-	-	-	-	756
Beijing A Dynamic Investment Consulting Co., Ltd.	463	-	(3)	-	-	-	-	-	460
Shanghai Gen Auspicious Investment Management Co., Ltd.	735	-	894	-	-	(239)	-	-	1,390
Nanjing A Dynamic Equity Investment Fund Management Co., Ltd.	277	-	(2)	-	-	-	-	-	275
Wuxi TCL Medical Imaging Technology Co., Ltd.	18,005	-	(3,755)	-	-	-	-	30	14,280
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	857,073	-	6,525	-	(15,934)	-	-	-	847,664
Getech Ltd.	82,095	-	(42,023)	(6)	92	-	-	-	40,158
Guangdong Innovative Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership (Limited Partnership)	870,274	(185,859)	(60,599)	-	-	(3,110)	-	-	620,706

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V Notes to Consolidated Financial Statements (Continued)

15 Long-term equity investments (continued)

(1) Associates (continued)

Name of investee	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase/ decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehens ive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Other increases and decreases	
Guangdong Utrust Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	180,833	(13,268)	(14,695)	-	-	(5,961)	-	-	146,909
Shenzhen Xinhuoicheng Recreational and Sports Industry Co., Ltd.	1,276	-	(87)	-	-	-	-	-	1,189
Sichuan Shengtian New Energy Development Co., Ltd.	531,804	-	39,584	-	-	(5,905)	-	-	565,483
SunPower Systems International Limited	30,206	-	-	-	-	-	-	(30,206)	-
Zhonghuan Aineng (Beijing) Technology Co., Ltd.	2,493	-	(2,493)	-	-	-	-	-	-
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd.	136,325	-	(14,515)	-	-	-	-	-	121,810
Hunan Guoxin Bandaoti Technology Co., Ltd.	9,889	-	292	-	-	(426)	-	-	9,755
Maxeon Solar Technologies, Ltd.	622,768	58,205	(483,955)	-	-	-	-	(197,018)	-
Tianjin Zhonghuan Haihe Intelligent Manufacturing Fund Partnership (Limited Partnership)	727,700	14,970	(109,608)	-	-	(5,322)	-	-	627,740
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	4,267	(2,000)	1,348	-	-	-	-	-	3,615
Ningbo Zhongxin Venture Capital Partnership (Limited Partnership)	142,311	-	(2,573)	-	-	-	-	-	139,738
TCL Huanxin Bandaoti (Tianjin) Co., Ltd.	431,134	-	(66,471)	-	-	-	-	-	364,663
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	1,487	-	(1,487)	-	-	-	-	-	-

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V Notes to Consolidated Financial Statements (Continued)

15 Long-term equity investments (continued)

(1) Associates (continued)

Name of investee	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase/decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Other increases and decreases	
Inner Mongolia Huanye Material Co., Ltd.	7,222	-	(375)	-	-	-	-	-	6,847
Shenzhen Shutuo Technology Co., Ltd.	39,247	-	715	-	-	-	-	-	39,962
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd.	28,137	-	(18,919)	6	(257)	-	-	-	8,967
Wuhan Guochuangke Optoelectronic Equipment Co., Ltd.	49,901	298	(2,467)	-	(19)	-	-	-	47,713
Zhihui Xinyuan Commercial (Huizhou) Co., Ltd.	10,391	(5,500)	(3,350)	-	-	-	-	-	1,541
Purplevine Holdings Limited	10,395	-	6,593	-	(270)	-	-	314	17,032
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	549,139	40,000	(7,635)	-	1,083	-	-	-	582,587
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	1,745,617	-	(344,755)	-	-	-	-	-	1,400,862
Shanghai Feilihua Shichuang Technology Co., Ltd.	49,792	-	533	-	(3,040)	(531)	-	-	46,754
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd.	12,415	-	(631)	-	-	-	-	-	11,784
Xi'an Simovi New Material Co., Ltd.	30,873	-	870	42	-	-	-	-	31,785
Guangdong TCL New Technology Co., Ltd.	1,767	-	(347)	-	-	-	-	-	1,420
Hubei Consumer Finance Co., Ltd.	179,409	-	16,637	-	-	-	-	-	196,046
Tianjin Qiyier Communication & Broadcasting Co., Ltd.	183,483	-	4,726	-	46	(1,390)	-	(186,865)	-
Suzhou Dongpeng Hexin Venture Investment Partnership (Limited Partnership)	-	1,000	(1)	-	-	-	-	-	999
Pride Telecom Limited	-	-	-	-	-	-	(30)	30	-
	24,951,117	(491,159)	491,367	307,079	(17,790)	(689,134)	(30)	(412,623)	24,138,827

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

15 Long-term equity investments (continued)

(2) Joint ventures

Name of investee	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase or decrease in investments in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Other increases and decreases	
Zhangjiakou Qixin Equity Investment Fund Partnership	51,686	-	(18,823)	-	-	-	-	-	32,863
Tianjin Huanyan Technology Co., Ltd.	139,983	-	(1,004)	-	-	-	-	-	138,979
TCL Huizhou City, Kai Enterprise Management Limited	1,359	-	11	-	-	-	-	-	1,370
Huizhou TCL Human Resources Service Co., Ltd.	8,930	-	6,822	-	342	-	-	-	16,094
TCL Microchip Technology (Guangdong) Co., Ltd.	278,196	30,000	(41,453)	-	758	-	-	-	267,501
	480,154	30,000	(54,447)	-	1,100	-	-	-	456,807

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V Notes to Consolidated Financial Statements (Continued)

15 Long-term equity investments (continued)

(3) Impairment allowances for long-term equity investments

	December 31, 2023	Increase in current period	Decrease in current period	Other changes	December 31, 2024	Note
Pride Telecom Limited	1,414	-	-	30	1,444	Note 1
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	49,503	-	-	-	49,503	Note 1
JOLED	438,148	-	(410,162)	(27,986)	-	Note 2
Maxeon Solar Technologies, Ltd.	1,013,423	-	(1,013,423)	-	-	Note 3
	<u>1,502,488</u>	<u>-</u>	<u>(1,423,585)</u>	<u>(27,956)</u>	<u>50,947</u>	

Note1 Provisions for impairment were accrued for the long-term equity investments in these investees at recoverable amounts because continuous operations losses occurred to these investees with poor management.

Note2 This company completed its bankruptcy liquidation in September 2024.

Note3 This company was included in the scope of consolidation of the Company at the end of August 2024. The Company's accounting method for this company was changed from the original equity method to the cost method, reducing the provision for impairment before the combination.

16 Investments in other equity instruments

	December 31, 2024	December 31, 2023
Stocks	13,371	17,127
Equity of unlisted companies	<u>374,480</u>	<u>369,521</u>
	<u>387,851</u>	<u>386,648</u>

Item name	Recognize d dividend revenue	Cumulative gains	Cumulative losses	Amount of other comprehensive income transferred to retained earnings	Reasons designated as measured at fair value and whose changes are included in other comprehensive income
Stocks	-	3,480	(200,575)	-	Being held long-term for strategic purposes
Equity of unlisted companies	-	11,524	(23,168)	-	Being held long-term for strategic purposes
Total	<u>-</u>	<u>15,004</u>	<u>(223,743)</u>	<u>-</u>	

17 Other non-current financial assets

	December 31, 2024	December 31, 2023
Equity investments	1,924,717	2,770,251
Debt investments	<u>300,483</u>	<u>201,315</u>
	<u>2,225,200</u>	<u>2,971,566</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

18 Investment property

	Houses and buildings	Land use rights	Total
Gross amount:			
December 31, 2023	1,121,480	219,676	1,341,156
Increase	147,249	-	147,249
Addition of new subsidiaries	95,548	-	95,548
Reclassified from fixed assets and intangible assets	35,451	-	35,451
Reclassified from construction in progress	12,271	-	12,271
Other increases	3,979	-	3,979
Decreases	(438,233)	-	(438,233)
Other decreases	(438,233)	-	(438,233)
December 31, 2024	<u>830,496</u>	<u>219,676</u>	<u>1,050,172</u>
Accumulated depreciation and amortization:			
December 31, 2023	316,833	44,753	361,586
Increase	123,257	4,722	127,979
Accrued in the period	26,407	4,722	31,129
Addition of new subsidiaries	67,272	-	67,272
Reclassified from fixed assets and intangible assets	29,578	-	29,578
Decreases	(120,035)	-	(120,035)
Other decreases	(120,035)	-	(120,035)
December 31, 2024	<u>320,055</u>	<u>49,475</u>	<u>369,530</u>
Investment property, net:			
December 31, 2024	<u>510,441</u>	<u>170,201</u>	<u>680,642</u>
December 31, 2023	<u>804,647</u>	<u>174,923</u>	<u>979,570</u>
Impairment allowance:			
December 31, 2023	67,891	-	67,891
Increase	17	-	17
Increase in current period	17	-	17
Decreases	-	-	-
Decrease in current period	-	-	-
December 31, 2024	<u>67,908</u>	<u>-</u>	<u>67,908</u>
Investment property, net:			
December 31, 2024	<u>442,533</u>	<u>170,201</u>	<u>612,734</u>
December 31, 2023	<u>736,756</u>	<u>174,923</u>	<u>911,679</u>



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

19 Fixed assets

	Houses and buildings	Machinery equipment	Office and electronic equipment	Transportation equipment	Power stations	Others	Total
Gross amount:							
December 31, 2023	<u>54,954,646</u>	<u>228,210,600</u>	<u>3,256,808</u>	<u>306,667</u>	<u>2,345,600</u>	<u>27,937</u>	<u>289,102,258</u>
Increase	6,376,468	16,236,752	696,673	21,410	240	1,399,894	24,731,437
New subsidiary	1,904,682	1,323,041	397,433	-	-	-	3,625,156
Acquisition and other	134,414	1,050,620	129,975	16,940	-	1,340,349	2,672,298
Reclassified from investment property	419,080	-	-	-	-	-	419,080
Reclassified from construction in progress	3,918,292	13,863,091	169,265	4,470	240	59,545	18,014,903
Decreases	(172,307)	(2,684,374)	(150,754)	(9,697)	(120,885)	(289)	(3,138,306)
Written down with public grants	(171)	(241,232)	(378)	-	-	-	(241,781)
Reclassified to investment property	(35,451)	-	-	-	-	-	(35,451)
Other decreases	(136,685)	(2,443,142)	(150,376)	(9,697)	(120,885)	(289)	(2,861,074)
Exchange adjustment	(22,262)	(4,174)	(2,316)	(143)	-	(1,025)	(29,920)
December 31, 2024	<u>61,136,545</u>	<u>241,758,804</u>	<u>3,800,411</u>	<u>318,237</u>	<u>2,224,955</u>	<u>1,426,517</u>	<u>310,665,469</u>
Accumulated depreciation:							
December 31, 2023	<u>9,665,532</u>	<u>98,642,863</u>	<u>1,967,994</u>	<u>203,385</u>	<u>579,566</u>	<u>15,179</u>	<u>111,074,519</u>
Increase	2,815,782	23,749,905	615,828	46,666	82,050	320,403	27,630,634
New subsidiary	716,835	583,024	267,711	-	-	-	1,567,570
Accrual	1,961,039	22,525,517	343,432	46,666	82,050	83,145	25,041,849
Reclassified from investment property	98,174	-	-	-	-	-	98,174
Other increases	39,734	641,364	4,685	-	-	237,258	923,041
Decreases	(36,042)	(1,027,489)	(130,182)	(6,973)	(2,469)	(144)	(1,203,299)
Reclassified to investment property	(29,578)	-	-	-	-	-	(29,578)
Other decreases	(6,464)	(1,027,489)	(130,182)	(6,973)	(2,469)	(144)	(1,173,721)
Exchange adjustment	(2,292)	(710)	(958)	(198)	-	(579)	(4,737)
December 31, 2024	<u>12,442,980</u>	<u>121,364,569</u>	<u>2,452,682</u>	<u>242,880</u>	<u>659,147</u>	<u>334,859</u>	<u>137,497,117</u>
Fixed assets, net:							
December 31, 2024	<u>48,693,565</u>	<u>120,394,235</u>	<u>1,347,729</u>	<u>75,357</u>	<u>1,565,808</u>	<u>1,091,658</u>	<u>173,168,352</u>
December 31, 2023	<u>45,289,114</u>	<u>129,567,737</u>	<u>1,288,814</u>	<u>103,282</u>	<u>1,766,034</u>	<u>12,758</u>	<u>178,027,739</u>

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V Notes to Consolidated Financial Statements (Continued)

19 Fixed assets (continued)

	Houses and buildings	Machinery equipment	Office and electronic equipment	Transportation equipment	Power stations	Others	Total
Impairment allowance:							
December 31, 2023	746,611	760,715	35,210	111	62,059	412	1,605,118
New subsidiary	171,096	618,080	45,357	-	-	-	834,533
Accrued in the period	-	230,674	671	155	-	-	231,500
Write-off of current period	-	(14,675)	(8,622)	-	-	(412)	(23,709)
Other changes	1,812	6,604	485	-	-	-	8,901
December 31, 2024	919,519	1,601,398	73,101	266	62,059	-	2,656,343
Fixed assets, carrying amount:							
December 31, 2024	47,774,046	118,792,837	1,274,628	75,091	1,503,749	1,091,658	170,512,009
December 31, 2023	44,542,503	128,807,022	1,253,604	103,171	1,703,975	12,346	176,422,621

Please refer to Item 82 of Note V for information on fixed asset pledge.

Fixed assets with pending ownership certificates at the end of the current period:

	Carrying amount	Reasons for pending ownership certificates:
Houses and buildings (Note)	17,902,927	In process

Note As of December 31, 2024, the fixed assets for which the certificates of title have not been completed are mainly the houses and buildings of Huaxing Production Bases T3, T5 and T9, as well as the houses and buildings of Inner Mongolia Zhonghuan Crystal Materials Co., Ltd. and Ningxia Huan'ou New Energy Technology Co., Ltd..

20 Construction in progress

(1) Schedule of construction in progress

	December 31, 2024	December 31, 2023
Construction in progress	23,872,805	17,013,179
Less: Impairment allowance	292,302	13,127
	23,580,503	17,000,052

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V Notes to Consolidated Financial Statements (Continued)

20 Construction in progress (continued)

(2) Changes to construction in progress

Project name	Budget	December 31, 2023	Increase in current period	Construction in progress transferred to fixed assets	Other movements	December 31, 2024	Accumulated investment in the project as % of budget	Project progress	Cumulative capitalized interest	Including: capitalized interest in current period	Interest capitalization rate for current period	Funding source
t9 production line of LCD panel	31,500,000	363,638	7,360,065	(4,917,261)	(11,613)	2,794,829	87.69%	Under construction	365,071	90,577	3.15%	Self-funded and financed funds
Solar power station projects	5,347,750	1,606,208	2,090,616	(74,661)	(109,346)	3,512,817	72.78%	Under construction	122,434	116,365	3.45%-6.9%	Self-funded and financed funds
Large-diameter silicon wafers for integrated circuits	5,410,520	2,987,964	961,549	(496,658)	(211,716)	3,241,139	96.60%	Under construction	40,048	19,420	3.35%	Self-funded and financed funds
Silicon wafers for integrated circuits	10,500,000	1,183,319	1,470,886	(429,331)	(28,807)	2,196,067	77.50%	Under construction	438,091	-	0.00%	Self-funded and financed funds
Highly-efficient imbricate module G12 project	2,058,727	758,127	1,140,852	(843,678)	(144,117)	911,184	83.50%	Under construction	6,578	6,578	2.85%	Self-funded and financed funds
Production line of 8-12-inch silicon wafers for integrated circuits	5,707,172	1,259,475	292,371	(527,154)	(147,513)	877,179	92.60%	Under construction	8,547	3,221	3.35%	Self-funded and financed funds
Others	Not applicable	8,841,321	12,507,935	(10,726,160)	(575,808)	10,047,288	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
		<u>17,000,052</u>	<u>25,824,274</u>	<u>(18,014,903)</u>	<u>(1,228,920)</u>	<u>23,580,503</u>						

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Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

21 Right-of-use assets

	Houses and buildings	Transportation equipment	Machinery equipment	Land use rights	Total
Gross amount:					
December 31, 2023	5,963,784	1,895	1,196,371	122,767	7,284,817
Increase	934,071	-	53,981	355,147	1,343,199
New subsidiary	375,483	-	24,909	-	400,392
Leased in	543,144	-	-	355,009	898,153
Other increases	15,444	-	29,072	138	44,654
Decreases	(342,352)	(1,120)	(343,943)	(4,997)	(692,412)
Other decreases	(342,352)	(1,120)	(343,943)	(4,997)	(692,412)
Exchange adjustment	(31,536)	(20)	-	-	(31,556)
December 31, 2024	<u>6,523,967</u>	<u>755</u>	<u>906,409</u>	<u>472,917</u>	<u>7,904,048</u>
Accumulated depreciation:					
December 31, 2023	574,227	1,244	298,732	24,168	898,371
Increase	444,008	284	118,220	23,988	586,500
New subsidiary	127,945	-	16,032	-	143,977
Accrual	314,644	284	102,017	23,814	440,759
Other increases	1,419	-	171	174	1,764
Decreases	(210,811)	(1,120)	(122,654)	(747)	(335,332)
Other decreases	(210,811)	(1,120)	(122,654)	(747)	(335,332)
Exchange adjustment	(5,424)	(10)	-	-	(5,434)
December 31, 2024	<u>802,000</u>	<u>398</u>	<u>294,298</u>	<u>47,409</u>	<u>1,144,105</u>
Right-of-use assets, carrying amount:					
December 31, 2024	<u>5,721,967</u>	<u>357</u>	<u>612,111</u>	<u>425,508</u>	<u>6,759,943</u>
December 31, 2023	<u>5,389,557</u>	<u>651</u>	<u>897,639</u>	<u>98,599</u>	<u>6,386,446</u>
Impairment allowance:					
December 31, 2023	-	-	-	-	-
Increase	61,597	-	-	-	61,597
New subsidiary	61,597	-	-	-	61,597
Exchange adjustment	658	-	-	-	658
December 31, 2024	<u>62,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,255</u>
Right-of-use assets, carrying amount					
December 31, 2024	<u>5,659,712</u>	<u>357</u>	<u>612,111</u>	<u>425,508</u>	<u>6,697,688</u>
December 31, 2023	<u>5,389,557</u>	<u>651</u>	<u>897,639</u>	<u>98,599</u>	<u>6,386,446</u>

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Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

22 Intangible assets

	Land use rights	Non-patent technolog y/patent right	Others	Total
Gross amount:				
December 31, 2023	9,385,883	13,812,555	2,931,992	26,130,430
Increase	123,408	1,712,877	389,732	2,226,017
New subsidiary	10,880	244,667	75,183	330,730
Purchase	112,528	139,200	314,549	566,277
Reclassified from development costs	-	1,329,010	-	1,329,010
Decreases	-	(127,485)	(16,895)	(144,380)
Disposal and others	-	(127,485)	(16,895)	(144,380)
Exchange adjustment	(98)	1,190	(560)	532
December 31, 2024	<u>9,509,193</u>	<u>15,399,137</u>	<u>3,304,269</u>	<u>28,212,599</u>
Accumulated amortization:				
December 31, 2023	1,279,847	5,049,816	1,232,516	7,562,179
Increase	240,122	1,875,510	339,090	2,454,722
Accrual	240,122	1,875,510	325,678	2,441,310
New subsidiary	-	-	13,412	13,412
Decreases	-	(74,663)	(6,668)	(81,331)
Disposal and others	-	(74,663)	(6,668)	(81,331)
Exchange adjustment	-	639	(280)	359
December 31, 2024	<u>1,519,969</u>	<u>6,851,302</u>	<u>1,564,658</u>	<u>9,935,929</u>
Intangible assets, net:				
December 31, 2024	<u>7,989,224</u>	<u>8,547,835</u>	<u>1,739,611</u>	<u>18,276,670</u>
December 31, 2023	<u>8,106,036</u>	<u>8,762,739</u>	<u>1,699,476</u>	<u>18,568,251</u>
Impairment allowance:				
December 31, 2023	23,562	113,997	11,148	148,707
Accrual	-	-	9,967	9,967
Exchange adjustment	-	529	-	529
December 31, 2024	<u>23,562</u>	<u>114,526</u>	<u>21,115</u>	<u>159,203</u>
Intangible assets, carrying amount:				
December 31, 2024	<u>7,965,662</u>	<u>8,433,309</u>	<u>1,718,496</u>	<u>18,117,467</u>
December 31, 2023	<u>8,082,474</u>	<u>8,648,742</u>	<u>1,688,328</u>	<u>18,419,544</u>

Please refer to Item 82 of Note V for information on collateralized intangible assets.

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V Notes to Consolidated Financial Statements (Continued)

23 Development costs

Development expenditures are presented as follows:

	December 31, 2024	December 31, 2023
LCD panel item	1,165,388	1,455,110
New energy photovoltaics and other silicon materials	666,056	1,086,383
	<u>1,831,444</u>	<u>2,541,493</u>

24 Goodwill

(1) Gross amount of goodwill

Name of investee or matter forming goodwill	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
TCL Technology Group (Tianjin) Co., Ltd.	6,726,130	-	-	6,726,130
Moka International Limited	1,728,973	4,692	-	1,733,665
Xinxin Bandaoti Technology Co., Ltd.	1,180,005	-	-	1,180,005
Maxeon Solar Technologies, Ltd.	-	1,556,676	-	1,556,676
Others	910,601	-	-	910,601
	<u>10,545,709</u>	<u>1,561,368</u>	<u>-</u>	<u>12,107,077</u>

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V Notes to Consolidated Financial Statements (Continued)

24 Goodwill (continued)

(2) Goodwill impairment allowance

Name of investee	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Maxeon Solar Technologies, Ltd.	-	915,394	-	915,394
Others	28,967	3,011	-	31,978
	<u>28,967</u>	<u>918,405</u>	<u>-</u>	<u>947,372</u>

As at December 31, 2024, the recoverable amount of the goodwill-related asset groups above was determined at the present value of the estimated future cash flows or the net amount of the fair value less the disposal expenses. When the present value of any cash flow was estimated, the cash flow in the next 5-8 years was determined according to the financial budget approved by the management, and the cash flow beyond the budget period remained stable during the years after the budget period; the pre-tax discount rate (mainly 10.37%-15.05%) was determined with reference to comparable companies and related capital structures.

Upon the measurement, the Company accrued the provision for impairment of the goodwill of asset groups in Maxeon Solar Technologies, Ltd. and Huizhou Kedate Smart Display Technology Co., Ltd., and no provision for impairment was required for the goodwill of other asset groups.

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V Notes to Consolidated Financial Statements (Continued)

25 Long-term deferred expenses

	December 31, 2023	Increase in current period	Amortization in the period	Others	December 31, 2024
Improvement expense on leased fixed assets	1,601,156	180,736	(83,354)	(1,131,010)	567,528
Others	1,801,533	2,337,916	(2,543,491)	(29)	1,595,929
	<u>3,402,689</u>	<u>2,518,652</u>	<u>(2,626,845)</u>	<u>(1,131,039)</u>	<u>2,163,457</u>

26 Deferred income tax assets and deferred income tax liabilities

(1) Un-offset deferred income tax assets

	December 31, 2024		December 31, 2023	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Deductible losses	27,723,181	4,209,631	24,627,580	4,048,128
Asset impairment allowances	2,516,717	434,196	3,817,375	629,482
Provisions	1,618,959	254,359	831,604	130,466
Changes in fair value	56,219	14,055	143,302	22,170
Lease liabilities	6,683,424	858,412	4,309,382	486,276
Others	5,817,857	945,951	2,423,324	469,382
	<u>44,416,357</u>	<u>6,716,604</u>	<u>36,152,567</u>	<u>5,785,904</u>



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

26 Deferred income tax assets and deferred income tax liabilities (continued)

(2) Un-offset deferred income tax liabilities

	December 31, 2024		December 31, 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	25,279,356	3,855,131	23,433,110	3,778,803
Increase in value of assets as assessed in business combination not involving entities under common control	3,145,703	607,855	2,841,620	529,769
Changes in fair value	345,981	70,110	301,793	70,908
Right-of-use assets	6,697,688	923,022	4,083,249	472,463
Others	2,654,782	318,508	522,095	115,226
	<u>38,123,510</u>	<u>5,774,626</u>	<u>31,181,867</u>	<u>4,967,169</u>

(3) There were no deferred income tax assets or liabilities presented on a net basis after offsetting

Item	Amount subject to mutual offset of deferred income tax assets against deferred income tax liabilities	Closing balance of deferred income tax assets or deferred income tax liabilities
Deferred income tax assets	(4,230,177)	2,486,427
Deferred income tax liabilities	<u>(4,230,177)</u>	<u>1,544,449</u>
Item	Amount subject to mutual offset of deferred income tax assets against deferred income tax liabilities	Beginning balance of deferred income tax assets or deferred income tax liabilities
Deferred income tax assets	(3,539,682)	2,246,222
Deferred income tax liabilities	<u>(3,539,682)</u>	<u>1,427,487</u>

(4) Unrecognized deferred income tax assets

	December 31, 2024	December 31, 2023
Deductible temporary difference	5,638,299	1,712,962
Deductible losses	<u>26,169,314</u>	<u>13,284,658</u>

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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	31,807,613	14,997,620

V Notes to Consolidated Financial Statements (Continued)

26 Deferred income tax assets and deferred income tax liabilities (continued)

(5) Deductible losses in respect of unrecognized deferred income tax assets will expire in the following years:

	December 31, 2024	December 31, 2023
2024	-	130,573
2025	332,986	286,860
2026	783,029	952,925
2027	1,448,111	1,717,971
2028	1,471,286	1,434,373
2029 onwards	22,133,902	8,761,956
	<u>26,169,314</u>	<u>13,284,658</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

27 Other non-current assets

	December 31, 2024			December 31, 2023		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Other non-current assets	17,917,341	-	17,917,341	13,081,184	-	13,081,184
	<u>17,917,341</u>	<u>-</u>	<u>17,917,341</u>	<u>13,081,184</u>	<u>-</u>	<u>13,081,184</u>

Note Other non-current assets mainly include the prepayments for engineering equipment, large-amount fixed-income certificates of deposit and fixed-term deposits, etc., which are subsequently measured at amortized cost.

28 Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured borrowings	8,123,337	8,437,478
Borrowings secured by pledge	54,888	19,076
Interest payable	<u>15,058</u>	<u>17,028</u>
	<u>8,193,283</u>	<u>8,473,582</u>

As at December 31, 2024, the Company's short-term pledged loans were equivalent to RMB 54,888,000, pledged with held-for-trading financial assets equivalent to RMB 48,611,000 and bank deposits equivalent to RMB 14,089,000.

As of December 31, 2024, the Company does not have any short-term borrowings that have expired and have not been repaid.

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V Notes to Consolidated Financial Statements (Continued)

29 Borrowings from the Central Bank

As at December 31, 2024, the balance of the borrowings of TCL Technology Group Finance Co., Ltd. (a subsidiary of the Company) from the Central Bank was RMB 600,926,000 (December 31, 2023: RMB 995,010,000).

30 Customer deposits and deposits from banks and other financial institutions

	December 31, 2024	December 31, 2023
Customer deposits and deposits from other banks and financial institutions	177,654	270,929

Customer deposits and deposits from banks and other financial institutions are the deposits of related and non-related enterprises absorbed by TCL Technology Group Finance Co., Ltd., a subsidiary of the Company, within the business scope approved by the regulatory authority.

31 Held-for-trading financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities measured at fair value through current profits and losses	232,406	251,451

32 Derivative financial liabilities

	December 31, 2024	December 31, 2023
Derivative financial liabilities	248,845	58,591

33 Notes payable

	December 31, 2024	December 31, 2023
Bank acceptance notes	6,796,785	5,518,113
Trade acceptance notes	311,057	92,689
	7,107,842	5,610,802

As of December 31, 2024, the Company had no notes payable that were due but not paid.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

34 Accounts payable

	December 31, 2024	December 31, 2023
Amounts due to suppliers	<u>29,347,615</u>	<u>29,402,493</u>

As of December 31, 2024, there were no significant accounts payable aged over one year.

35 Advances from customers

	December 31, 2024	December 31, 2023
Advances from customers	<u>2,689</u>	<u>678</u>

As of December 31, 2024, the Company had no significant accounts receivable aged over one year.

36 Contract liabilities

	December 31, 2024	December 31, 2023
Advances from customers	<u>1,969,271</u>	<u>1,899,468</u>

As at December 31, 2024, the Company had no significant contract liability aged over one year.

37 Employee benefits payable and long-term employee benefits payable

(1) Employee compensation payable

	December 31, 2024	December 31, 2023
Short-term employee benefits payable	4,131,966	3,016,708
Defined contribution plans payable	29,005	14,599
Dismissal benefits payable	<u>27,266</u>	<u>3,190</u>
	<u>4,188,237</u>	<u>3,034,497</u>

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Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

37 Employee benefits payable and long-term employee benefits payable (continued)

(1) Employee benefits payable (continued)

(a) Short-term employee benefits presented

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Wages, bonuses, allowances, and subsidies	2,909,014	11,578,912	(10,461,378)	4,026,548
Employee services and benefits	-	465,480	(465,480)	-
Social insurance benefits	32,705	386,751	(390,648)	28,808
Including: medical insurance premium	32,008	349,814	(353,454)	28,368
Employment injury insurance premiums	679	22,728	(22,983)	424
Maternity insurance	18	14,209	(14,211)	16
Housing fund	18,727	398,015	(398,918)	17,824
Trade union funds and staff education funds	55,121	178,373	(176,674)	56,820
Other employee salaries	1,141	13,311	(12,486)	1,966
	<u>3,016,708</u>	<u>13,020,842</u>	<u>(11,905,584)</u>	<u>4,131,966</u>

(b) Defined contribution plans

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Basic pension insurance	14,210	835,707	(821,061)	28,856
Unemployment insurance	389	30,719	(30,959)	149
	<u>14,599</u>	<u>866,426</u>	<u>(852,020)</u>	<u>29,005</u>

(2) Long-term employee compensation payable

	December 31, 2024	December 31, 2023
Supplementary pension insurance	22,424	23,276
Other long-term benefits	<u>-</u>	<u>6,369</u>
	<u>22,424</u>	<u>29,645</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

38 Taxes and levies payable

	December 31, 2024	December 31, 2023
Corporate income tax	468,325	406,607
Value-added tax	160,729	112,854
Individual income tax	35,147	31,238
Urban maintenance and construction tax	203,667	72,993
Education surcharges	145,475	52,134
Others	192,755	185,516
	<u>1,206,098</u>	<u>861,342</u>

39 Other payables

	December 31, 2024	December 31, 2023
Dividends payable	13,131	54,251
Other payables	<u>20,058,938</u>	<u>22,117,151</u>
	<u>20,072,069</u>	<u>22,171,402</u>

(1) Dividends payable

	December 31, 2024	December 31, 2023
Other non-controlling interests	<u>13,131</u>	<u>54,251</u>
	<u>13,131</u>	<u>54,251</u>

(2) Other payables

	December 31, 2024	December 31, 2023
Payables for engineering equipment	14,150,023	16,886,446
Unpaid expenses	2,796,611	2,653,858
Security and deposits	581,027	396,797
Others	<u>2,531,277</u>	<u>2,180,050</u>
	<u>20,058,938</u>	<u>22,117,151</u>

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Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

40 Non-current liabilities due within one year

		December 31, 2024	December 31, 2023
Long-term borrowings due within one year (Note 1)	42	26,434,993	18,603,703
Bonds payable due within one year (Note 2)	43	7,868,074	4,436,729
Long-term payables due within one year		1,187,771	377,513
Interest payable due within one year		374,059	391,958
Lease liabilities due within one year	44	348,638	520,010
Long-term employee compensation payable due within one year		10,948	301,746
		<u>36,224,483</u>	<u>24,631,659</u>

Note 1 The interest rates of the Company's long-term borrowing ranged from 2.1% to 4.3% in the current period (2023: from 2.3% to 4.8%).

Note 2 The Company's bonds payable due within one year are mainly as follows:

- ① Medium-term note 22TCL Group MTN001: Issued in January 2022, with a term of 3 years, the closing balance as at December 31 was RMB 1,999,946,000.
- ② Green medium-term note 22TCL Group GN002: Issued in April 2022, with a term of 3 years, the closing balance as at December 31 was RMB 1,499,584,000.
- ③ Medium-term note 22TCL Group MTN003 (Sci-Tech Innovation Notes): Issued in July 2022, with a term of 3 years, the closing balance as at December 31 was RMB 1,999,182,000.
- ④ Corporate bond TKHB.SG: Issued in July 2020, with a term of 5 years, the closing balance as at December 31 was RMB 2,155,453,000.
- ⑤ Convertible bond 2L Notes: Issued in June 2024, with a term of 3.6 years, the closing balance as at December 31 was RMB 213,909,000. The creditors are entitled to redeem it whenever they want.

41 Other current liabilities

		December 31, 2024	December 31, 2023
After-sales service expense (note)		1,255,175	1,311,853
Output tax to be transferred		120,002	202,571
Others		<u>109,738</u>	<u>48,821</u>
		<u>1,484,915</u>	<u>1,563,245</u>

Note After-sales service expense expected to occur within 1 year is presented in other current liabilities.



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V Notes to Consolidated Financial Statements (Continued)

42 Long-term borrowings

	December 31, 2024	December 31, 2023
Borrowings secured by collateral	41,035,441	39,851,294
Borrowings secured by pledge	3,239,538	5,595,835
Unsecured borrowings	<u>98,975,145</u>	<u>90,818,783</u>
	<u>143,250,124</u>	<u>136,265,912</u>
Including: long-term loans due within one year	<u>(26,434,993)</u>	<u>(18,603,703)</u>
	<u>116,815,131</u>	<u>117,662,209</u>

As at December 31, 2024, the long-term borrowings secured by collateral were equivalent to RMB 41,035,441,000 (December 31, 2023: RMB 39,851,294,000), which were secured by the collateral of the land use rights, houses and buildings, machinery and equipment of about RMB 94,531,938,000 (December 31, 2023: RMB 97,095,652,000); the long-term pledged borrowings were equivalent to RMB 3,239,538,000 (December 31, 2023: RMB 5,595,835,000), which were pledged by the accounts receivable, contract assets, and equity of subsidiaries of about RMB 403,810,000 (December 31, 2023: RMB 505,109,000).

The interest rates of the Company's long-term borrowing ranged from 2.1% to 5.7% in the current period (2023: from 2.3% to 7.8%).

43 Bonds payable

	December 31, 2024	December 31, 2023
Corporate bonds	4,989,943	2,121,837
MTN	<u>1,498,677</u>	<u>6,992,011</u>
	<u>6,488,620</u>	<u>9,113,848</u>

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V Notes to Consolidated Financial Statements (Continued)

43 Bonds payable (continued)

(1) Movements in bonds payable

Bond name	Par value	Issue date	Maturity	Issued amount	December 31, 2023	Issued in current period	Accrued interest as per par value	Amortization of premium or discount	Repaid in current period	Others (note)	December 31, 2024
TKHB.SG	1,957,483	July 14, 2020	5	1,957,483	2,121,837	-	40,435	(11,624)	-	(2,110,213)	-
22TCL Group MTN001	2,000,000	January 14, 2022	3	2,000,000	1,998,540	-	69,135	1,406	-	(1,999,946)	-
22TCL Group GN002	1,500,000	April 27, 2022	3	1,500,000	1,498,415	-	49,592	1,169	-	(1,499,584)	-
22TCL Group MTN003 (Sci-Tech Innovation Notes)	2,000,000	July 6, 2022	3	2,000,000	1,997,580	-	69,092	1,601	-	(1,999,181)	-
23TCL Group MTN001 (Sci-Tech Innovation Notes)	1,500,000	February 7, 2023	3	1,500,000	1,497,476	-	61,800	1,201	-	-	1,498,677
ZQYWKJ2402010102-24TCLK1	1,500,000	February 1, 2024	2	1,500,000	-	1,500,000	36,337	(731)	-	-	1,499,269
ZQYWKJ2404120002-24TCLK2	1,500,000	April 11, 2024	5	1,500,000	-	1,500,000	29,295	(3,033)	-	-	1,496,967
ZQYWKJ2407090002-24TCLK3	1,000,000	July 8, 2024	5	1,000,000	-	1,000,000	11,105	(2,246)	-	-	997,754
ZQYWKJ2407090003-24TCLK4	1,000,000	July 8, 2024	5	1,000,000	-	1,000,000	11,929	(4,047)	-	-	995,953
Total	13,957,483			13,957,483	9,113,848	5,000,000	378,720	(16,304)	-	(7,608,924)	6,488,620

Note Others are bonds payable within one year which are reclassified to non-current liabilities due within one year and exchange adjustment.

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V Notes to Consolidated Financial Statements (Continued)

44 Lease liabilities

	December 31, 2024	December 31, 2023
Total lease liabilities	<u>6,683,424</u>	<u>6,257,298</u>
Less: Current portion of lease liabilities	<u>348,638</u>	<u>520,010</u>
Total	<u>6,334,786</u>	<u>5,737,288</u>

45 Long-term payables

	December 31, 2024	December 31, 2023
Finance lease	<u>1,994,812</u>	<u>2,739,444</u>

46 Deferred income

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Public grants	<u>1,540,648</u>	<u>4,280,037</u>	<u>(4,805,794)</u>	<u>1,014,891</u>
	<u>1,540,648</u>	<u>4,280,037</u>	<u>(4,805,794)</u>	<u>1,014,891</u>

Items involving public grants

	December 31, 2023	New grants in current period	Amount recorded in other income in current period	Amount used to offset costs and expenses in current period	Other changes (note)	December 31, 2024
Public grants related to assets	241,180	674,354	(1,137)	(361,092)	(277,299)	276,006
Public grants related to income	<u>1,299,468</u>	<u>3,605,683</u>	<u>(1,030,017)</u>	<u>(3,100,387)</u>	<u>(35,862)</u>	<u>738,885</u>
	<u>1,540,648</u>	<u>4,280,037</u>	<u>(1,031,154)</u>	<u>(3,461,479)</u>	<u>(313,161)</u>	<u>1,014,891</u>

Note "Other changes" were deferred income offset by the carrying amounts of relevant assets.

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V Notes to Consolidated Financial Statements (Continued)

47 Estimated liabilities

	December 31, 2024	December 31, 2023
After-sales service fee of products	206,991	55,426
Pending litigation	42,227	61,969
	<u>249,218</u>	<u>117,395</u>

48 Other non-current liabilities

	December 31, 2024	December 31, 2023
Other non-current liabilities	27,508	-
	<u>27,508</u>	<u>-</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

49 Share capital

	December 31, 2023		Increase or decrease in current period				December 31, 2024	
	Amount	Ratio (%)	New issues	Shares converted from capital reserve	Others	Subtotal	Amount	Ratio (%)
I. Restricted Shares	680,538	3.62%	-	-	(1,080)	(1,080)	679,458	3.62%
II. Non-restricted shares	18,098,543	96.38%	-	-	1,080	1,080	18,099,623	96.38%
III. Total shares	18,779,081	100%	-	-	-	-	18,779,081	100%

As at December 31, 2024, the Company's total share capital was 18,779,081,000 shares.

Except for Chairman of the Board Mr. Li Dongsheng who holds restricted shares subscribed for in a private placement, none of the other incumbent directors, supervisors, or senior management hold any restricted shares from a split-share structure reform or a private placement. The shares held by these personnel will stay partially frozen as per the Rules on the *Management of Shares Held by the Directors, Supervisors, and Senior Management Officers of the Company and the Changes thereof*. The trading and information disclosure in relation to these shares shall be in strict compliance with the applicable laws, regulations, and rules.

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V Notes to Consolidated Financial Statements (Continued)

50 Capital reserves

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Share capital premium	10,489,271	128,439	(511,804)	10,105,906
Other capital reserves	<u>262,784</u>	<u>362,288</u>	<u>(177,897)</u>	<u>447,175</u>
	<u>10,752,055</u>	<u>490,727</u>	<u>(689,701)</u>	<u>10,553,081</u>

51 Treasury share

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Treasury share	<u>1,094,943</u>	<u>520,482</u>	<u>(696,103)</u>	<u>919,322</u>

The increase in the period is mainly stock repurchases for the employee stock ownership plan or the equity incentives of the Company. On November 28, 2023, the 36th meeting of the Seven-term Board of Directors was held to deliberate and approve the *Proposal on the Second Repurchase of Certain Shares from the Social Public in 2023*. The Company will repurchase its own shares via centralized bidding, and the Company's shares repurchased will be used for the employee stock ownership plans or equity incentives. As of December 31, 2024, the repurchase plan had been fully completed, and the total number of shares repurchased was 117,993,000 shares at the total consideration of RMB 520 million.

The decrease in the year is mainly caused by the non-trading transfer and sale of the employee portion of the employee stock ownership plan.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

52 Other comprehensive income

(1) Other comprehensive income items, income tax effects and reclassifications to profit or loss

	2024	2023
I. Items that cannot be reclassified to profit or loss subsequently		
1. Share of other comprehensive income of investees that will be reclassified to profit or loss under the equity method	146,177	8,024
Share of the period	152,303	5,281
Previous other comprehensive income reclassified to retained earnings for the current period	(6,126)	2,743
2. Changes in fair value of other equity instruments	(1,195)	(56,797)
Current gain/(loss)	(195)	(55,956)
Previous other comprehensive income reclassified to retained earnings for the current period	-	-
Income tax effects recorded in other comprehensive income	(1,000)	(841)
3. Changes caused by re-measurement of net liabilities or net assets of defined benefit plans	(669)	-
Including: Amount of changes caused by re-measurement of defined benefit plans	(669)	-
II. Items that will be reclassified to profit or loss subsequently		
1. Share of other comprehensive income of investees that will be reclassified to profit or loss under the equity method	154,776	(12,446)
Share of the period	155,367	(12,446)
Income tax effects recorded in other comprehensive income	-	-
Less: Amount previously included in other comprehensive income transferred to profit or loss in the current period	(591)	-
2. Changes in fair value of financial assets recorded in other comprehensive income	-	-
Current gain/(loss)	-	-
3. Cash flow hedges	(21,994)	(109,900)
Current gain/(loss)	(15,627)	(117,269)
Previous other comprehensive income reclassified to profit for current period	(5,234)	(7,580)
Income tax effects recorded in other comprehensive income	(1,133)	14,949
4. Differences arising from translation of foreign currency financial statements of overseas operations	(94,402)	(18,101)
5. Net income arising from disposal of overseas operations through profit or loss	-	-
	182,693	(189,220)

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

52 Other comprehensive income (continued)

(2) Changes in other comprehensive income items

	Equity attributable to shareholders of the parent company										
	Change of accounting policies	Share of other comprehensive income that may subsequently reclassified into profit and loss under equity method	Financial assets Gain or loss on fair-value changes	Gain/(Loss) on changes in cash flow hedges	Differences arising from translation of foreign currency- denominated financial statements	Fair value changes of other equity instruments	Changes caused by re- measurement of net liabilities or net assets of defined benefit plans	Other comprehensive income transferred to retained earnings	Subtotal	Non- controlling interests	Total other comprehensive income
December 31, 2022	334,950	29,387	(350,569)	78,161	(636,710)	(157,710)	-	(109,331)	(811,822)	76,240	(735,582)
Movement of 2023	-	(4,422)	-	(49,418)	(24,180)	(58,699)	-	2,743	(133,976)	(55,244)	(189,220)
December 31, 2023	334,950	24,965	(350,569)	28,743	(660,890)	(216,409)	-	(106,588)	(945,798)	20,996	(924,802)
Movement of 2024	-	300,954	-	(14,569)	(80,651)	5,931	(200)	(6,126)	205,339	(22,646)	182,693
December 31, 2024	334,950	325,919	(350,569)	14,174	(741,541)	(210,478)	(200)	(112,714)	(740,459)	(1,650)	(742,109)



TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

53 Surplus reserves

	December 31, 2023	Increase in current period	Decrease in current period	December 31, 2024
Statutory surplus reserves	3,691,136	100,380	-	3,791,516
Discretionary surplus reserves	182,870	-	-	182,870
	<u>3,874,006</u>	<u>100,380</u>	<u>-</u>	<u>3,974,386</u>

As per China's Company Law, Articles of Association for Companies, accounting standards, the Company and several of its subsidiaries shall appropriate 10% of net profits as statutory surplus reserves until the reserve amount reaches 50% of the registered capital. According to the aforesaid laws and regulations, part of the statutory surplus reserves can be converted into share capital of the Company, and the remaining amount shall not be lower than 25% of the registered capital.

After the appropriation to the statutory surplus reserves, the Company may appropriate the discretionary surplus reserves. Upon approval, the discretionary surplus reserves can be used to make up the previous loss or increase the share capital.

54 Specific reserves

	December 31, 2023	Appropriation in current period	Decrease in current period	December 31, 2024
Production safety reserve	11,343	26,412	(30,566)	7,189
	<u>11,343</u>	<u>26,412</u>	<u>(30,566)</u>	<u>7,189</u>

55 General risk reserve

	December 31, 2023	Appropriation in current period	Decrease in current period	December 31, 2024
General risk reserve	8,934	-	-	8,934
	<u>8,934</u>	<u>-</u>	<u>-</u>	<u>8,934</u>

As per the *General Rules on Financial Affairs of Financial Enterprises* and the *Guide to the Implementation of the General Rules on Financial Affairs of Financial Enterprises* promulgated by the Ministry of Finance, as well as the *Articles of Association of TCL Technology Group Finance Co., Ltd.*, the Company's subsidiary - TCL Technology Group Finance Co., Ltd. - appropriated 1% of its net profit as a general risk reserve in the previous years.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

56 Retained earnings

	2024	2023
Retained earnings at the beginning of the year	21,537,188	19,486,730
Change of accounting policies	-	-
Net profits for current period	1,564,112	2,214,934
Decrease in current period	(1,596,581)	(164,476)
Including: Appropriation of surplus reserves	(100,380)	(161,733)
Distributed to ordinary shareholders as dividends	(1,502,327)	-
Others	6,126	(2,743)
Retained earnings at the end of the period	<u>21,504,719</u>	<u>21,537,188</u>

57 Operating revenue and operating cost

	2024		2023	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Core business	160,027,793	142,183,466	168,869,605	145,730,890
Non-core business	<u>4,795,040</u>	<u>3,538,970</u>	<u>5,497,052</u>	<u>3,867,704</u>
	<u>164,822,833</u>	<u>145,722,436</u>	<u>174,366,657</u>	<u>149,598,594</u>

(1) Operating revenue deduction

	Item	2024	Breakd own	2023	Breakd own
	Amount of operating revenue	164,822,833		174,366,657	
	Total amount of operating revenue deduction items	4,795,040		5,497,052	
	Proportion of total amount of operating revenue deduction items in operating revenue	2.91%		3.15%	
(a)	Revenue from business in no connection with primary business				
	1) Revenue from other businesses except for normal business operations. For example, the revenue from leasing fixed assets, intangible assets, packaging materials, sales materials, non-monetary assets exchanged with materials, operating entrusted management businesses, etc., and the revenue that is included in the revenue from primary business but excluded from that from the normal operation of the listed companies.	4,795,040	Note 1	5,497,052	

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

57 Operating revenue and operating cost (continued)

(1) Operating revenue deduction (continued)

Item	2024	Breakdown	2023	Breakdown
2) Revenue from unqualified similar financial businesses, such as revenue from interest of lending funds; revenue from new financial businesses in the current fiscal year and the previous fiscal year, such as revenue from guarantees, commercial factoring, micro-loans, financial leasing, pawn, and other businesses, except for the financial leasing business carried out for the sales of primary products.	-		-	
3) Revenue from new trading business in the current fiscal year and the previous fiscal year.	-		-	
4) Revenue from related-party transactions in no connection with the existing normal business of the listed companies.	-		-	
5) Revenue of subsidiaries under business combination under common control from the beginning of the period to the combination date.	-		-	
6) Revenue generated by businesses that have not formed or are difficult to form a stable business model.	-		-	
Subtotal of revenue from business in no connection with primary business	4,795,040		5,497,052	
(b) Revenue without commercial substance				
1) Revenue from transactions or matters that do not significantly change the risks, timing or amount of the enterprise's future cash flows.	-	Note 2	-	
2) Revenue from transactions that have no genuine business. For example, false revenue realized by self-dealing, generated by using Internet technical means or other methods to make up transactions, etc.	-		-	
3) Revenue from business with obviously unfair transaction prices.	-		-	
4) Revenue from subsidiaries or businesses acquired through business combinations with obviously unfair consideration or non-transaction methods in the current fiscal year.	-		-	
5) Revenue involved in non-standard audit opinions in the audit opinion.	-		-	
6) Revenue from other transactions or matters that are not commercially reasonable.	-		-	
Subtotal of revenue without commercial substance	-		-	
(c) Other revenue in no connection with primary business or without commercial substance	-	Note 3	-	
Amount of operating revenue after deduction	160,027,793		168,869,605	

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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V Notes to Consolidated Financial Statements (Continued)

57 Operating revenue and operating cost (continued)

(1) Operating revenue deduction (continued)

Note 1 The Company is mainly engaged in the production of displays, new energy photovoltaics, other silicon materials, and other products. Other revenue, such as sales of raw materials, sales of scrap products, leasing, and processing, belongs to that realized from other operating activities other than the primary business activities, so they are deducted.

Note 2 The Company had no such revenue deduction items in 2024 (2023: Nil).

Note 3 Revenue was recognized when the Company fulfilled its performance obligations under the sales contracts and the customers obtained control of the relevant goods or services. All of the Company's sales contracts in 2024 have commercial substance, and there is no revenue without commercial substance (2023: Nil).

(2) Business by operating segment

	Operating revenue		Operating cost		Gross profit	
	2024	2023	2024	2023	2024	2023
Domestic sales	109,583,288	119,940,278	102,058,220	103,637,235	7,525,068	16,303,043
Foreign sales	55,239,545	54,426,379	43,664,216	45,961,359	11,575,329	8,465,020
	<u>164,822,833</u>	<u>174,366,657</u>	<u>145,722,436</u>	<u>149,598,594</u>	<u>19,100,397</u>	<u>24,768,063</u>

(3) The total revenue from the sales to the top five customers was RMB 56,891,059,000 and RMB 51,360,608,000 respectively, for 2024 and 2023, accounting for 34.5% and 29.5% of the revenue.

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V Notes to Consolidated Financial Statements (Continued)

57 Operating revenue and operating cost (continued)

(4) Revenue and costs generated from the Company's trial sales are as follows:

	2024	2023
Operating revenue	2,203,472	1,447,163
Operating cost	1,757,498	1,139,976

58 Interest income/expense and exchange gain

	2024	2023
Interest income	140,005	79,515
Interest expenditures	22,073	19,362
Exchange gain/(loss)	(362)	516

The interest income, interest expense and exchange gain/(loss) above occurred with the Company's subsidiary TCL Technology Group Finance Co., Ltd., which are presented separately herein as required for a financial enterprise.

59 Taxes and levies

	2024	2023
Property tax	438,086	406,693
Stamp tax	181,564	224,364
Urban maintenance and construction tax	220,955	74,151
Education surcharges	157,919	36,420
Land use tax	32,043	34,477
Others	18,404	25,833
	<u>1,048,971</u>	<u>801,938</u>

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V Notes to Consolidated Financial Statements (Continued)

60 Sales expenses

	2024	2023
Employee salaries and benefits	1,003,909	668,705
Promotional and marketing expenses	237,111	272,074
Others	813,053	751,911
	<u>2,054,073</u>	<u>1,692,690</u>

61 General and administrative expense

	2024	2023
Employee salaries and benefits	2,238,561	2,014,617
Depreciation and amortization expenses	836,608	777,394
Expenses for hiring intermediaries	535,777	445,436
Others	835,344	1,545,800
	<u>4,446,290</u>	<u>4,783,247</u>

62 R&D expenses

	2024	2023
Depreciation and amortization expenses	4,683,923	4,132,169
Material expenses	1,108,938	1,979,550
Employee salaries and benefits	2,531,319	2,108,597
Others	1,109,107	1,302,522
	<u>9,433,287</u>	<u>9,522,838</u>

63 Financial expenses

	2024	2023
Interest expenditures	5,052,071	4,922,120
Interest income	(687,992)	(939,719)
Exchange loss/(gain)	(293,252)	(137,852)
Others	108,443	128,179
	<u>4,179,270</u>	<u>3,972,728</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

64 Other income

	2024	2023
R&D subsidies	918,344	2,536,169
VAT rebates on software	61,601	50,605
Over-deduction in taxable amount for VAT	677,519	408,348
Others	295,951	543,137
	<u>1,953,415</u>	<u>3,538,259</u>

65 Return on investment

	2024	2023
Share of return on investment in joint ventures and associates	436,920	1,363,661
Net income from disposal of long-term equity investments	151,742	(51,685)
Return on holding of held-for-trading financial assets	659,486	482,585
Return on disposal of held-for-trading financial assets	74,547	90,141
Return on investment generated from the disposal of equity in coal resource companies	-	699,071
Others	76,845	8,104
	<u>1,399,540</u>	<u>2,591,877</u>

66 Gain on changes in fair value

	2024	2023
Held-for-trading financial assets	368,782	(82,730)
Held-for-trading financial liabilities	32,941	(73,859)
Derivative financial instruments	78,131	183,927
	<u>479,854</u>	<u>27,338</u>

TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

67 Credit impairment loss

	2024	2023
Loss on uncollectible accounts receivable	7,525	54,862
Loss on uncollectible other receivables	(10,476)	(222,675)
Other financial assets	4,360	(5,252)
	<u>1,409</u>	<u>(173,065)</u>

68 Asset impairment loss

	2024	2023
Inventory valuation loss	(4,839,570)	(3,648,392)
Impairment loss on long-term equity investments	-	(1,148,110)
Loss on impairment of goodwill	(918,405)	-
Loss on impairment of fixed assets	(231,500)	(3,407)
Others	(37,259)	(14,056)
	<u>(6,026,734)</u>	<u>(4,813,965)</u>

69 Asset disposal income

	2024	2023
Income/(loss) from disposal of fixed assets	14,866	(42,660)
Income/(loss) from disposal of intangible assets	21,121	-
Others	2,481	1,244
	<u>38,468</u>	<u>(41,416)</u>

70 Non-operating income

	2024	2023	Amount through current non- recurring gains and losses
Gains on retired or damaged non-current assets	159	220	159
Revenue from liquidated damages and others	291,399	71,065	291,399
	<u>291,558</u>	<u>71,285</u>	<u>291,558</u>



TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)

71 Non-operating expense

	2024	2023	Amount through current non- recurring gains and losses
Losses on retired or damaged non-current assets	47,210	56,603	47,210
Donation	30,313	58,144	30,313
Others	69,868	89,033	69,868
	<u>147,391</u>	<u>203,780</u>	<u>147,391</u>

72 Income tax expenses

(1) Table of income tax expenses

	2024	2023
Current income tax expense	645,228	817,257
Deferred income tax expense	<u>(442,891)</u>	<u>(546,217)</u>
	<u>202,337</u>	<u>271,040</u>

(2) Accounting profit and income tax adjustment process

	2024	2023
Gross profit	(3,953,805)	5,051,824
Income tax expense calculated at statutory/applicable tax rate	(593,071)	757,774
Impact of different tax rates applied to subsidiaries	626,099	302,867
Impact of adjusting income tax in previous periods	12,837	(227,744)
Impact of non-taxable income	(1,364,966)	(953,093)
Impact of non-deductible costs, expenses, and losses	75,124	68,559
Impact of the use of deductible losses carried forward without recognizing deferred income tax assets in the previous periods	71,551	(213,931)
Impact of unrecognized deferred income tax assets of deductible temporary differences or deductible losses in the current period	1,503,530	677,201
Others	<u>(128,767)</u>	<u>(140,593)</u>
Income tax expense	<u>202,337</u>	<u>271,040</u>

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V. Notes to Consolidated Financial Statements (Continued)

73 Earnings per share

(1) Basic earnings per share

	2024	2023
Net profits attributable to shareholders of the parent company	1,564,112	2,214,934
Weighted average outstanding ordinary shares (in thousand shares)	18,575,877	18,533,341
Basic earnings per share (RMB yuan)	0.0842	0.1195

(2) Diluted earnings per share

	2024	2023
Net profits attributable to shareholders of the parent company	1,564,112	2,214,934
Diluted weighted average outstanding ordinary shares (in thousand shares)	18,779,081	18,779,081
Diluted earnings per share (RMB yuan)	0.0833	0.1179

74 Cash generated from other operating activities

Other cash received from operating activities in the consolidated cash flow statement was RMB 9,568,245,000 (year-on-year: RMB 6,899,258,000), which primarily consisted of current payments received, public grants, and special appropriations, etc.

75 Cash used in other operating activities

Other cash paid for other operating activities in the consolidated cash flow statement was RMB 16,113,346,000 (year-on-year: RMB 8,773,577,000), which primarily consisted of various expenses and current payments, etc.

76 Cash generated from other investing activities

Other cash received from investing activities in the consolidated cash flow statement was RMB 825,135,000 (year-on-year: RMB 1,589,202,000), which primarily consisted of the security deposits received, net cash received from subsidiaries, and the current payments, etc.

77 Cash used in other investing activities

Other cash paid for investing activities in the consolidated cash flow statement was RMB 1,232,830,000 (year-on-year: RMB 923,051,000), which primarily consisted of the payments for foreign exchange forward delivery, the payment of regulatory funds for equity acquisition.

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V Notes to Consolidated Financial Statements (Continued)

78 Cash generated from other financing activities

Other cash received from financing activities in the consolidated cash flow statement was RMB 1,032,222,000 (year-on-year: RMB 3,950,311,000), which primarily consisted of the payment for sales of treasury shares and receipt of finance leasing payments.

79 Cash used in other financing activities

Other cash paid for financing activities in the consolidated cash flow statement was RMB 2,252,450,000 (year-on-year: RMB 8,037,595,000), primarily consisting of the payments for the repurchase of minority interests in subsidiaries, repurchase of the Company's shares, and financial lease payments, etc.

80 Supplementary information for the cash flow statement

(1) Reconciliation of net profits to net cash generated from/used in operating activities

	2024	2023
Net profits	(4,156,142)	4,780,784
Add: Asset impairment allowance	6,025,325	4,987,030
Depreciation of fixed assets	25,072,978	21,034,479
Depreciation of right-of-use assets	440,759	525,891
Amortization of intangible assets	2,441,310	1,879,947
Amortization of long-term deferred expenses	2,626,845	2,148,685
Loss/(Gain) on disposal of fixed assets, intangible assets, and other long-term assets	(38,468)	41,416
Loss/(Gain) on retired or damaged fixed assets	47,068	56,383
Loss/(Gain) on changes in fair value	(479,854)	(27,338)
Financial expenses	4,781,254	4,803,114
Return on investment	(1,399,540)	(2,591,877)
Decrease/(Increase) in deferred income tax assets	(224,267)	(492,335)
Increase/(Decrease) in deferred income tax liabilities	(102,200)	108,059
Decrease/(Increase) in inventory	(2,836,813)	(4,129,025)
Decrease/(Increase) in operating receivables	(1,423,995)	(7,629,570)
Increase/(Decrease) in operating payables	(1,028,627)	(906,091)
Others	(219,062)	725,204
Net cash generated from operating activities	<u>29,526,571</u>	<u>25,314,756</u>

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V Notes to Consolidated Financial Statements (Continued)

80 Supplementary information for the cash flow statement (continued)

(2) Net cash payments for acquisition of subsidiaries in the current period

	2024	2023
Payments of cash and cash equivalents made in the current period due to business combinations incurred in the current period	736,573	571,830
Less: cash and cash equivalents held by subsidiary on acquisition date	1,025,486	85,844
Add: Payments of cash and cash equivalents made in the current period due to business combinations incurred in previous periods	-	-
Net cash payments for acquisition of subsidiaries	<u>(288,913)</u>	<u>485,986</u>

(3) Net cash proceeds from disposal of subsidiaries in the current period

	2024	2023
Cash or cash equivalents received in current period due to disposal of subsidiary in the current period	-	366,568
Less: Cash and cash equivalents held by subsidiary on the date when the Company's control over the subsidiary ceased	86	17,454
Plus: Cash or cash equivalents received in the current period due to disposal of subsidiaries in prior periods	<u>35,283</u>	<u>10,848</u>
Net cash proceeds from the disposal of subsidiaries	<u>35,197</u>	<u>359,962</u>

(4) Breakdown of cash and cash equivalents

	December 31, 2024	December 31, 2023
I. Cash	20,861,255	19,996,815
Including: Cash on hand	482	583
Bank deposits available for payment on demand	20,524,146	19,807,150
Other monetary assets are available for payment on demand	330,273	132,982
Deposits with the central bank available for payment	6,354	56,100
II. Cash equivalents	<u>-</u>	<u>-</u>
III. Ending balance of cash and cash equivalents	<u>20,861,255</u>	<u>19,996,815</u>

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V Notes to Consolidated Financial Statements (Continued)

80 Supplementary information for the cash flow statement (continued)

(5) Description of other major activities

Major operation or investment activities in no connection with cash receipts and payments:

	2024	2023
Payment for procurement of inventory by bank acceptance bills	4,000,136	19,429,727
Payment for procurement of long-term assets by bank acceptance bills	5,003,579	9,970,442
Right-of-use assets newly added in the current period	<u>1,256,742</u>	<u>1,611,621</u>
	<u>10,260,457</u>	<u>31,011,790</u>

81 Net changes in cash and cash equivalents

	2024	2023
Ending balance of cash and cash equivalents	20,861,255	19,996,815
Less: Cash at the beginning of the year	<u>19,996,815</u>	<u>33,675,624</u>
Net increase in cash and cash equivalents	<u>864,440</u>	<u>(13,678,809)</u>
Analysis of ending balance and cash equivalents:		
Monetary assets at the end of the period	23,007,773	21,924,271
Less: Non-cash equivalents at the end of the period (note)	<u>2,146,518</u>	<u>1,927,456</u>
Ending balance of cash and cash equivalents	<u>20,861,255</u>	<u>19,996,815</u>

Note: The ending non-cash equivalents primarily included interest receivable on bank deposits, the statutory reserve deposits placed by TCL Technology Group Finance Co., Ltd. in the central bank, and other monetary assets, detailed in Annex V, 1.

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V Notes to Consolidated Financial Statements (Continued)

82 Assets with restricted ownership or use rights

	December 31, 2024		Reason for restriction
	Gross carrying amount	Carrying amount	
Monetary assets	278,910	278,910	Deposited in the central bank as the required reserve
Monetary assets	1,867,608	1,867,608	Other monetary assets and restricted bank deposits
Notes receivable	61,787	61,787	Endorsement, attached recourse and pledge
Fixed assets	126,224,132	87,482,583	As collateral for loan
Intangible assets	4,664,141	3,891,403	As collateral for loan
Held-for-trading financial assets	476,385	476,385	In pledge
Construction in progress	3,737,949	3,737,949	As collateral for loan
Accounts receivable	879,135	879,135	In pledge
Contract assets	89,180	82,444	In pledge
Other non-current assets	320,000	320,000	Mortgaged
Other non-current assets due within one year	20,000	20,000	In pledge
	<u>138,619,227</u>	<u>99,098,204</u>	

83 Foreign currency monetary items

	December 31, 2024		
	Foreign currency balance	Conversion rate	RMB balance
Monetary assets			
Including: USD	740,112	7.1884	5,320,221
HKD	128,134	0.9258	118,626
INR	2,228,536	0.0841	187,420
EUR	28,740	7.4846	215,107
PLN	1,163	1.7502	2,035
JPY	747,092	0.0459	34,292
KRW	878,125	0.0049	4,303
SGD	944	5.2922	4,996
MXN	147,343	0.3479	51,261
VND	21,482,690	0.0003	6,445
CAD	2	5.0118	10
THB	19	0.2102	4

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V Notes to Consolidated Financial Statements (Continued)

83 Foreign currency monetary items (continued)

	December 31, 2024		
	Foreign currency balance	Conversion rate	RMB balance
Accounts receivable			
Including: USD	775,514	7.1884	5,574,705
HKD	936	0.9258	867
INR	9,082,244	0.0841	763,817
EUR	16,137	7.4846	120,779
JPY	18,412	0.0459	845
AUD	3,799	4.4777	17,011
VND	80,413,095	0.0003	24,124
GBP	376	9.0279	3,394
Receivables financing			
Including: USD	34,367	7.1884	247,044
Accounts payable			
Including: USD	629,084	7.1884	4,522,107
HKD	221,743	0.9258	205,290
INR	1,310,298	0.0841	110,196
EUR	9,200	7.4846	68,858
JPY	15,955,855	0.0459	732,374
SGD	2,244	5.2922	11,876
AUD	384	4.4777	1,719
VND	49,505,696	0.0003	14,852
Other receivables			
Including: USD	53,585	7.1884	385,190
HKD	10,007	0.9258	9,264
INR	85,971	0.0841	7,230
EUR	1,603	7.4846	11,998
PLN	757	1.7502	1,325
JPY	27,127	0.0459	1,245
KRW	110,565	0.0049	542
SGD	85	5.2922	450
MXN	20,846	0.3479	7,252
TWD	182	0.2192	40
VND	7,204,667	0.0003	2,161

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V Notes to Consolidated Financial Statements (Continued)

83 Foreign currency monetary items (continued)

December 31, 2024			
	Foreign currency balance	Conversion rate	RMB balance
Other payables			
Including: USD	502,263	7.1884	3,610,467
HKD	78,515	0.9258	72,689
INR	1,318,732	0.0841	110,905
EUR	493	7.4846	3,690
PLN	413	1.7502	723
JPY	16,465,712	0.0459	755,776
KRW	787,856	0.0049	3,860
SGD	110	5.2922	582
MXN	26,790	0.3479	9,320
TWD	182	0.2192	40
AUD	11	4.4777	49
VND	51,294,348	0.0003	15,388
Short-term borrowings			
Including: USD	18,078	7.1884	129,952
PHP	97,500	0.1243	12,119
Long-term borrowings			
Including: USD	2,650	7.1884	19,049
Long-term borrowings due within one year			
Including: USD	300,007	7.1884	2,156,570

84 Leases

(1) The Company acting as a lessee

In 2024, short-term lease rents, low-value asset rents, and income obtained from subleasing right-of-use assets, for which the Group, acting as a lessee, chose simplified accounting, were not significant.



TCL Technology Group Corporation  
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V Notes to Consolidated Financial Statements (Continued)  
84 Leases (continued)

(2) The Company acting as a lessor

① Operating leases where the Company acts as a lessor

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Houses and buildings	260,442	-
Machinery equipment	5,820	-
Others	335	-
Total	266,597	-

② Finance leases where the Company acts as a lessor

Item	Sales gains and losses	Financing income	Income related to variable lease payments not included in net lease investment
Finance lease	-	333,505	-
Total	-	333,505	-

Annual undiscounted lease receipts for the next five years

Item	Annual undiscounted lease receipts	
	December 31, 2024	December 31, 2023
Year 1	209,266	95,518
Year 2	182,692	88,031
Year 3	167,400	86,910
Year 4	154,531	86,910
Year 5	155,548	86,910
Total undiscounted lease receipts after five years	1,348,902	904,691

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VI. R&D expenses

1 Presentation by nature of expenses

Item	2024	2023
Material costs	2,491,361	3,855,668
Labor costs	3,064,488	2,951,412
Depreciations and amortizations	2,037,990	2,323,024
Others	1,275,901	1,178,440
Total	8,869,740	10,308,544
Including: Expensed R&D expenses	5,997,436	6,748,288
Capitalized R&D expenses	2,872,304	3,560,256

2 Development expenses of R&D projects eligible for capitalization

Item	Beginning balance	Increase in current period		Decrease in current period			Ending balance
		Internal development costs	Others	Recognized as intangible assets	Included in profits and losses	Others	
Display	1,455,110	2,518,906	-	(555,285)	(670,454)	(1,582,889)	1,165,388
New energy photovoltaics and other silicon materials	1,086,383	353,398	-	(773,725)	-	-	666,056
Total	2,541,493	2,872,304	-	(1,329,010)	(670,454)	(1,582,889)	1,831,444

3 As of December 31, 2024, the Company had no significant outsourced projects under research.

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VII. Changes to the Consolidation Scope

1 Business combination not under common control

(1) Acquisition of shares of Moka Technology Vietnam Company Limited

① The cost of acquisition and goodwill were recognized as follows:

On January 1, 2024 (the "Acquisition Date"), the Group acquired 100% equity of Moka Technology Vietnam Company Limited at a cash consideration of RMB 64,311,000, and included such company into the scope of consolidation.

Cash consideration	64,311
Less: Share of fair value of identifiable net assets acquired	59,619
Goodwill amount	4,692

② Assets and liabilities of the acquired party as at the acquisition date are presented as follows:

	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Total assets	83,025	73,411
Total liabilities	23,406	23,406
Net assets	59,619	50,005
Less: non-controlling interests	-	-
Net assets acquired	59,619	50,005

(2) Acquisition of shares of Maxeon Solar Technologies, Ltd.

① The cost of acquisition and goodwill were recognized as follows:

On August 30, 2024 (the "Acquisition Date"), the Group acquired 67.64% equity of Maxeon Solar Technologies, Ltd. at a cash consideration of RMB 830,737,000, and included such company into the scope of consolidation.

Cash consideration	713,230
Value of shares held before the acquisition date on the acquisition date	117,507
Less: Share of fair value of identifiable net assets acquired	(708,782)
Goodwill amount	1,539,519

② Assets and liabilities of the acquired party as at the acquisition date are presented as follows:

	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Total assets	4,418,309	3,756,104
Total liabilities	5,428,143	5,315,568
Net assets	(1,009,834)	(1,559,464)
Less: non-controlling interests	(301,052)	(478,912)
Net assets acquired	(708,782)	(1,080,552)

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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VII. Changes to the Consolidation Scope (Continued)

(2) Acquisition of shares of Maxeon Solar Technologies, Ltd. (continued)

③ Gain/Loss arising from the re-measurement of shares held before the acquisition date at fair value:

Acquiree	Maxeon Solar Technologies, Ltd.
Time for acquisition of shares originally held before the acquisition date	August 26, 2020
Proportion of acquisition of shares originally held before the acquisition date	24.55%
Cost of acquisition of shares originally held before the acquisition date	USD 381,836,000
Method for acquisition of shares originally held before the acquisition date	Subscription
Carrying amount of shares originally held before the acquisition date on the acquisition date	-
Fair value of shares originally held before the acquisition date on the acquisition date	117,507
Gain/Loss arising from the re-measurement of shares originally held before the acquisition date at fair value	117,507
Method for determination of the fair value of shares originally held before the acquisition date on the acquisition date, along with main assumptions	Appraisal price
Amount of other comprehensive income related to shares originally held before the acquisition date transferred into investment income or retained income	-

2 No business combination under common control occurred in current period.

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VII Changes to Consolidation Scope (continued)

3 Disposal of subsidiaries

Name of subsidiary	Ningxia Huanneng New Energy Co., Ltd.	Tianjin Binhai New Area Huanju New Energy Co., Ltd.
Price for equity interest disposal	-	-
% equity interest disposed	100%	100%
Way of equity disposal	Sale	Sale
Time of loss of control	February 2024	February 2024
Determination basis for time of loss of control	The operating risk has been transferred	The operating risk has been transferred
Difference between the disposal price and the Company's share of the subsidiary's net assets in the consolidated financial statements relevant to the disposed equity interest	(19,094)	4,645

4 Changes in the scope of consolidation for other reasons

Name of investee	Reason for change
Zhonghuan Advanced Korea Co., Ltd.	Newly established
Xi'an Maichi Shangpai Technology Co., Ltd.	Newly established
Tianjin Binhai Huanxu New Energy Co., Ltd.	Newly established
Yixing Huanxu New Energy Co., Ltd.	Newly established
Tianjin Huiyi Digital Technology Co., Ltd.	Newly established
Yixing Huanxu Investment Management Co., Ltd.	Newly established
Shenzhen Zhixian Shijie Software Technology Co., Ltd.	Newly established
Shenzhen Zhilian Shuchuang Technology Co., Ltd.	Newly established
Guangzhou TCL High-Tech Development Co., Ltd.	Newly established
Tianjin Jincheng Internet Technology Co., Ltd.	Newly established
Huansheng New Energy (Inner Mongolia) Co., Ltd.	Newly established
Hangjinhou Banner Guangsen New Energy Co., Ltd.	Newly established
Hohhot Mingfeng New Energy Co., Ltd.	Newly established
Hangjinhouqi Yusheng New Energy Co., Ltd.	Newly established
Inner Mongolia Chenhe New Energy Co., Ltd.	Newly established
Heilongjiang Huanju New Energy Co., Ltd.	Newly established
Huansheng Photovoltaic Technology (Lingwu City) Co., Ltd.	Newly established
Anhui Jia'an Qixin Venture Capital Partnership (Limited Partnership)	Newly established
StoryHold LLC	Newly established
Pv Automation Pte. Ltd.	Newly established
Yinchuan Sunpiestore Technology Co., Ltd.	Newly established
Luoyang Shangyan Technology Co., Ltd.	Newly established
Mingsi Technology Co., Ltd.	Newly established

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VII Changes to Consolidation Scope (continued)

4 Changes in the scope of consolidation for other reasons (continued)

<u>Name of investee</u>	<u>Reason for change</u>
Inner Mongolia Zhonghuan Construction Management Co., Ltd.	De-registered
Jiangsu Mingjing Bandaoti Technology Co., Ltd.	De-registered
Lingwu Juyuan New Energy Co., Ltd.	De-registered
Lingwu Huishun New Energy Co., Ltd.	De-registered
Zhangjiakou Zhonghuan Qixin Enterprise Management Service Co., Ltd.	De-registered
Huai'an Huanxin New Energy Co., Ltd.	De-registered
Ningxia Hongmao New Energy Co., Ltd.	De-registered
Tianjin Zhonghuan Zhongda Technology Co., Ltd.	De-registered

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VIII. Interests in Other Entities

1 Interests in subsidiaries

(1) Principal subsidiaries

Name of investee	Place of registration	Nature of business	Principal place of business	Shareholding percentage (%)		How subsidiary was obtained
				Direct	Indirect	
TCL China Star Optoelectronics Technology Co., Ltd.	Shenzhen	Manufacturing and sales	Shenzhen	79.78%	-	Incorporated
Shenzhen China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	Shenzhen	Manufacturing and sales	Shenzhen	-	62.68%	Incorporated
Guangzhou China Ray Optoelectronic Materials Co., Ltd.	Guangzhou	Research and development	Guangzhou	-	100.00%	Incorporated
Wuhan China Star Optoelectronics Technology Co., Ltd.	Wuhan	Manufacturing and sales	Wuhan	-	98.22%	Incorporated
Wuhan China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	Wuhan	Manufacturing and sales	Wuhan	-	57.14%	Incorporated
China Star Optoelectronics International (HK) Limited	Hong Kong	Sales	Hong Kong	-	100.00%	Incorporated
China Display Optoelectronics Technology Holdings Limited	Bermuda	Investment holding	Bermuda	-	64.20%	Business combination not under common control
China Display Optoelectronics Technology (Huizhou) Co., Ltd.	Huizhou	Manufacturing and sales	Huizhou	-	100.00%	Incorporated
Wuhan China Display Optoelectronics Technology Co., Ltd.	Wuhan	Manufacturing and sales	Wuhan	-	100.00%	Incorporated
Suzhou China Star Optoelectronics Technology Co., Ltd.	Suzhou	Manufacturing and sales	Suzhou	-	100.00%	Business combination not under common control
Suzhou China Star Optoelectronics Display Co., Ltd.	Suzhou	Manufacturing and sales	Suzhou	-	100.00%	Business combination not under common control
Guangzhou China Star Optoelectronics Bandaoti Display Technology Co., Ltd.	Guangzhou	Manufacturing and sales	Guangzhou	-	55.00%	Incorporated
Highly Information Industry Co., Ltd.	Beijing	Product distribution	Beijing	66.46%	-	Incorporated

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VIII Interests in Other Entities (Continued)

1 Interests in subsidiaries (Continued)

(1) Composition of key subsidiaries (Continued)

Name of investee	Place of registration	Nature of business	Principal place of business	Shareholding percentage (%)		How subsidiary was obtained
				Direct	Indirect	
Beijing Sunpiestore Technology Co., Ltd.	Beijing	Sales	Beijing	-	53.45%	Incorporated
Beijing Lingyun Data Technology Co., Ltd.	Beijing	Sales	Beijing	-	60.00%	Incorporated
TCL Technology Group Finance Co., Ltd.	Huizhou	Financial	Huizhou	82.00%	18.00%	Incorporated
Shenzhen Dongxi Jiashang Entrepreneurship Investment Co., Ltd.	Shenzhen	Investment business	Shenzhen	100.00%	-	Incorporated
Ningbo TCL Equity Investment Ltd.	Ningbo	Investment business	Shenzhen	100.00%	-	Incorporated
TCL Technology Park (Huizhou) Co., Ltd.	Huizhou	Property management	Huizhou	-	100.00%	Incorporated
TCL Technology Investments Limited	Hong Kong	Investment business	Hong Kong	100.00%	-	Incorporated
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	Tianjin	Manufacturing and sales	Tianjin	2.55%	27.36%	Business combination not under common control
Tianjin Printronics Circuit Corporation	Tianjin	Manufacturing and sales	Tianjin	-	29.50%	Business combination not under common control
Inner Mongolia Zhonghuan Crystal Materials Co., Ltd.	Inner Mongolia	Manufacturing and sales	Inner Mongolia	-	83.96%	Business combination not under common control
Ningxia Zhonghuan Solar Material Co., Ltd.	Ningxia Hui Autonomous Region	Manufacturing and sales	Ningxia Hui Autonomous Region	-	100.00%	Business combination not under common control
Tianjin Huan'Ou Bandaoti Material&Technology Co., Ltd.	Tianjin	Manufacturing and sales	Tianjin	-	100.00%	Business combination not under common control



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VIII Interests in Other Entities (Continued)

1 Interests in subsidiaries (Continued)

(1) Composition of key subsidiaries (Continued)

Name of investee	Place of registration	Nature of business	Principal place of business	Shareholding percentage (%)		How subsidiary was obtained
				Direct	Indirect	
Wuxi Zhonghuan Applied Materials Co., Ltd.	Jiangsu	Manufacturing and sales	Jiangsu	-	98.08%	Business combination not under common control
Inner Mongolia Zhonghuan Solar Material Co., Ltd.	Inner Mongolia	Manufacturing and sales	Inner Mongolia	-	100.00%	Business combination not under common control
Tianjin Huanou International Silicon Material Co., Ltd.	Tianjin	Sales	Tianjin	-	100.00%	Business combination not under common control
Zhonghuan Hong Kong Holding Limited	Hong Kong	Import and export	Hong Kong	-	100.00%	Business combination not under common control
Zhonghuan Advanced Bandaoti Technology Co., Ltd.	Jiangsu	Manufacturing and sales	Jiangsu	7.35%	35.30%	Business combination not under common control
Huansheng Solar (Jiangsu) Co., Ltd.	Jiangsu	Manufacturing and sales	Jiangsu	-	100.00%	Business combination not under common control
Huansheng New Energy (Jiangsu) Co., Ltd.	Jiangsu	Manufacturing and sales	Jiangsu	-	95.74%	Business combination not under common control
Huansheng New Energy (Tianjin) Co., Ltd.	Tianjin	Manufacturing and sales	Tianjin	-	87.33%	Business combination not under common control
Tianjin Zhonghuan New Energy Co., Ltd.	Tianjin	Power generation, power transmission, power supply (distribution)	Tianjin	-	100.00%	Business combination not under common control
Tianjin Huanrui Electronic Technology Co., Ltd.	Tianjin	Purchase	Tianjin	-	100.00%	Business combination not under common control
Moka International Limited	BVI	Investment holding	BVI	-	100.00%	Business combination not under common control
Moka Technology (Guangdong) Co., Ltd.	Huizhou	Manufacturing and sales	Huizhou	-	100.00%	Business combination not under common control

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VIII Interests in Other Entities (Continued)

1 Interests in subsidiaries (Continued)

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(2) Subsidiaries with substantial non-controlling interests

Name of subsidiary	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in current period	Dividends distributed to minority shareholders in current period	Balance of minority interests at the end of the period
TCL China Star Optoelectronics Technology Co., Ltd.	20.22%	2,070,930	13,326	41,516,367
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	70.09%	(7,872,372)	904,541	35,970,815
Highly Information Industry Co. Ltd.	33.54%	69,457	8,613	612,930

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VIII Interests in Other Entities (continued)

1 Interests in subsidiaries (Continued)

(2) Subsidiaries with substantial non-controlling interests (continued)

The key financial information of the above subsidiaries is as follows:

	December 31, 2024						December 31, 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
TCL China Star Optoelectronics Technology Co., Ltd.	45,143,262	149,684,300	194,827,562	58,172,060	61,482,749	119,654,809	55,759,259	153,177,418	208,936,677	66,215,558	68,629,981	134,845,539
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	32,286,427	93,311,098	125,597,525	27,524,412	51,603,004	79,127,416	34,627,478	90,435,565	125,063,043	22,324,095	42,501,836	64,825,931
Highly Information Industry Co., Ltd.	6,960,009	169,964	7,129,973	5,540,519	21,258	5,561,777	7,086,563	179,985	7,266,548	5,807,990	24,523	5,832,513

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VIII Interests in Other Entities (continued)

1 Interests in subsidiaries (Continued)

(2) Subsidiaries with substantial non-controlling interests (continued)

The key financial information of the above subsidiaries is as follows:

	2024				2023			
	Operating revenue	Net profits	Total comprehensive income	Net cash generate from/used in operating activities	Operating revenue	Net profits	Total comprehensive income	Net cash generate from/used in operating activities
TCL China Star Optoelectronics Technology Co., Ltd.	89,668,017	5,544,167	5,602,286	26,121,500	72,077,792	(480,560)	(524,501)	18,507,307
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	28,418,504	(10,806,452)	(10,849,165)	2,839,342	59,146,463	3,898,892	3,899,066	5,181,163
Highly Information Industry Co., Ltd.	31,465,203	142,774	142,774	413,623	30,109,529	43,200	43,200	(205,171)

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VII Interests in Other Entities (continued)

2 Interests in joint ventures and associates

(1) Basic information about principal joint ventures and associates

Name of investee	Principal place of business/place of registration	Nature of business	Strategic to the Group's activities or not	Shareholding	
				Direct	Indirect
Associate					
Bank of Shanghai Co., Ltd.	Shanghai	Financial	Yes	5.76%	-

(2) Basic information about principal joint ventures and associates

	December 31, 2024	December 31, 2023
	Bank of Shanghai Co., Ltd.	Bank of Shanghai Co., Ltd.
Total assets	3,226,655,601	3,085,516,473
Total liabilities	2,971,998,867	2,846,467,311
Non-controlling interests	463,521	470,332
Equity attributable to shareholders of the parent company	254,193,213	238,578,830
Carrying amount of investment in associates	14,740,146	13,726,174
	2024	2023
	Bank of Shanghai Co., Ltd.	Bank of Shanghai Co., Ltd.
Operating revenue	52,985,550	50,564,474
Net profit attributable to the parent company	23,559,890	22,544,789
Dividends from associates to the Group in current period	605,240	327,157

(3) The Company had no significant joint ventures in the Reporting Period.

IX. Risks related to financial instruments

The purpose of the Company's risk management is to achieve a right balance between the risk and the benefit and maximally reduce the adverse impact of financial risks on the Company's financial performance. Based on such purpose, the Company has established various risk management policies to recognize and analyze possible risks to be encountered by the Company, set an appropriate risk acceptable level and design corresponding internal control procedures so as to control the Company's risk level. In addition, the Company will regularly review these risk management policies and relevant internal control systems in order to adapt to the market or handle various changes in the Company's operating activities. Meanwhile, the Company's internal audit department will also regularly or randomly check whether the implementation of internal control system conforms to relevant risk management policies. In fact, the Company has applied proper diversified investment and business portfolio to disperse various financial instrument risks and worked out corresponding risk management policies to reduce the risk of concentrating on one single industry, specific region or specific counterpart.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (mainly foreign exchange risk and interest rate risk).

(1) Credit risk

Credit risk refers to the risk of financial loss caused by any party of financial instruments to another party due to the failure in fulfilling performance obligations. The Group controls the credit risk based on the specific group classification, and credit risk mainly results from bank deposits, due from the central bank, notes receivable, accounts receivable, loans and advances to customers and other receivables.

The Group's bank deposits and due from the central bank are mainly deposited in stated-owned banks and other large and medium-sized listed banks. The Group considers no significant credit risk to exist, and no significant loss to be caused by the counterpart's breach of contract.

For notes receivable, accounts receivable, loans and advances to customers, and other receivables, the Group has established relevant policies to control the credit risk exposure, and will evaluate the client's credit qualification and determine the corresponding credit period based on the client's financial status, the possibility of obtaining guarantees from the third party, relevant credit records and other factors (like the current market situation). In the meantime, the Group will regularly monitor the client's credit records. For any client with unfavorable credit records, the Group will issue written reminders, shorten the credit period or cancel the credit period so as to keep the Group's overall credit risk controllable.

As of December 31, 2024, no significant guarantee or other credit enhancements held due to the debtor mortgage was found in the Group.

(2) Liquidity risk

Liquidity risk refers to the risk of capital shortage the Company encounters when the Company is fulfilling the obligation of settlement in the form of cash or other financial assets. Various subsidiaries under the Group shall be responsible for predicting their own cash flow. The financial department of the headquarters shall firstly summarize predictions on the cash flow of various subsidiaries and then continuously monitor the short-term and long-term fund demand at the Group's level so as to maintain sufficient cash reserves and negotiable securities that can be realized at any time; meanwhile, special efforts shall also be made to continuously monitor whether provisions stated in the loan agreement are observed and to make major financial institutions promise to provide sufficient reserve funds so as to satisfy short-term and long-term capital demand.

As of December 31, 2024, the Group had no liquidity risk events.

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IX Risks Related to Financial Instruments (continued)

(3) Market risk

(a) Foreign exchange risk

The Group has carried out various economic activities around the world, including manufacturing, selling, investment, financing etc., and corresponding interest rate fluctuation risks exist in the Group's foreign currency assets and liabilities and future foreign currency transactions.

The Group always regards "Locking the Cost and Avoiding Possible Risks" as the foreign currency risk management goal. Through the natural hedging of settlement currency, matching with the foreign currency liabilities, signing simple derivative products closely related to the owner's operation and meeting corresponding hedge accounting treatment requirements and applying other management methods, the foreign currency risk exposure can be controlled within a reasonable scope and the impact of interest rate fluctuations on the Group's overall profit and loss will be reduced.

(a) As of December 31, 2024, foreign-currency asset and liability items with significant exposure to exchange risk were mainly denominated in US dollars. After management, the total risk exposure of the US dollar-denominated items had a net asset exposure of USD 491,052,000, equivalent to RMB 3,529,878,000 based on the spot exchange rate on the balance sheet date. The differences arising from the translation of foreign currency financial statements were not included.

The Group applies the following exchange rate of USD against RMB:

	Average exchange rate	Exchange rate at period-end
	2024	December 31, 2024
USD/RMB	7.1167	7.1884

Provided that other risk variables remained unchanged except for the exchange rate, a 5% depreciation/appreciation in RMB as a result of the changes in the exchange rate of RMB against USD would cause an increase/decrease of RMB 176,494,000 in shareholders' equity and net profit, respectively of the Group on December 31, 2024.

The above-mentioned sensitivity analysis is made based on the assumption that the exchange rate changes on the balance sheet date, and the financial instruments held by the Group on the balance sheet date exposed to the exchange risk are recalculated based on the changed exchange rate. The above analysis does not include differences arising from the translation of foreign currency financial statements.

(b) Interest risk

The Group's interest rate risk mainly results from interest-bearing bank borrowings adopting floating interest rates, and the Group determined the proportion of fixed interest rates and floating interest rates based on the market environment and its risk tolerance. By December 31, 2024, the Group's liabilities with floating interest rates accounted for 73.24% of its total interest-bearing liabilities. And the Group will continuously monitor the interest rates and make corresponding adjustments according to the specific market changes so as to avoid interest rate risk.

X. Classification of Financial Instruments and Fair Value

Fair value of financial instruments and levels

1 Fair value is divided into the following levels in measurement and disclosure:

Level 1 refers to the (unadjusted) quotation of the same type of assets or liabilities on the active market; and the Company mainly adopts the closing price as the value of a financial asset. Financial instruments of level 1 mainly include exchange-listed stocks and bonds.

Level 2 refers to the directly or indirectly observable input of a financial asset or liability that does not belong to level 1.

Level 3 refers to the input of a financial asset or liability determined based on variables other than the observable market data (non-observable input).

2 Basis for determining the market value of items measured at continuous level 1 fair value

The Company adopts the active market quotation as the fair value of a level 1 financial asset.

3 Items measured at continuous level 2 fair value adopt the following valuation techniques and parameters:

Derivative financial assets and liabilities are multiple IRS and CCS signed between the Group and financial institutions. The Company adopts the quotations provided by the financial institution in valuation.

4 Items measured at continuous level 3 fair value adopt the following valuation techniques and parameters (nature and quantity):

Other non-current financial assets measured at continuous level 3 fair value are mainly unlisted equity investments held by the Company. In measuring the fair value, the Company mainly adopts the valuation technique of comparison with listed companies, taking into account the price of similar securities and liquidity discount.

Held-for-trading financial assets measured at continuous level 3 fair value are mainly wealth management products held by the Company. In the valuation of the fair value, the Company adopts the method of discounting future cash flows based on the agreed expected yield rate.

The Company's receivables financing was bank acceptance notes and trade acceptance notes, of which the market prices were determined based on the transfer or discounted amounts.



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X Classification of Financial Instruments and Fair Value (continued)

5 Financial instruments measured in three levels of fair value

Financial assets

Item	Level 1	Level 2	Level 3	Total
Held-for-trading financial assets (see Note V. 2)	244,953	14,973,429	1,342,589	16,560,971
Derivative financial assets (see Note V.3)	-	172,489	-	172,489
Receivables financing (see Note V.6)	-	-	831,407	831,407
Investments in other equity instruments (see Note V. 16)	13,371	-	374,480	387,851
Other non-current financial assets (see Note V. 17)	489,427	-	1,735,773	2,225,200
	<u>747,751</u>	<u>15,145,918</u>	<u>4,284,249</u>	<u>20,177,918</u>
Total assets continuously measured at fair value				

Financial liabilities

Item	Level 1	Level 2	Level 3	Total
Held-for-trading financial liabilities (see Note V, 31)	-	-	232,406	232,406
Derivative financial liabilities (see Note V, 32)	-	248,845	-	248,845
Others	-	-	213,909	213,909
	<u>-</u>	<u>248,845</u>	<u>446,315</u>	<u>695,160</u>
Total liabilities continuously measured at fair value				

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XI. Related Parties and Related-Party Transactions

1 Actual controller and its acting-in-concert parties

Explanation of The Company's Absence of Controlling Shareholders

Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the *Agreement on Concerted Action*, holding 1,265,347,805 shares in total and becoming the largest shareholder of the Company.

As per Article 216 of the *Company Law*, a controlling shareholder refers to a shareholder who owns over 50% of a limited liability company's total capital or over 50% of a joint stock company's total share capital; or, despite the ownership of less than 50% of a limited liability company's total capital or less than 50% of a joint stock company's total number of shares, who can still prevail in the resolution of a meeting of shareholders or a general meeting of shareholders according to the voting rights corresponding to their interest in the limited liability company's total capital or the joint stock company's total number of shares. According to the definition above, the Company has no controlling shareholder or actual controller.

2 Related parties that do not control or are not controlled by the Company

Information about such related parties:

Company Name	Relationship with the Company
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	Joint venture
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	Joint venture
Tianjin Huanyan Technology Co., Ltd.	Joint venture
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	Joint venture and its subsidiary
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	Joint venture and its subsidiary
Tianjin Zhonghuan Haihe Intelligent Manufacturing Fund Partnership	Associate
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	Associate
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	Associate
LG Electronics (Huizhou) Co., Ltd.	Associate
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	Associate
Shanghai Feilihua Shichuang Technology Co., Ltd.	Associate
Zhonghuan Aineng (Beijing) Technology Co., Ltd.	Associate
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	Associate
Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited	Associate
Wuhan Guochuangke Optoelectronic Equipment Co., Ltd.	Associate
Ningbo Dongpeng Heli Equity Investment Partnership (Limited	Associate
China Innovative Capital Management Limited	Associate
Shenzhen Qianhai Sailing International Supply Chain Management	Associate and its subsidiaries
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	Associate and its subsidiaries
Inner Mongolia Zhongjing Science and Technology Research Institute	Associate and its subsidiaries
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	Associate and its subsidiaries

TCL Technology Group Corporation  
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XI Related parties and related-party transactions (continued)

2 The nature of related parties without control relationship (continued)

Company name	Relationship with the Company
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd. and its subsidiaries	Associate and its subsidiaries
Wuxi TCL Venture Capital Partnership (Limited Partnership) and its subsidiaries	Associate and its subsidiaries
Ningbo Dongpeng Weichuang Equity Investment Partnership (Limited Partnership) and its subsidiaries	Associate and its subsidiaries
Yixing Jiangnan Tianyuan Venture Capital Company (Limited Partnership) and its subsidiaries	Associate and its subsidiaries
Nanjing Zijin A Dynamic Investment Partnership (Limited Partnership) and its subsidiaries	Associate and its subsidiaries
Purplevine Holdings Limited and its subsidiaries	Associate and its subsidiaries
Shenzhen Tixiang Business Management Technology Co., Ltd. and its subsidiaries	Associate and its subsidiaries
Shanghai Gen Auspicious Venture Capital Partnership (Limited Partnership) and its subsidiaries	Associate and its subsidiaries
TCL Industries Holdings Co., Ltd. and its subsidiaries	Other relationships
Thunderbird Innovation Technology (Shenzhen) Co., Ltd. and its subsidiaries	Other relationships
Joint ventures and subsidiaries of TCL Industries Holdings Co., Ltd.	Other relationships

3 Major related-party transactions

(1) Selling raw materials and finished goods (Note 1)

	2024	2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	21,401,268	17,595,352
Maxeon Solar Technologies, Ltd. and its subsidiaries	913,689	2,175,399
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	392,145	1,208,487
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	39,194	89,680
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	9,659	8,082
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	5,429	6,208
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	1,997	-
LG Electronics (Huizhou) Co., Ltd.	603	281
Purplevine Holdings Limited and its subsidiaries	75	75
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	12	-
Tianjin Qiyier Communication & Broadcasting Co., Ltd. and its subsidiaries	10	48
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	-	44,321
	<u>22,764,081</u>	<u>21,127,933</u>

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XI Related Parties and Related-Party Transactions (Continued)

3. Major related-party transactions (continued)

(2) Purchasing raw materials and finished products (Note 2)

	2024	2023
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	3,289,267	3,207,376
TCL Industries Holdings Co., Ltd. and its subsidiaries	2,013,318	1,989,187
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	1,456,918	311,243
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	1,388,622	1,399,132
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	1,205,811	1,416
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	507,219	1,255,571
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	285,603	693,157
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	117,275	190,052
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	116,479	-
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	68,518	150,506
Purplevine Holdings Limited and its subsidiaries	25,117	-
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	1,433	1,671
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	1,085	-
Xinjiang Goens Energy Technology Co., Ltd.	-	2,234,753
JOLED Incorporation	-	363,394
	10,476,665	11,797,458

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XI Related Parties and Related-Party Transactions (Continued)

3 Major related-party transactions (continued)

(3) Receiving funding (Note 3)

	2024	2023
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	126,100	119,091
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	90,891	195,405
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	79,546	36,962
Wuxi TCL Venture Capital Partnership (Limited Partnership) and its subsidiaries	5,570	5,500
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	5,000	7,504
TCL Industries Holdings Co., Ltd. and its subsidiaries	4,807	303
Ningbo Dongpeng Weichuang Equity Investment Partnership (Limited Partnership) and its subsidiaries	662	1,490
Yixing Jiangnan Tianyuan Venture Capital Company (Limited Partnership) and its subsidiaries	608	611
Nanjing Zijin A Dynamic Investment Partnership (Limited Partnership) and its subsidiaries	378	389
Ningbo Dongpeng Heli Equity Investment Partnership (Limited Partnership)	33	33
Shanghai Gen Auspicious Venture Capital Partnership (Limited Partnership) and its subsidiaries	-	8,892
	313,595	376,180

(4) Rendering of funds (Note 3)

	2024	2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	226	-
	226	-

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XI Related Parties and Related-Party Transactions (Continued)

3 Major related-party transactions (continued)

(5) Leases

	2024	2023
Rental income		
TCL Industries Holdings Co., Ltd. and its subsidiaries	62,859	64,136
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	53,822	62,878
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	14,519	22,274
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	4,033	4,135
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	890	885
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	639	748
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	198	-
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd. and its subsidiaries	141	144
Shenzhen Tixiang Business Management Technology Co., Ltd. and its subsidiaries	67	-
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	40	-
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	14	-
	<u>137,222</u>	<u>155,200</u>
Rental expense		
TCL Industries Holdings Co., Ltd. and its subsidiaries	50,862	60,518
Tianjin Huayan Technology Co., Ltd.	2,952	-
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	2,483	10,036
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	737	283
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	689	1,427
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	114	-
	<u>57,837</u>	<u>72,264</u>

(6) Rendering or receipt of services

	2024	2023
Rendering of services	399,077	327,066
Receipt of services	1,943,241	2,116,609

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XI Related Parties and Related-Party Transactions (Continued)

3 Major related-party transactions (continued)

(7) Collection/Payment of interest (Note 3)

	2024	2023
Interest received	11,962	15,619
Interest paid	29,112	43,049

(8) Remuneration of key management personnel (Note 4)

	2024	2023
Remuneration of key management personnel	62,141	67,919

Note 1 Selling raw materials and finished goods to related parties

The Company sells raw materials, spare parts, auxiliary materials, and finished goods to its joint ventures and associates at market prices, which are settled in the same way as non-related-party transactions. These related-party transactions have no material impact on the Company's net profits but play an important role as to the Company's continued operations.

Note 2 Purchasing raw materials and finished goods from related parties

The Company purchases raw materials and finished goods from its joint ventures and associates at prices similar to those paid to third-party suppliers, which are settled in the same way as non-related-party transactions. These related-party transactions have no material impact on the Company's net profits but play an important role as to the Company's continued operations.

Note 3 Providing funding for or receiving funding from related parties and corresponding interest received or paid

The Company set up a settlement center in 1997 and TCL Technology Group Finance Co., Ltd. in 2006 (together, the "Financial Settlement Center"). The Financial Settlement Center is responsible for the financial affairs of the Company, including capital operation and allocation. The Center settles accounts with the Company's subsidiaries, joint ventures, and associates and pays the interest. It also allocates the money deposited by the subsidiaries, joint ventures and associates in it to these enterprises and charges interest. The interest income and expense between the Company and the Center are calculated according to the interest rates declared by the People's Bank of China. The funding amount provided refers to the outstanding borrowings due from the Center to related parties, while the funding amount received means the balances of related parties' deposits in the Center.

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XI Related Parties and Related-Party Transactions (Continued)

3 Major related-party transactions (continued)

- Note 4 The remunerations of key management personnel include fixed salaries, allowances, and performance bonuses received from the Company by the directors, supervisors, and senior executives of the Company during their terms of office, but do not include share-based payments.
- Note 5 The transactions between Xinjiang Goens Energy Technology Co., Ltd. and the Group in 2023 are related party transactions.
- Note 6 Maxeon Solar Technologies, Ltd. was transformed from an associate to a subsidiary in August 2024, and the transactions between Maxeon Solar Technologies, Ltd. and its subsidiaries and the Group before such transaction date are related party transactions.
- Note 7 JOLED completed its bankruptcy liquidation in September 2024, and the transactions with the Group before the completion date of liquidation are related party transactions.
- Note 8 The company disposed of its equity in Tianjin Qiyier Communication & Broadcasting Co., Ltd. in July 2024, and the transactions between Tianjin Qiyier Communication & Broadcasting Co., Ltd. and its subsidiaries and the Group before such transaction date are related party transactions.

4 Receivables and payables of related parties

(1) Accounts receivable

	December 31, 2024	December 31, 2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	5,317,484	3,686,514
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	164,421	144,349
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	7,829	12,559
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	2,684	10,095
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	2,448	2,500
Tianjin Zhonghuan Haihe Intelligent Manufacturing Fund Partnership (Limited Partnership)	2,408	-
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	102	-
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	98	-
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	96	-
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd. and its subsidiaries	20	-
Maxeon Solar Technologies, Ltd. and its subsidiaries	-	60,112
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	-	785
Thunderbird Innovation Technology (Shenzhen) Co., Ltd. and its subsidiaries	-	658
LG Electronics (Huizhou) Co., Ltd.	-	478
Tianjin Qiyier Communication & Broadcasting Co., Ltd. and its subsidiaries	-	54
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	-	22
	5,497,590	3,918,126



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XI Related Parties and Related-Party Transactions (Continued)

4 Receivables and payables of related parties (continued)

(2) Receivables financing

	December 31, 2024	December 31, 2023
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	151	-
	<u>151</u>	<u>-</u>

(3) Accounts payable

	December 31, 2024	December 31, 2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	1,708,430	1,281,422
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	956,561	1,113,639
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	287,678	284,721
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	215,975	198,697
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	46,986	49,340
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	27,786	22,373
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	11,265	46,226
Joint ventures and subsidiaries of TCL Industries Holdings Co., Ltd.	2,331	-
Zhonghuan Feilang (Tianjin) Technology Co., Ltd.	87	-
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	57	2,671
Shanghai Feilihua Shichuang Technology Co., Ltd.	9	-
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	-	31,915
	<u>3,257,165</u>	<u>3,031,004</u>

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XI Related parties and related-party transactions (continued)

4 Receivables and payables of related parties (continued)

(4) Other receivables

	December 31, 2024	December 31, 2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	143,339	138,658
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	7,051	1,898
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	4,233	9,114
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	3,382	7,791
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	3,265	8,120
Zhonghuan Aineng (Beijing) Technology Co., Ltd.	3,053	3,053
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	2,584	12,335
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	916	13,026
Thunderbird Innovation Technology (Shenzhen) Co., Ltd. and its subsidiaries	900	-
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	104	170
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd. and its subsidiaries	38	215
JOLED Incorporation	-	2,823
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	-	1,629
Maxeon Solar Technologies, Ltd. and its subsidiaries	-	1,105
LG Electronics (Huizhou) Co., Ltd.	-	336
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	-	219
	168,865	200,492

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XI Related parties and related-party transactions (continued)

- 4 Receivables and payables of related parties (continued)
- (5) Other payables

	December 31, 2024	December 31, 2023
Tianjin Zhonghuan Haihe Intelligent Manufacturing Fund Partnership (Limited Partnership)	428,100	428,100
Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited Partnership)	345,430	-
TCL Industries Holdings Co., Ltd. and its subsidiaries	249,033	725,277
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	102,196	77,143
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	84,285	46,151
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	55,442	82,487
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	9,317	9,317
Wuxi TCL Venture Capital Partnership (Limited Partnership) and its subsidiaries	5,570	5,500
TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	2,938	3,751
Tianjin Huanyan Technology Co., Ltd.	1,785	-
Wuhan Guochuangke Optoelectronic Equipment Co., Ltd.	1,714	-
Ningbo Dongpeng Weichuang Equity Investment Partnership (Limited Partnership) and its subsidiaries	662	943
Yixing Jiangnan Tianyuan Venture Capital Company (Limited Partnership) and its subsidiaries	608	611
Joint ventures and subsidiaries of TCL Industries Holdings Co., Ltd.	502	-
Nanjing Zijin A Dynamic Investment Partnership (Limited Partnership) and its subsidiaries	378	389
Thunderbird Innovation Technology (Shenzhen) Co., Ltd. and its subsidiaries	359	401
Purplevine Holdings Limited and its subsidiaries	100	-
Ningbo Dongpeng Heli Equity Investment Partnership (Limited Partnership)	66	66
Inner Mongolia Zhongjing Science and Technology Research Institute Co., Ltd. and its subsidiaries	60	118
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	60	-
China Innovative Capital Management Limited	57	86
Shenzhen Tixiang Business Management Technology Co., Ltd. and its subsidiaries	16	-
Jiangsu Jixin Bandaoti Silicon Material Research Institute Co., Ltd. and its subsidiaries	13	20
Inner Mongolia Shengou Electromechanical Engineering Co., Ltd.	12	2,796
Shanghai Gen Auspicious Venture Capital Partnership (Limited Partnership) and its subsidiaries	-	8,892
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	-	45
	1,288,703	1,392,093

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XI Related parties and related-party transactions (continued)

4 Receivables and payables of related parties (continued)

(6) Non-current liabilities due within one year

	December 31, 2024	December 31, 2023
TCL Industries Holdings Co., Ltd. and its subsidiaries	21,695	14,042
Huaxia CPV (Inner Mongolia) Power Co., Ltd.	-	2,775
	<u>21,695</u>	<u>16,817</u>

(7) Prepayments

	December 31, 2024	December 31, 2023
Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	74,626	-
TCL Industries Holdings Co., Ltd. and its subsidiaries	23,535	62,421
Tianjin Huanyan Technology Co., Ltd.	4,857	6,466
Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	2,715	399
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	1,766	156
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	1,342	-
Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	136	133
Xinjiang Goens Energy Technology Co., Ltd.	-	152
	<u>108,977</u>	<u>69,727</u>

TCL Technology Group Corporation  
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XI	Related parties and related-party transactions (continued)		
4	Receivables and payables of related parties (continued)		
(8)	Advances from customers		
		December 31, 2024	December 31, 2023
	TCL Industries Holdings Co., Ltd. and its subsidiaries	312	304
	Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	110	110
		<u>422</u>	<u>414</u>
(9)	Contract liabilities		
		December 31, 2024	December 31, 2023
	TCL Industries Holdings Co., Ltd. and its subsidiaries	28,727	71,842
	Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	210	1,424
	TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	-	67
	Maxeon Solar Technologies, Ltd. and its subsidiaries	-	46
	Inner Mongolia Huanye Material Co., Ltd. and its subsidiaries	-	32
		<u>28,937</u>	<u>73,411</u>
(10)	Lease liabilities		
		December 31, 2024	December 31, 2023
	TCL Industries Holdings Co., Ltd. and its subsidiaries	33,441	40,772
	Huaxia CPV (Inner Mongolia) Power Co., Ltd.	-	8,690
		<u>33,441</u>	<u>49,462</u>

TCL Technology Group Corporation  
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XI	Related parties and related-party transactions (continued)		
4	Receivables and payables of related parties (continued)		
(11)	Deposits from related parties (note)		
		December 31, 2024	December 31, 2023
	Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	90,941	195,470
	Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd. and its subsidiaries	73,428	60,899
	TCL Microchip Technology (Guangdong) Co., Ltd. and its subsidiaries	5,000	7,505
	TCL Industries Holdings Co., Ltd. and its subsidiaries	4,808	368
	Huizhou TCL Human Resources Service Co., Ltd. and its subsidiaries	2,385	6,134
	Ningbo Dongpeng Weichuang Equity Investment Partnership (Limited Partnership) and its subsidiaries	-	547
		<u>176,562</u>	<u>270,923</u>
	Note: These deposits are made by related parties in the Company's subsidiary TCL Technology Group Finance Co., Ltd.		
(12)	Other non-current assets		
		December 31, 2024	December 31, 2023
	Purplevine Holdings Limited and its subsidiaries	71,711	174,422
	TCL Industries Holdings Co., Ltd. and its subsidiaries	21,823	4,497
	Shenzhen Jucai Supply Chain Technology Co., Ltd. and its subsidiaries	-	297
		<u>93,534</u>	<u>179,216</u>

TCL Technology Group Corporation  
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XII. Share-based payments

1 Overall share-based payments (excluding TZE and its subsidiaries)

Total amount of each equity instrument granted by the Company in the current period	520,333
Total amount of each equity instrument exercised by the Company in the current period	14,332
Total amount of the Company's equity instruments that expired in the current period	2,507
Range of exercise prices of the Company's stock options outstanding and remaining contract term at the end of the period	-
Range of exercise prices of the Company's other equity instruments outstanding and remaining contract term at the end of the period	-

(1) Employee Stock Ownership Plan (Phase II) 2021-2023

According to the *Proposal on the Management Measures of the Company's Employee Stock Ownership Plan (Phase II) 2021-2023* deliberated and adopted at the *Second Extraordinary General Meeting 2022*, and the *Proposal on the Company's Employee Stock Purchase Plan (Phase II) 2021-2023 (Draft)* adopted by the resolution of the 19th Meeting of the Seventh-term Board of Directors and the 14th Meeting of the Seventh-term Board of Supervisors, 32.6211 million shares were granted to no more than 3,600 awardees at the price of RMB4.35 on July 22, 2022.

(2) Employee Stock Ownership Plan (Phase III) 2021-2023

According to the Proposal on the *Management Measures of the Company's Employee Stock Ownership Plan (Phase III) 2021-2023* deliberated and adopted at the *Second Extraordinary General Meeting of 2023*, and the *Proposal on the Company's Employee Stock Purchase Plan (Phase III) 2021-2023 (Draft)* adopted by the resolution of the 32nd Meeting of the Seventh-term Board of Directors and the 21st Meeting of the Seventh-term Board of Supervisors, 64.99 million shares were granted to no more than 3,600 awardees at the price of RMB3.94 on June 16, 2023.

(3) Employee Stock Ownership Plan 2024

According to the Second Meeting of the Eighth-term Board of Directors, the Second Meeting of the Eighth-term Board of Supervisors, and the First Extraordinary General Meeting 2024, the *Proposal on the Employee Stock Ownership Plan 2024 of TCL Technology Group Corporation (Draft)* was deliberated on, and 117.99 million shares were granted to no more than 3,600 awardees.

The vesting arrangement of the restricted stock granted under the above incentive plan is shown in the following table:

Number of times	Vesting period and ratio
First non-trade transfer or sale	After 12 months from the date of vesting of the holder's respective quota of the underlying shares, the Shareholding Plan may decide whether to sell 50% of the shares or to transfer 50% of the holder's respective shares to the account of the holder of the Shareholding Plan, provided that such transfer and sales are then supported by the systems of SZSE and the Registration and Settlement Corporation;
Second non-trade transfer or sale	After 24 months from the date of vesting of the holder's corresponding quota of the underlying shares, the Shareholding Plan may decide whether to sell 50% of the shares or to transfer 50% of the holder's corresponding shares to the account of the holder of the Shareholding Plan provided that such transfer and sales are then supported by the systems of SZSE and the Registration and Settlement Corporation.

2 Equity-settled share-based payments

Method of determining the fair value of equity instruments on the date of grant	The Group determined the fair value of equity instruments on the grant date based on the fair value of the shares.
Basis for determining the number of exercisable equity instruments	On each balance sheet date within the vesting period, the Group determines the best estimate based on the latest number of employees eligible to exercise their options, and revise the estimated number of exercisable equity instruments.
Reasons for significant differences between current and previous estimates	None
Accumulated amount of equity-settled share-based payment included in capital reserve	RMB 296,767,000
Total expense recognized for equity-settled share-based payments in the current period	RMB 216,959,000

XII Share-based payments (continued)

- 3 The Company has no cash-settled share-based payments.
- 4 The Company has no share-based payment modification or termination.
- 5 Share-based payments by the controlling subsidiary TZE

(1) Stock option incentive plan

During the Reporting Period, the stock option was not exercised. As of July 8, 2024, the exercisable term of the second exercise period of the incentive plan had expired. During the exercisable term, the stock options of the incentive targets that expired and were not exercised shall not be exercised and shall be canceled by the Company. During the reporting period, the above stock option not exercised was canceled.

Changes in stock options during the year

Number of stock options outstanding as at the beginning of the year	2,558
Number of stock options granted by the Company in the current period	-
Number of stock options of the Company exercised in the current period	-
Number of stock options of the Company voided in the current period	2,558
Others	-
Number of stock options outstanding as at the end of the year	-

(2) Employee stock ownership plan

On August 30, 2022, TZE held its second extraordinary general meeting of 2022 where the *Proposal for the Employee Stock Ownership Plan (Draft) and Its Summary for 2022* (hereinafter referred to as the “2022 Employee Stock Ownership Plan”) were deliberated and adopted. TZE held the 22nd Meeting of the 6th-term Board of Directors on January 11, 2022, where it deliberated on and adopted the Proposal on Repurchasing the Company's Shares. The Company repurchased a total of 9,515,263 shares through the special securities account for repurchasing shares by means of centralized bidding, with an average transaction price of RMB 41.09. 9,492,797 of these shares were used for the 2022 Employee Stock Ownership Plan. In addition, TZE held the 13th Meeting of the 6th-term Board of Directors on June 20, 2021, where it deliberated on and adopted the *Proposal on the Plan for Repurchasing the Company's Shares*. The remaining unused 161,615 repurchased shares in 2021 were also used for the 2022 Employee Stock Ownership Plan. In summary, a total of 9,654,412 shares were used for the Employee Stock Ownership Plan. On June 30, 2023, the 2022 Employee Stock Ownership Plan Management Committee, based on the achievement of the Company's performance assessments indicators and the results of individual performance assessment, determined that the stock quota would be granted on July 1, 2023, and calculated the corresponding target stock quota of the holders to grant them to the relevant holders by means of internal registration and confirmation. The lock-up period of the 2022 Employee Stock Ownership Plan expired on September 7, 2023. As of the end of the Reporting Period, the equity of the relevant stock quota of the first batch of the 2022 Employee Stock Ownership Plan was transferred to the relevant holders on a non-trading basis.

The lock-up period of TZE's 2023 Employee Stock Ownership Plan expired on June 8, 2024. Due to the failure of key performance indicators, according to the provisions of the *2023 Employee Stock Ownership Plan*, the shares of 14,391,980 shares of the target stock corresponding to the 2023 Employee Stock Ownership Plan (the total number of shares after the implementation of the capital increase in 2022 was 17,989,975 shares) and all the corresponding dividends and other rights and interests were owned by TZE, no longer by the holders. The current Employee Stock Ownership Plan Management Committee chose an opportunity to sell before the expiration of the 2023 Employee Stock Ownership Plan, and the sold equity was attributable to TZE.



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XII Share-based payments (continued)

5 Share-based payments by the controlling subsidiary TZE (continued)

(2) Employee stock ownership plan (continued)

On October 25, 2023, TZE held the 43rd meeting of the 6th Board of Directors, where it deliberated on and adopted the *Proposal on Repurchasing the Company's Shares*. The Company repurchased a cumulative number of 4,999,968 shares by means of centralized bidding through the special securities account for repurchasing shares, using them to implement the employee stock ownership plan or equity incentive.

(3) Equity-settled share-based payments

Key parameters of the fair value of equity instruments  
on the grant date

Stock Price

Basis for determining the number of exercisable equity  
instruments

On each balance sheet date during the waiting period, the best estimates were made according to the latest subsequent information such as changes in the number of employees with exercisable stock options and the completion of performance indicators, and the estimated number of equity instruments with exercisable stock options was revised.

Reasons for significant differences between current and  
previous estimates

None

Accumulated amount of equity-settled share-based  
payment included in capital reserve

RMB 696,639,000

Total expense recognized for equity-settled share-based  
payments in the current period

RMB 195,804,000

(4) TZE has no cash-settled share-based payments.

(5) Payment of TZE for shares in current period

In 2023, the key performance indicators of the employee stock ownership plan were not achieved, and the shares were not granted, for which costs and expenses were not recognized; in 2024, the costs and expenses recognized for the employee stock ownership plan in 2022 amounted to RMB 195,804,000 (2023: RMB 150,559,000).

(6) Payment of Tianjin Printronics for shares in current period

On July 22, 2024, Tianjin Printronics held the 40th Meeting of the 6th-term Board of Directors, where it deliberated on and adopted the *Proposal on Granting Stock Option to Incentive Targets under the 2024 Stock Option Incentive Plan*, and determined that the stock option would be granted on July 22, 2024, and granted 3.9892 million restricted shares to 10 eligible incentive targets at a grant price of RMB 8.98 per share. As of December 31, 2024, the cumulative amount of equity-settled share-based payment recognized by Tianjin Printronics was RMB 39.03 million.

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XIII. Commitments

1 Capital commitments

December 31, 2024

Contracted but not provisioned	Note 1	35,593,832
Approved by the Board but not contracted	Note 2	<u>2,744,095</u>
		<u>38,337,927</u>

Note 1 The capital commitments under contractual obligations but not provided for in the current period primarily consisted of such commitments for construction of investment projects and external investments.

Note 2 The capital commitments approved by the Board of Directors but not under contractual obligations in the current period primarily consist of such commitments for display business projects.

As at December 31, 2024, apart from the disclosures above, there were no other major commitments that are required to be disclosed.

XIV. Contingencies

Guarantees Provided for External Parties

As at December 31, 2024, the guarantee provided by the Company for the related party's bank loans, commercial drafts, letters of credit, etc., was RMB 2,390,586,000, which is listed in details as below:

Obligor	Actual guarantee amount	Type of guarantee	Actual occurrence date	Remaining term of guarantee	Expired or not
Aijiexu New Electronic Display Glass (Shenzhen) Co., Ltd.	180,864	Joint liability guarantee	April 28, 2020	7 years	No
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd.	318,982	Joint liability guarantee	February 23, 2024	53-177 days	No
Inner Mongolia Xinhua Bandaoti Technology Co., Ltd.	360,000	Joint liability guarantee	May 22, 2023	5.4 years	No
Inner Mongolia Xinhuan Silicon Energy Technology Co., Ltd.	<u>1,530,740</u>	Joint liability guarantee	June 15, 2023	4.5 years	No
	<u>2,390,586</u>				

As at December 31, 2024, the amount of credit granted by the Group for the note discounting, note acceptance, and non-financing guarantees of related parties was RMB 1,077,826,000.

TCL Technology Group Corporation  
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XV. Events after the Balance Sheet Date

- 1 On September 26, 2024, at the 5th Meeting of the 8th-term Board of Directors of the Company, the *Proposal on the Proposed Acquisition of 80% Equity of LG Display (China) Co., Ltd. and 100% Equity of LG Display (Guangzhou) Co., Ltd.* was deliberated on and adopted. The Company proposed to, through its holding subsidiary TCL China Star Optoelectronic Technology Co., Ltd. (hereinafter referred to as "LGD"), acquire 80% equity of LG Display (China), Ltd. (hereinafter referred to as "LGDCA") held by LG Display Co., Ltd. (hereinafter referred to as "LGD") and its related parties, 100% equity of LGD Display (GuangZhou) Co., Ltd. ("LGDGZ," collectively as "Target Companies" with LGDCA), as well as related technologies and support services required for the operation of the Target Companies and related parties. The basic purchase price amounted to RMB 10.8 billion, and the final acquisition amount could be adjusted according to the profit or loss during the transition period, the delivery time and other factors. Moreover, on January 10, 2025, the Company announced that it proposed to publicly de-list and acquire 20% equity of LGDCA held by GTHT Technology Holdings Group Co., Ltd. at the amount of RMB 2.615 billion. After the completion of the transactions above, TCL China Star Optoelectronic Technology Co., Ltd. held 100% of the equity of the Target Companies. As of the approval date of this Financial Report, the equity delivery of the Target Companies was completed.
- 2 From January 8 to 9, 2025, TCL TECH. completed the issuance of the first phase of medium-term note (Sci-Tech Innovation Notes) in 2025 and began to bear interest on January 10, 2025. The issuance scale of 3-year bonds was RMB 1 billion at an issuance interest rate of 2.0%; The issue scale of 5-year medium-term note was RMB 1 billion at an issue interest rate of 2.6%.
- 3 According to the 2024 Profit Distribution Proposal deliberated on and adopted by the Board of Directors of the Company, it is proposed to distribute a cash dividend of RMB 0.5 (including tax) per 10 shares to all shareholders based on the total share capital of 18,779,080,767 shares that can participate in profit distribution on April 25, 2025 (if the Company repurchased treasury shares during equity distribution, such shares would not be eligible for the profit distribution), with no bonus shares issued and no conversion of capital reserve into share capital, resulting in a total profit distribution of RMB 938,954,000.

XVI. Other Important Matters

(I) Segment reporting

- 1 Basis for determining reporting segment and accounting policies

According to the Company's internal organizational structure, management requirements, and internal reporting system, the Company's business is divided into four reporting segments: the display business, the new energy photovoltaic and other silicon materials business, the distribution business and the other businesses. The Company's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources and evaluate their performance. The Company's four reporting segments are:

- (1) Display business mainly includes the research and development, manufacturing, and sales of display panels and display modules, as well as complete display processing.
- (2) New energy photovoltaic and other silicon materials business: mainly includes the manufacture and sales of other silicon materials, devices, new energy materials, and new energy; development and operation of high-efficiency photovoltaic power station projects.
- (3) Distribution business: mainly includes the sales of computers, software, tablet computers, mobile phones, and other electronic products.
- (4) Other businesses: other businesses besides the above, including industrial finance and investment business, technology development services, and patent maintenance services provided by the company, etc.

Segment assets include all current assets such as tangible assets, intangible assets, other long-term assets, and receivables attributable to each segment. Segment liabilities include payables, bank loans, and other long-term liabilities attributable to each segment.

Segment operating results refer to the income generated by each segment (including external transactions income and inter-segment transaction income), net of expenses incurred by each segment, depreciation, amortization and impairment loss of assets attributable to each segment, gains or losses from changes in fair value, return on investment, non-operating income and income tax expenses. Transfer pricing of inter-segment income is calculated on terms similar to other foreign transactions.

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XVI Other Important Matters (Continued)

(I) Segment reporting (continued)

2 Financial information of reporting segments

For the 12 months ending on December 31, 2024					
	Display business	New energy photovoltaics and other silicon materials business	Distribution business	Other businesses and internally offset accounts	Total
Operating revenue	104,254,497	28,418,504	31,465,203	684,629	164,822,833
Net profits	6,227,792	(10,806,452)	142,774	279,744	(4,156,142)
Total assets	220,608,687	125,597,525	7,129,973	24,915,731	378,251,916
Total liabilities	142,874,494	79,127,416	5,561,777	17,984,485	245,548,172
Depreciation and amortization expenses	22,256,794	8,048,406	59,272	217,421	30,581,893
Capital expenditure	15,767,244	6,951,852	5,677	967,550	23,692,323
For the 12 months ending on December 31, 2023					
	Display business	New energy photovoltaics and other silicon materials business	Distribution business	Other businesses and internally offset accounts	Total
Operating revenue	83,654,743	59,146,463	30,109,529	1,455,922	174,366,657
Net profits	(7,407)	3,898,892	43,200	846,099	4,780,784
Total assets	235,586,824	125,063,043	7,266,548	14,942,671	382,859,086
Total liabilities	159,403,780	64,825,931	5,832,513	7,530,889	237,593,113
Depreciation and amortization expenses	18,518,199	6,756,781	63,736	250,285	25,589,001
Capital expenditure	16,951,986	12,162,980	7,343	451,987	29,574,296

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XVII. Notes to the key items presented in the financial statements of the Company

1 Accounts receivable

	December 31, 2024				December 31, 2023			
	Amount	Ratio (%)	Bad-debt Allowance	Accrual Percentage	Amount	Ratio (%)	Bad-debt Allowance	Accrual Percentage
Within 1 year	185,375	100%	136	0.07%	351,594	100%	806	0.23%

2 Other receivables

	December 31, 2024	December 31, 2023
Dividends receivable	-	-
Other receivables	9,910,856	19,614,272
	9,910,856	19,614,272

(a) Nature of other receivables is analyzed as follows:

	December 31, 2024	December 31, 2023
Equity transfer receivables	610	610
Security and deposits	3,110	2,841
Others	9,907,136	19,610,821
	9,910,856	19,614,272

(b) Allowance for doubtful other receivables is analyzed as follows:

	12-month ECL	Lifetime ECL (credit not impaired)	Lifetime ECL (credit impaired)	Total
December 31, 2023	1,607	-	31,636	33,243
Transfer into Stage 3	(1,131)	-	1,131	-
Accrued in the period	4,490	-	-	4,490
Reversal of current period	(3,436)	-	-	(3,436)
Write-off of current period	(27)	-	-	(27)
December 31, 2024	1,503	-	32,767	34,270

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XVII Notes to Financial Statements of the Parent Company (Continued)

2 Other receivables (continued)

(c) The aging of other receivables is analyzed as follows:

	December 31, 2024		December 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	8,311,481	83.57%	17,998,302	91.61%
1 to 2 years	824,092	8.29%	673,321	3.43%
2 to 3 years	461,602	4.64%	12,776	0.06%
Over 3 years	347,951	3.50%	963,116	4.90%
	<u>9,945,126</u>	<u>100%</u>	<u>19,647,515</u>	<u>100%</u>

The outstanding other receivables were mostly current accounts with related parties.

The top five other receivables of the Company amounted to approximately RMB 9,779,966,000 (December 31, 2023: RMB 18,826,190,000), accounting for 98.34% of the total other receivables of the Company (December 31, 2023: 95.82%).

3 Long-term equity investments

	December 31, 2024			December 31, 2023		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Associates and joint ventures (1)	17,281,616	-	17,281,616	16,717,864	-	16,717,864
Subsidiaries (2)	63,780,785	-	63,780,785	62,947,128	-	62,947,128
	<u>81,062,401</u>	<u>-</u>	<u>81,062,401</u>	<u>79,664,992</u>	<u>-</u>	<u>79,664,992</u>

As of December 31, 2024, there are no major restrictions on the realization of investment and the remittance of return on long-term equity investments.

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XVII Notes to Financial Statements of the Parent Company (Continued)

3 Long-term equity investments (continued)

(1) Associates and joint ventures

	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase/decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Other increases and decreases	
Bank of Shanghai Co., Ltd.	13,726,174	-	1,310,075	309,447	(310)	(605,240)	-	-	14,740,146
China Innovative Capital Management Limited	970,300	-	13,939	-	-	-	-	-	984,239
LG Electronics (Huizhou) Co., Ltd.	89,810	-	11,573	-	-	(13,400)	-	-	87,983
Shenzhen Tixiang Business Management Technology Co., Ltd.	1,375	-	(732)	-	(12)	-	-	-	631
Shenzhen Jucai Supply Chain Technology Co., Ltd.	19,642	-	5,560	5	831	-	-	-	26,038
Guangdong Innovative Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership (Limited Partnership)	870,274	(185,859)	(60,599)	-	-	(3,110)	-	-	620,706
Guangdong Utrust Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	180,833	(13,268)	(14,695)	-	-	(5,961)	-	-	146,909
Shenzhen Qianhai Sailing International Supply Chain Management Co., Ltd.	28,137	-	(18,919)	6	(257)	-	-	-	8,967

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XVII Notes to Financial Statements of the Parent Company (Continued)  
3 Long-term equity investments (continued)  
(1) Associates and joint ventures

	December 31, 2023	Increase or decrease in current period							December 31, 2024
		Increase/decrease in investment in current period	Investment gains and losses recognized by equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Other increases and decreases	
Deqing Puhua Equity Investment Fund Partnership (Limited Partnership)	149,118	-	5,577	-	-	-	-	-	154,695
Ningbo Meishan Bonded Port Qiyu Investment Management Partnership (Limited Partnership)	32,182	-	(523)	-	-	-	-	-	31,659
Huizhou TCL Human Resources Service Co., Ltd.	8,930	-	6,822	-	342	-	-	-	16,094
TCL Microchip Technology (Guangdong) Co., Ltd.	278,196	30,000	(41,453)	-	758	-	-	-	267,501
Others	362,893	-	21,362	-	48	(1,390)	-	(186,865)	196,048
	<u>16,717,864</u>	<u>(169,127)</u>	<u>1,237,987</u>	<u>309,458</u>	<u>1,400</u>	<u>(629,101)</u>	<u>-</u>	<u>(186,865)</u>	<u>17,281,616</u>



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XVII Notes to Financial Statements of the Parent Company (Continued)

3 Long-term equity investments (continued)

(2) Subsidiaries

		Direct shareholding percentage (%)	December 31, 2023		Increase in current period		Decrease in current period		December 31, 2024
	TCL China Star Optoelectronics Technology Co., Ltd.	79.78%	34,049,253		268,400		-		34,317,653
	TCL Technology Group Finance Co., Ltd.	82.00%	1,256,003		-		-		1,256,003
	TCL Technology Group (Tianjin) Co., Ltd.	100.00%	16,200,000		-		-		16,200,000
	TCL Zhonghuan Renewable Energy Technology Co., Ltd.	2.55%	1,929,733		-		-		1,929,733
	TCL Culture Media (Shenzhen) Co., Ltd.	100.00%	361,414		-		283,414		78,000
	Shenzhen Dongxi Jiashang Entrepreneurship Investment Co., Ltd.	100.00%	200,000		-		-		200,000
	Guangdong TCL Juxiang Technology Co., Ltd.	100.00%	110,000		-		-		110,000
	Highly Information Industry Co., Ltd.	66.46%	107,296		-		-		107,296
	TCL Communication Equipment (Huizhou) Co., Ltd.	75.00%	79,500		-		-		79,500
	TCL Medical Radiological Technology (Beijing) Co., Ltd.	100.00%	58,497		-		-		58,497
	Shenzhen TCL Strategic Equity Investment Fund Partnership (Limited Partnership)	34.21%	71,010		-		15,346		55,664
	TCL Industrial Technology Research Institute, Ltd. (Europe)	100.00%	20,000		-		-		20,000
	Wuhan TCL Industrial Technology Research Institute, Ltd.	100.00%	20,000		-		-		20,000
	Shenzhen TCL High-Tech Development Co., Ltd.	100.00%	20,000		-		-		20,000
	Beijing HAWK Cloud Information Technology Co., Ltd.	-	20,000		-		20,000		-
	Huizhou Hongsheng Science and Technology Development Co., Ltd.	100.00%	1,000		-		-		1,000
	Tianjin Silica Material Technology Co., Ltd.	100.00%	2,800,000		-		-		2,800,000
	Xiamen TCL Technology Industrial Investment Co., Ltd.	100.00%	464,397		169,500		-		633,897
	TCL Internet Technology (Shenzhen) Co., Ltd.	100.00%	15,000		-		-		15,000
	Ningbo TCL Equity Investment Ltd.	100.00%	300,000		-		-		300,000
	TCL Technology Investments Limited (HQ)	100.00%	2,988,293		360,485		-		3,348,778
	Huizhou Dongshen Jia'an Equity Investment Partnership (Limited Partnership)	99.94%	10,000		211,000		-		221,000
	TCL Financial Technology (Shenzhen) Co., Ltd.	100.00%	15,036		-		-		15,036
	Zhonghuan Advanced Bandaoti Technology Co., Ltd.	7.50%	1,790,312		-		-		1,790,312
	Equity incentives of subsidiaries		60,384		143,032		-		203,416
			62,947,128		1,152,417		318,760		63,780,785

For the registered capital of subsidiaries and the Company's equity interests in the subsidiaries, see Note VIII.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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XVII Notes to Financial Statements of the Parent Company (Continued)

4 Other non-current financial assets

	December 31, 2024	December 31, 2023
Equity investments	423,060	442,985
Debt investments	300,483	201,315
	<u>723,543</u>	<u>644,300</u>

5 Operating revenue and operating cost

	2024		2023	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Core business	432,501	417,726	1,051,958	1,049,587
Non-core business	513,860	190,548	668,002	147,567
	<u>946,361</u>	<u>608,274</u>	<u>1,719,960</u>	<u>1,197,154</u>

6 Return on investment

	2024	2023
Share of return on investment in joint ventures and associates	1,237,987	1,213,417
Net income from disposal of long-term investments	145,253	284,242
Return on holding of held-for-trading financial assets	353,128	140,134
Return on disposal of held-for-trading financial assets	45,551	298
Gain on disposal of derivative financial assets/liabilities	(15,775)	9,659
Dividends from subsidiaries	252,104	713,047
	<u>2,018,248</u>	<u>2,360,797</u>

As of December 31, 2024, there were no significant restrictions on the collection of return on investment.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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XVII Notes to Financial Statements of the Parent Company (Continued)

7 Net cash generated from operating activities

The net cash generated from operating activities in the cash flow statement of the Company amounts to RMB 3,094,456,000.

8 Ending balance of cash and cash equivalents

The ending balance of cash and cash equivalents of the Company was RMB 1,508,068,000.

9 Contingent liabilities

As of December 31, 2024, the contingent liabilities not provided for in the financial report were as follows:

	December 31, 2024
Guarantees for bank loans of subsidiaries	49,153,545
Guarantees such as trade notes, letters of credit and letters of guarantee for subsidiaries	13,215,847
Guarantees for bank loans, trade notes, letters of credit, etc. of related parties	2,390,586

XVIII. Comparative Figures

Certain comparative data have been reclassified to comply with the presentation of the current period.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
(RMB'000)

XIX. Non-recurring profit and loss items and amount

	2024	2023
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	143,159	275,255
Public subsidies charged to current profits and losses (exclusive of public grants closely related to the Company's normal business operations, in compliance with national policies, enjoyed according to determined criteria, and with a continuous impact on the Company's profits and losses)	2,614,019	2,764,043
The profits or losses generated from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises and the profits or losses from the disposal of such financial assets and financial liabilities, except for the effective hedging business related to the company's normal business operations	4,833	(114,259)
Reversal of provision for impairment of receivables that have been individually tested for impairment	62,762	22,894
Non-operating income and expenses other than the above	857,485	228,994
Income tax effects	(507,097)	(603,198)
Non-controlling interests effects	(1,909,407)	(1,379,875)
Non-recurring gains and losses attributable to ordinary shareholders of the parent company	1,265,754	1,193,854

According to the relevant provisions of the *Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public - Non-recurring Profits and Losses (Revised in 2023)*, public grants closely related to the Company's normal business operations, in compliance with national policies, enjoyed according to determined criteria, and with a continuous impact on the Company's profits and losses shall be presented as recurring profits and losses.

TCL Technology Group Corporation  
Notes to the Financial Statements for the Year 2024  
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XX. Weighted Average Return on Equity (ROE) and Earnings per Share (EPS)

The Company calculates the ROE and EPS as follows in accordance with the *Compilation Rules No. 9 for Information Disclosure of Companies Offering Securities to the Public-Calculation and Disclosure of Return on Equity and Earnings per Share (Revised in 2010)* issued by the China Securities Regulatory Commission and relevant provisions of accounting standards:

Item	Net profits attributable to the parent company during the Reporting Period	Weighted average return on equity (%)	Earnings per share (RMB: yuan)	
			Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	1,564,112	2.95%	0.0842	0.0833
Net profits attributable to ordinary shareholders of the Company before non-recurring gains and losses	298,358	0.56%	0.0161	0.0159

Company Name: TCL Technology Group Corporation

Date: April 27, 2025