

Stock Code: 000100

Stock Abbr.: TCL TECH.

Announcement No.: 2025-023

# **TCL 科技集团股份有限公司**

## **TCL Technology Group Corporation**



# **ANNUAL REPORT 2024**

## **(Summary)**

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

This summary is based on the full text of the 2024 Annual Report of TCL Technology Group Corporation. To obtain a full picture of the operating results, financial position, and future development plans of the Company, investors should carefully read through the annual report released on the media designated by the China Securities Regulatory Commission.

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

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.

Independent auditor's modified opinion

☐Applicable ☒Not applicable

Profit distribution plan or plan to convert capital reserve into share capital approved by the Board of Directors

☒Applicable ☐Not applicable

Any share capital converted from capital reserve or not

☐Yes ☒No

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 (any repurchased shares held by the Company upon profit distribution are exclusive of the distribution), without bonus shares or shares converted from capital reserve.

Board-approved final cash and/or stock dividend plan for preferred shares

☐Applicable ☒Not applicable

## Part II Corporate Information

### 1. Stock Profile

Stock name	TCL TECH.	Stock code	000100
Place of listing	Shenzhen Stock Exchange		
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.	0755-3331 1666		
Email address	ir@tcl.com		

## 2. Main businesses or products of the Company during the Reporting Period

For a detailed discussion of the Company's business, please refer to Part IV, "Report of the Board of Directors," hereof.

## 3. Key Accounting Data and Financial Indicators

### (1) Key accounting data and financial indicators in the past three years

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 share (RMB/share)	0.0833	0.1179	-29.35%	0.0168
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

## (2) Main accounting data 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

## 4. Share capital and shareholders

## (1) Table of the total number of ordinary shareholders and preferred shareholders with resumed voting rights as well as shareholdings of the top ten shareholders

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 Bank - Efund - CSI 300 ETF Initiated	Fund, wealth management product, etc.	1.19%	223,634,265	171,032,050	0	223,634,265	Not applicable	0
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 shareholders due to private placement of new		Not applicable						



shares (if any)	
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

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%

**(2) Total number of preferred shareholders and shareholdings of the top 10 preferred shareholders**

☐ Applicable ☒ Not Applicable

During the Reporting Period, the Company did not have any preferred stock shareholders.

**(3) Disclosure of property rights and control relationships between the Company and the actual controller in block diagram**

☐ Applicable ☒ Not Applicable

## 5. Existing bonds on the date of approval and disclosure of the annual report

☒ Applicable ☐ Not applicable

### (1) General Information on Corporate Bonds

Bond name	Abbr.	Bond code	Date of issuance	Value date	Maturity	Outstanding balance (RMB'0,000)	Coupon rate
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%
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 <sup>(Note 1)</sup>	100,000.00	2.29%
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 <sup>(Note 2)</sup>	150,000.00	2.69%
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 <sup>(Note 3)</sup>	150,000.00	2.64%
Payment of interests on bond issued by the Company during the Reporting Period	The Company paid the interests on bonds as scheduled.						

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.

### (2) The latest tracking ratings and rating changes of bonds

No change

**(3) Key accounting data and financial indicators of the Company for the past two years as at the end of the reporting period**

Item	End of the Reporting Period	December 31, 2023	Change
Debt/asset ratio	64.92%	62.06%	2.86%
	2024	2023	Change
Net profits attributable to the company's shareholders after non-recurring gains and losses (RMB'0,000)	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%

**Part III. Significant Events**

During the Reporting Period, there were no material changes in the Company's business operations, nor did any events occur that significantly impacted on the Company's operations.

**Part IV. Report of the Board****(1) 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 shipment 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.

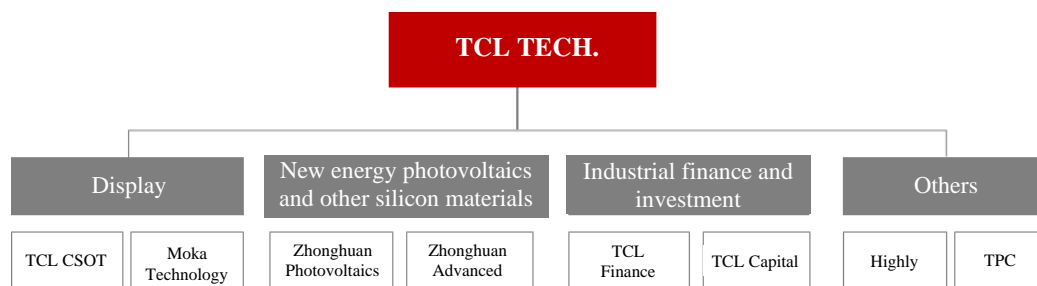
**Deepen the global operating system, actively explore global markets, and improve the global industrial layout.** In the display business, the Company actively established an overseas sales and service network, expanding its global market presence by deepening customer collaboration. The Company created 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.

## (2) 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.

TCL Technology Group Corporation

The Board of Directors

April 28, 2025