

TCL

2022

TCL Industries Holdings Co., Ltd.
Annual Report

The background of the entire page is a dark blue gradient with a fine, wavy texture. Overlaid on this are several glowing geometric elements. In the lower half, there are large, glowing blue outlines of a rounded rectangle, a circle, and two squares. A prominent red crosshair, composed of a vertical and a horizontal line, is positioned on the right side of the page. Various smaller glowing points and short line segments in both blue and red are scattered throughout the lower half, creating a sense of depth and futuristic design.

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About **TCL** Industries



About **TCL Industries**

TCL Industries Holdings Co., Ltd. (hereinafter referred to as "TCL Industries" or the "Company") focuses on the smart device business covering nearly all categories of smart consumer electronic products and services, e.g., displays, smart appliances, innovative business and home Internet, while vigorously developing other businesses such as environmental protection technologies, industrial park operation, smart manufacturing, and industrial finance.

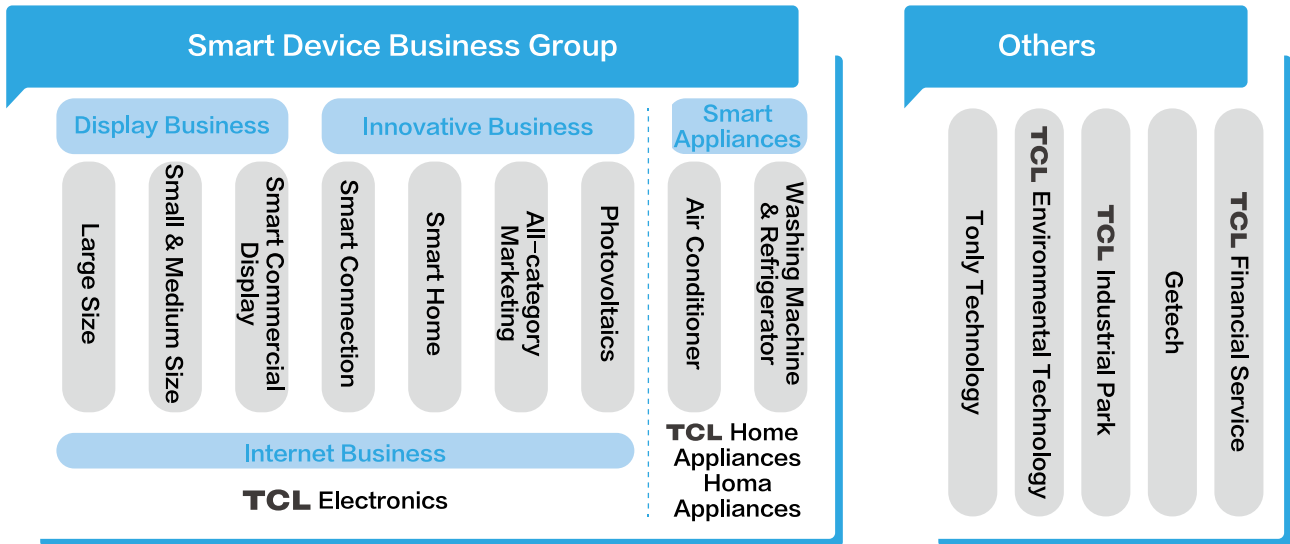
TCL Industries has been expanding its presence in the international markets, creating a robust global supply chain system. With over 50,000 employees in Asia, America, Europe and Oceania, as well as R&D institutions worldwide and sales outlets in over 80 countries and regions, the Company has extended its businesses to more than 160 countries and regions and operates brands including TCL, XESS, ROWA, FALCON, ALCATEL, HOMA, and TONLY.

TCL Industries promotes technologies to facilitate industry advances and provides global users with an all-scenario smart and healthy life through a wide range of product scenarios such as smart home, mobile service and smart commercial display. It strives to become a world leader in smart technology.

TCL

TCL Mini LED TV

TCL



TCL

INSPIRE GREATNESS



Business Highlights in 2022

Business Highlights in 2022

Availability of Display Everywhere

The Company actively promoted the mid-to-high-end strategy and has achieved remarkable results in product mix upgrading

By continuously advancing the "TCL + Falcon" dual-brand strategy, TCL Industries recorded a 0.8% year-on-year increase in global shipment of TCL smart screens against downward trend, totaling 23.78 million sets in 2022, with the global market share in terms of shipment rising to the 2nd place in the world¹. The shipment of mid-to-high-end product TCL Mini LED smart screen maintained rapid growth momentum, with a global shipment up 26.8% year-on-year, remaining the retail champion² with an absolute advantage in the PRC market.

23.78 Million Sets

Global shipment of TCL smart screens in 2022

No.2

TCL smart screens market share

The Company consolidated its first-mover advantage and promoted industrial development with high-end display technology

As the world's first company to launch and mass-produce Mini LED smart screens, TCL Industries continues to invest in the R&D of high-end display technology and is committed to promoting the healthy development of the industry. By the end of 2022, TCL Industries has assisted in the revision of six national standards, 17 industry standards, 10 recommended standards, and four standards of China UHD Video Industry Alliance (CUVA) concerning technologies in the Mini LED industry, and has become one of the founders of industry standards in the Mini LED field. Meanwhile, new TCL Mini LED flagship products such as X11 and C835 have won a number of major awards at home and abroad granted by the Expert Imaging and Sound Association (EISA), International Consumer Electronics Show (CES), China Video Industry Association (CVIA), Zhidian Laboratory and other institutions. The Company's strength has received wide recognition from the industry.

No.1

Market share of TCL Mini LED smart screens ranks 1st in the PRC market

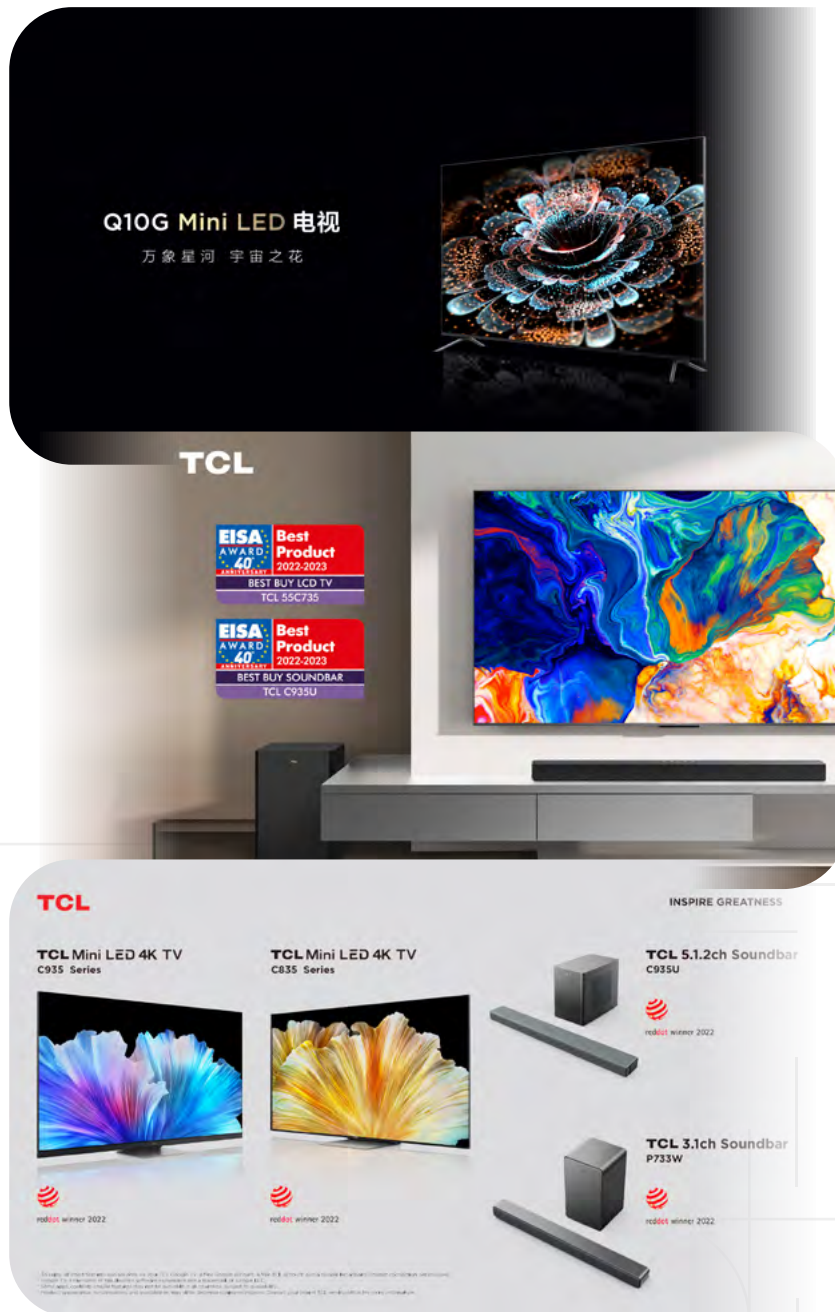
Focusing on smart displays, the Company has created all-scenario smart solutions through visualization

As a long-term player in the display industry, TCL Industries continuously improves its smart display technologies. With them applied in smart home, smart life, smart security, smart education, smart conference room, smart energy consumption management and other sub-scenarios, the Company strives to bring consumers a more convenient and efficient living and working experience through high-end display technologies. In 2022, TCL Industries launched a number of innovative products in the industry. The affordable smart XR glasses, NEXTWEAR AIR 1S equipped with BirdBath optical solutions and Sony's Micro OLED display to give users the experience equivalent to a large 130-inch HD screen from a 4-meter distance. TCL NXTPAPER 12 Pro, an eye protection smart tablet, adopts the Company's self-developed "Future Paper" eye protection display technology and won the award of "the Eye Protection Innovation of the Year" during the 2022-2023 Global Top Brands Award Ceremony.

¹Source: Omdia, Shipment Data for 2022.

²Source: CMM omni-channel, data of retail sales volume in the PRC market in 2022

TCL Mini LED flagship smart screen and some awards received in 2022



Possibility of Universal Connection

The Company advanced development with innovation to form an all-category intelligent IoT ecosystem

By fully deepening its all-category intelligent IoT system layout, the Company has launched many new smart products such as Fresh Air Series conditioners, Dual Wash Washing Machine, Q10 Molecule-Grade Refrigerator, AR/XR smart glasses, interactive conference/education whiteboards and door locks with large-screen peephole. In 2022, TCL Industries also marched into the distributed PV sector to actively create a new growth curve for innovative business. Many of the Company's products were leading in the domestic and even the global markets. The global shipment of TCL mobile router ranked 3rd³ worldwide. The shipment of smart Android tablet ranked 5th⁴ in the world. AR/XR smart glasses secured a stunning 28.4% market share, the highest⁵ in smart glasses on domestic online platforms. The Company's technical capabilities and influence of application ecosystem are constantly improving.

No.1

AR/XR smart glasses domestic online market share

60 Countries

TCL Channels reached out

More than 12 Million

Users of TCL Channels

The Company deepened its footprint in the home Internet business and continuously improved user experience

Home Internet is an important window for us to offer a good user experience to consumers. By creating new scenarios, key innovative products and adequately reducing commercialization, the Company improved the accuracy of content recommendation and the system's ease of use, thus strengthening user stickiness and further improving user satisfaction. In addition, in terms of overseas Internet business, TCL Industries maintained close cooperation with Internet giants such as Roku and Google, and quickly acquired new users for its content aggregation app -- TCL Channel through the partners' OTT platforms. So far, TCL Channel has reached out to 60 countries in North America, Europe, Central and South America, and Asia Pacific, with over 12 million users in total.

The Company empowered smart terminal interaction with AI technology, and actively advanced industry standard interconnection between China and the world and ecological capability building

A language model is the core component of Natural Language Processing (NLP) for AI. TCL Industries' self-developed complex semantic analysis method (Logical Form) has industry-leading representation of semantics, complex juxtaposition and nested sentence in open dialogue, which helps effectively improve voice control performance and provides technical support for voice search and interaction. With respect to technical standard formulation, the Company has been focusing on the smart home full-scenario technology stack and actively promoted the industry standardization at the levels of underlying communication, application and ecosystem. The Company submitted over 50 standard proposals to industry standard organizations at home and abroad, and advanced a number of industry standards for technology application, leading to the winning of the "SparkLink Standard Organization Contribution Award".

³Source: TSR, Global Shipment Data for 2022.

⁴Source: IDC, Global Shipment Data for 2022.

⁵Source: iResearch, Online Sales in the PRC Market for 2022.

Channel Presence across the Globe

The Company expanded its global channels rapidly and gradually enhanced its brand influence

Over 30 Million Sets

Global annual production capacity of TCL smart screens

Over 25 Million Sets

Global annual production capacity of air conditioners, refrigerators and washing machines

Over the years, TCL Industries has been setting up channels in key countries and selling all sorts of smart products to the global market. It has provided smart and healthy life products for users in over 160 countries and regions around the world, and continued to reinforce its global leadership. In 2022, the market share in terms of shipment of TCL smart screens ranked among the top five in more than 20 countries overseas, demonstrating year-on-year growth⁶. The shipment of the Company's smartphones ranked 3rd in Canada and 4th in the U.S. and the distribution of small and medium-sized display products covers the leading network operators in Europe and the United States such as Vodafone and T-Mobile. In the mean time, by co-branding with world-renowned IPs such as EDG, the movie The Wandering Earth, NFL, and TCL China Theatre in entertainment, sports events, exhibitions and other activities, the Company has further enhanced its brand influence globally.

The Company established connectivity of all product categories across channels for smooth global operations and agile delivery

The Company has set up a total of 29 production bases around the world, with products covering smart screens, smartphones, air conditioners, refrigerators, washing machines and other product categories, which enable an annual production capacity of over 30 million sets of TCL smart screens and over 25 million sets of air conditioners, refrigerators and washing machines. With collaboration between upstream and downstream businesses along the industrial chain, it has formed a powerful global supply chain ecosystem.

Co-branding



⁶Source: NPD's retail market research report for the United States, Canada, and Mexico, based on the retail sales volume of LCD TVs from January to December 2022 and January to December 2021; GfK's global market research report, based on TV shipments from January to December 2022 and January to December 2021.

⁷Source: IDC, Global Shipment Data for 2022.

Financial Highlights



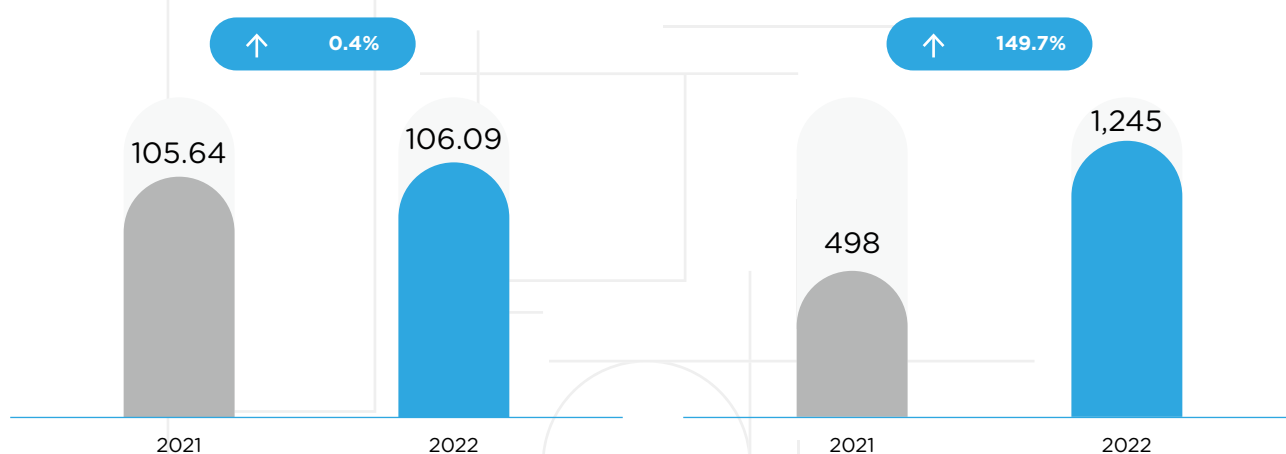
Financial Highlights

CNY, Thousand

For the year ended December 31			
	2022	2021	Change (%)
Revenue	106,086,484	105,641,242	0.4
Net Profit	3,061,569	4,214,500	-27.4
Net profit after non-recurring gains and losses	2,755,319	1,628,314	69.2
Net profit attributable to shareholders of the parent company	1,480,760	1,951,575	-24.1
Net profit attributable to shareholders of the parent company after non-recurring gains and losses	1,244,735	498,418	149.7
Basic earnings per share (CNY/share)	0.2296	0.3026	-24.1
Weighted average return on equity (%)	23.1	31.1	-8.0p.p.
Net cash flow from operating activities	5,701,072	220,856	2481.4

Revenue (CNY, Billion)

Net profit attributable to shareholders of the parent company after non-recurring gains and losses (CNY, Million)

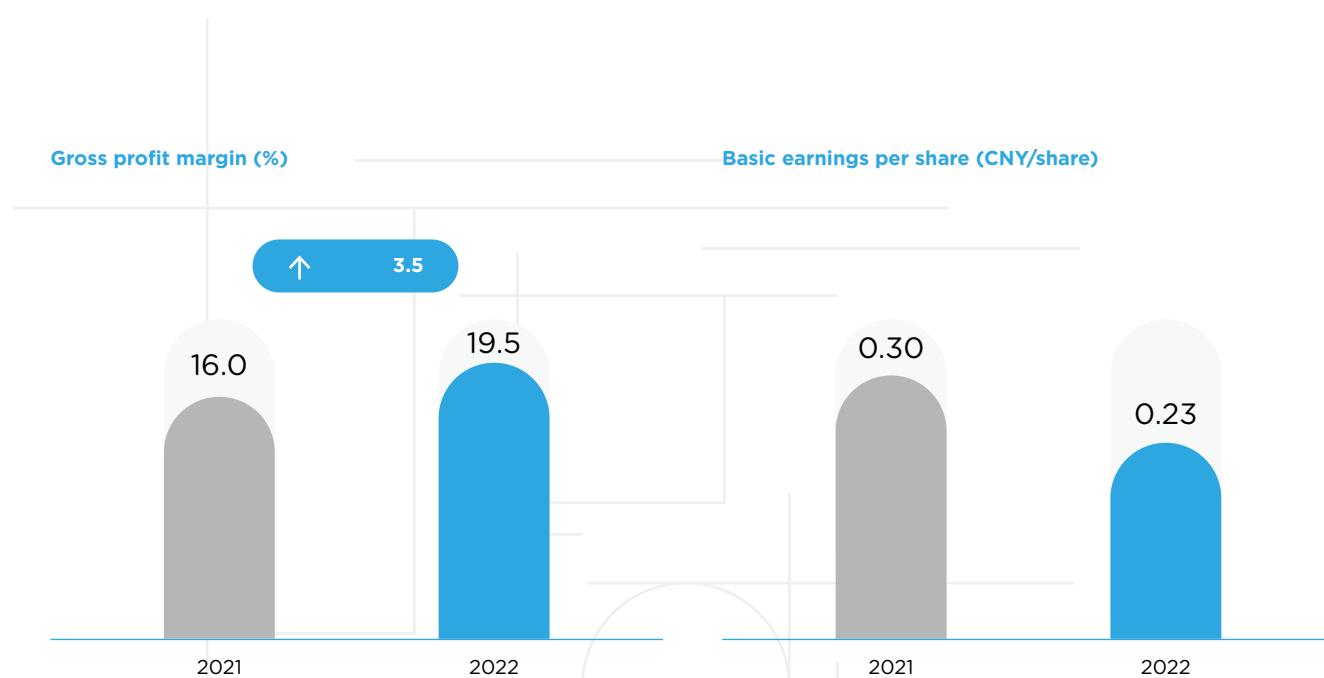


CNY, Thousand

	December 31, 2022	December 31, 2021	Change (%)
Total assets	103,725,677	96,376,257	7.6
Total liabilities	84,385,227	78,867,075	7.0
Liabilities to assets ratio (%)	81.4	81.8	-0.4p.p.
Total owner's equity	19,340,450	17,509,182	10.5
Owner's equity attributable to shareholders of the parent company	6,751,030	6,064,917	11.3
Net asset per share attributable to shareholders of the parent company (CNY/share)	1.0467	0.9403	11.3

Gross profit margin (%)

Basic earnings per share (CNY/share)



Management Discussion and Analysis



Management Discussion and Analysis

In 2022, amid international turmoil, and due to persistent global inflation, notable exchange rate fluctuations and other factors, the downward pressure on the global economy became stronger, calling for new consumer demands. This also posed new challenges to the development of the industry. But at the same time, as policy stimulus was adopted and the COVID-19 pandemic finally came to an end, a number of economic indicators exceeded expectations, indicating the end of a recession. Besides, with pressure being eased on the downstream supply chain, logistics costs and inventory, consumption will become a main engine driving global economic growth in 2023, which is expected to bring new opportunities for the development of the consumer electronics industry.

Vision and Strategy

With the advancement of technology and artificial intelligence, humans have pushed the imaginary boundary of how life could be. Modern technology has made everything in the world more closely connected. Naturally consumers in the future will pay more attention to product personalization, new technology, health, green consumption and other experiences. TCL Industries has been committed to fully integrating tech-based and smart products into all scenarios of people's work and life. It strives to bring "All-scenario, All-category and Inter-connected" smart living services for global users by leveraging its technology advantages and continuously promoting its development strategy of "Value Led by Brand with Relative Cost Advantage, Ultimate Efficiency Management and Collaborative Innovation" with a focus on the three core competitive edges of "Display, Connection, and Channel". TCL Industries vigorously expands the all-category "intelligent IoT ecosystem", with a focus on smart displays. It places emphasis on mid-to-high-end and overseas markets, and forays into more innovative business sectors, with an aim to become a world leader in smart technology.



Availability of Display Everywhere

Many daily life activities, such as watching movies/TV shows, accessing sports/educational resources or information, rely on displays. TCL Industries provides consumers with all-scenario smart and healthy living services centered on smart display, and seeks to better boost the industry with leading display technology.

As displays in the future will be "large-sized, all-scenario", TCL Industries will work to meet consumer requirements regarding picture quality through high-end display technologies such as Mini LED, QLED, and 8K. In the meanwhile, we will continue to explore and improve product algorithms and applications in relation to the two technology modules of image and display, to further enhance the core competitiveness of products, actively adjust the product mix, and achieve breakthroughs in the mid-to-high-end market.

In the mean time, the Company will also launch more smart products such as AR smart glasses, smart door locks and smart tablets using display as the gateway, to bring into full play TCL Industries' competitive edge in display technology, diversify and improve the display business product mix, and create a large space for future growth.

Possibility of Universal Connection

Smart products need to be connectable, whether for houses or businesses. TCL Industries will seize every opportunity of digitization and intelligentization brought by the development of cutting-edge technologies such as AI, IoT and 5G, and keep intensifying efforts in implementing the all-scenario smart and healthy living strategy. In addition to the three major scenarios of smart home, mobile service and smart commercial display, it will also expand other smart application scenarios such as smart education, smart buildings, smart hotels, and smart energy consumption management, to create "All-scenario, All-category and Inter-connected" smart living services for users, and promote the all-category "intelligent IoT ecosystem".

TCL Industries will further increase investment in new technology platforms. With a focus on IoT connectivity, AI voice, data and cloud service platform building, it strives to create industry-leading smart display scenarios to provide innovative scenario solutions for multi-form interaction.

Meanwhile, TCL Industries has expanded IoE from consumption to industry. It will deeply incorporate IoT, AI, big data, 5G and other new-generation information technologies and advance the upgrade of technical architecture of industrial IoT platform in an effort to continuously enhance the platform resource management capability and enrich the industrial application ecosystem.

Channel Presence across the Globe

Connectivity brings the world together, and globalization keeps the world closer. Capitalizing on the competition and opportunities arising out of globalization, TCL Industries will constantly expand its overseas markets, step up efforts to develop marketing channels in key countries, continue to raise global market share and brand awareness of each product category, and actively ramp up all-category marketing businesses.

Meanwhile, relying on its unique vertically integrated industrial chain, the Company will further deepen its global supply chain and build a prosperous business ecosystem with global partners.

Building a Green Future

Green practices and carbon neutrality represent a safety net for sustainable growth. TCL Industries will continue to pay close attention to resource recycling, establish diversified recycling channels, explore and open up new sectors, and create new growth drivers in the fields of smart environmental protection and carbon peak and neutrality.

In the future, TCL Industries will seize the opportunities in energy structure transformation and make full use of its brand and industrial chain competitive advantages to strengthen its layout in the distributed PV sector, quickly expand its market coverage, and promote the distributed PV sector business to the international markets at the right time, thus advancing the development of green energy from a global perspective and building a green, low-carbon and environmentally friendly development pattern in society.

TCL Industries will focus on the three core competitive edges of "Display, Connection, and Channel". In particular, it will give full play to its advantages of extensive global channel resources and unique vertical integration of the industrial chain, while prioritizing and increasing investments in R&D and innovation to spur industry advances with technologies. It will support and actively explore innovative businesses while expanding into new sectors to bring a smarter future to consumers and enterprises.

2022 Business Review

In 2022, with smart device business as the core and guided by the principle of pursuing quality growth, the Company continued to highlight breakthroughs being made in mid-to-high-end products and obtained further results, thus improving the overall operation quality. In 2022, the Company recorded CNY106.09 billion in total operating revenue, an increase of 0.4% year-on-year; 19.5% in gross profit margin, up 3.5 percentage points year-on-year; CNY1.25 billion in net profit attributable to shareholders of the parent company after non-recurring gains and losses, registering a year-on-year increase of 149.7%.

106.09 Billion

Total revenue in 2022

0.4% increase year-on-year

1.24 Billion

Net profit attributable to shareholders of the parent company after non-recurring gains and losses

149.7% increase year-on-year

Revenue by sector

CNY, Thousand

For the year ended December 31			
	2022	2021	YoY Change (%)
TCL Electronics	61,446,275	62,067,243	-1.0
TCL Air-Conditioners	20,185,723	17,582,256	14.8
TCL White Household Appliances	3,839,105	3,648,303	5.2
Homa Appliances ⁸	7,842,731	10,122,102	-22.5
TCL Environmental Technology	2,046,180	1,808,981	13.1
TCL Industrial Park	923,423	1,817,993	-49.2
Getech	1,255,038	739,564	69.7
TCL Financial Service ⁹	882,593	599,537	47.2

Revenue by domestic and International markets

CNY, Thousand

	2022	2021	YoY Change (%)
The PRC Market	38,081,025	34,296,034	11.0
International markets	66,270,125	69,893,472	-5.2
Total	104,351,150	104,189,506	0.2

⁸It has been included in TCL Industries' consolidated statements since May 2021. To better reflect the growth rate, the revenue for 2021 is the figure covering January to December.

⁹It has been included in TCL Industries' consolidated statements since June 2021. To better reflect the growth rate, the revenue for 2021 is the figure covering January to December.

The PRC market

The Company focused on its presence in smart products across all categories, firmly promoted the high-end product development strategy, further deepened product mix upgrading, and optimized online and offline channels, driving its principal business revenue in the PRC market to grow against the market trend, at CNY38.08 billion, up 11.0%

38.08 Billion

Annual revenue in the domestic markets

Up 11.0%

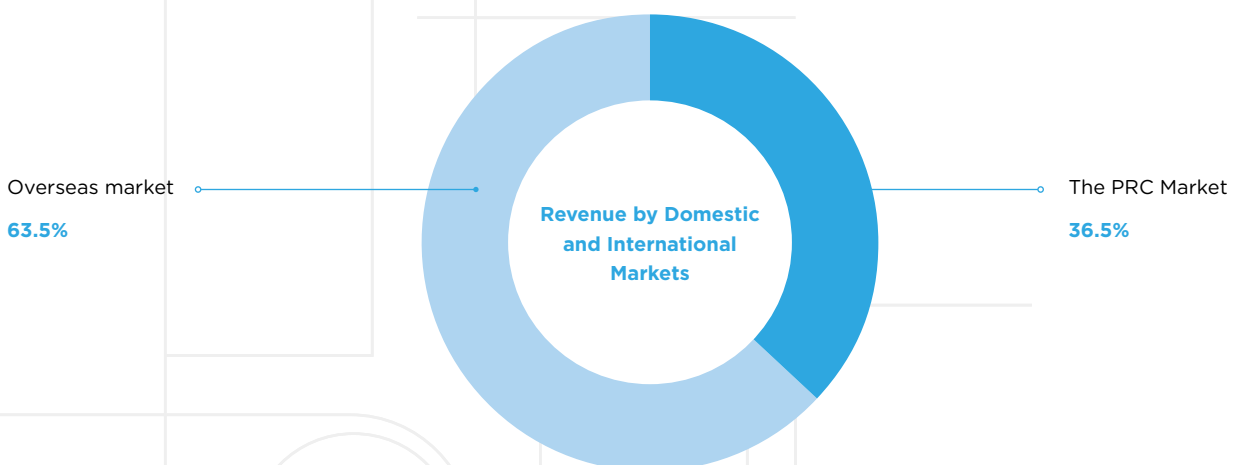
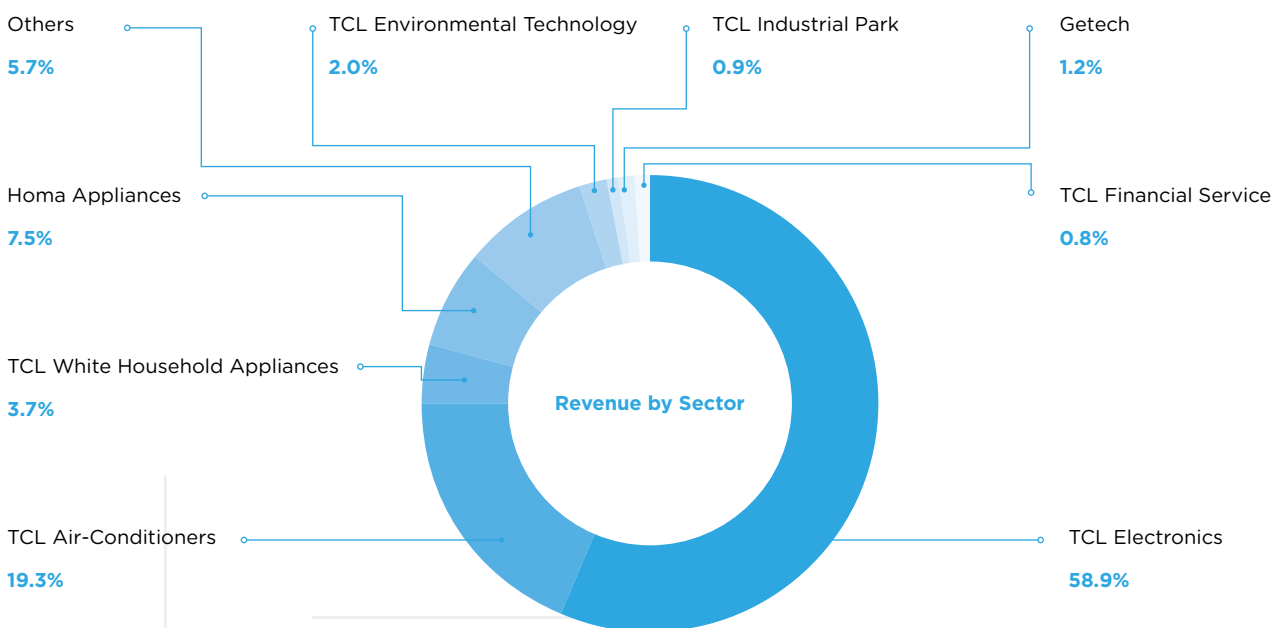
International markets

The Company has established a robust global industrial chain and supply chain, but the economic slowdown and high inflation in Europe and the United States led to pressure on the demand side in the overseas market. The Company generated CNY66.27 billion in revenue in the overseas market, down 5.2% year-on-year.

66.27 Billion

Annual revenue in the international markets

Down 5.2%





TCL Electronics

In 2022, TCL Electronics gave full play to its advantages of global brand influence, extensive global channel layout, and vertically integrated industrial chain and continuously expanded its innovative business while sticking to the "High-End + Large Screen" Strategy. Focusing on high-quality development, it actively explored new opportunities that come with new energy, new scenarios, and emerging smart hardware. During the reporting period, the revenue of TCL Electronics achieved CNY61.45 billion, slightly down 1.0% year-on-year. Nonetheless, thanks to product mix improvement, channel structure optimization and lower raw material costs, the company's gross profit increased by 10.9% year-on-year to CNY11.53 billion, and its overall gross profit margin increased by 2 percentage points to 18.8% year-on-year.

Breakthroughs were made in mid-to-high-end markets, with the gross profit margin growing steadily

TCL Electronics focused on mid-to-high-end markets and continued to push forward the "TCL + Falcon" dual-brand strategy, obtaining remarkable results. During the reporting period, the global shipment of TCL smart screens increased by 0.8% year-on-year against downward trend to 23.78 million sets, with the global market share continuing to increase and rising to the second place¹⁰ in the world. In particular, the shipment of 65-inch and above TCL smart screens grew by 75.7% year-on-year, with the proportion of shipment increasing by 8.2 percentage points to 19.3% year-on-year. Meanwhile, the global shipment of TCL Mini LED smart screen recorded a significant growth, registering a year-on-year increase of 26.8%. The product mix upgrade brought a higher gross profit margin and a continuous increase in profitability.

As for small and medium-sized display business, the global shipment of TCL Electronics reached 16.43 million sets in 2022, with overall revenue of CNY10.16 billion. In particular, thanks to product mix upgrades, sales in North America grew remarkably, with revenue up 24.8% year-on-year. As seen from key international markets, the shipment of the Company's smartphones ranked 3rd in Canada, 4th in the US, and 5th in Australia, and the shipment of smart Android tablets ranked 5th in the world as a whole, securing the 2nd, 4th and 5th places in the US, Latin America and Western Europe, respectively.

61.45 Billion

Revenue of TCL Electronics in 2022

23.78 Million Sets

Global shipment of TCL smart screens in 2022

0.8% increase year-on-year

No.2

Market share of TCL smart screens ranks No.2 in the world

8.99 Billion

Revenue of innovative business

26.9% increase year-on-year

1.98 Billion

Revenue of global internet business

29.1% increase year-on-year

¹⁰Source: Omdia, Shipment Data for 2022



Expansion of innovative business was accelerated and efforts in the metaverse/PV sectors were strengthened to grasp more market shares

TCL Electronics has always upheld the strategy of innovation-driven development. It has set sights on opportunities in new sectors, and vigorously expanded innovative businesses such as all-category marketing, PV. During the reporting period, the company generated CNY8.99 billion in innovative business revenue, registering a year-on-year increase of 26.9%.

In terms of its PV business, TCL Electronics seized the opportunities in the global energy transformation, made full of its advantage of collaboration between businesses, and cooperated closely with TCL Zhonghuan to quickly enter the distributed PV sector. Taking full advantage of extensive channel coverage in the PRC market, TCL Electronics speeded up its layout in the B2B and B2C markets. So far its business has covered nine key provinces and municipalities in China, and it was honored among China's top 10 distributed PV system brands by CREC.

In the meantime, TCL Electronics launched a number of XR/AR smart glasses. One of the glasses, the affordable AR smart glasses RayNeo X2 is equipped with binocular full-color Micro-LED optical waveguide displays, allowing for real-time translation, smart navigation, message notification and other functions, making it an industry-leading product. In the future, TCL Electronics will continue to invest in the R&D of optical/display, algorithm, software and other technologies to explore user mindsets and further improve the performance of AR/XR products.

Global Internet business profitability remained steady

TCL Electronics actively deployed its home Internet businesses worldwide. During the reporting period, TCL Electronics' global Internet business has generated revenue of CNY1.98 billion, a 29.1% increase compared to the same period last year. In particular, revenue from the domestic Internet business (mainly Falcon Network Technology Group's relevant business) reached CNY1.55 billion, a significant year-on-year increase of 25.2%. Falcon Network Technology continued to enrich platform content and improve accuracy of content recommendations and ease of use of the system. In particular, music, games, education, children, app store and other vertical and innovative businesses have seen rapid development, with revenue increasing significantly by 83.9% year-on-year. In the meantime, Falcon Network Technology actively developed overseas business and quickly acquired new users for its content aggregation app – TCL Channel, through partners' OTT platforms. At present, TCL Channel has reached out to 60 countries in North America, Europe, Central and South America, and Asia Pacific, with over 12 million users worldwide.

TCL Air-Conditioners

Under the management logic of "Accumulation • Focus • Breakthrough • Sustainable Development", TCL Air-Conditioners concentrated on the brand, users, products, and efficiency, and focused on "new-generation fresh air AC" as the new breaking point. It comprehensively established a brand strategy system, built a smart manufacturing industrial park, deployed global supply chains, and accelerated product upgrading, achieving a 10.6% year-on-year increase in shipment to 12.9 million units in 2022, ranking 4th in global market share in terms of shipment¹¹. The company achieved CNY20.19 billion in principal business revenue, up 14.8% year-on-year, with a net profit of CNY436 million.

Brand power continued to improve

TCL Air-Conditioners boosted sales through advertising and new media operation etc. and established a brand image as the "promoter and leader of fresh air conditioners" to improve brand recognition. The company also focused on building retail stores of fresh air conditioners, with over 1,900 stores being built and upgraded.

Product competitiveness was consolidated and enhanced

(1) Creating technical control points: As recognized by the China Refrigeration and Air-Conditioning Industry Association, TCL Air-Conditioners' two self-developed research achievements, i.e., "Technical Research and Application of Air Quality Intelligent Control-based of Fresh Air Conditioner with Large Fresh Air Volume and Great Comfort" and "Research on Key Technologies of New High-efficiency Inverter Controller and Its Industrialization", were deemed leading in the world by the experts. (2) Building competitive product mix: In terms of household products, the company took the "fresh air conditioner" business as the new turning point and launched 4 main products, namely Fresh Air II, Small Blue Wing II Youth Edition, and Small Blue Wing III in 2022, creating a complete fresh air conditioner mix of all capacity range in the industry. In terms of commercial products, the company focused on making breakthroughs in the VRF system and heat pump sectors. The EVI-based 45HP big VRF system it launched allowed for the largest cooling capacity in the industry, gaining a leading position in the industry, and new products were launched in the series of heat pumps for overseas sales, including CCHPs, swimming pool pumps and water heaters.

Marketing capacity was enhanced

For the domestic market, the company focused on developing quality customers, especially ten-million-level agents and county-level retail customers, further advancing the integration of all-category sales channels. For the overseas market, the company focused on gaining strategic customers and top regional customers, multiplying both customer quantity and quality.

Operating capacity continued to improve

(1) Wuhan Smart Manufacturing Base was completed and put into operation, enabling industry-leading manufacturing efficiency. (2) The company continued the building of "end-to-end total quality management system" capacity. By leveraging NPS and conducting management under the approaches of "quality planning, quality control and continuous improvement", it achieved a year-on-year increase in product NPS and a cumulative decrease in the machine failure rate of the year. (3) For digital capability building, the company highlights the launch of its "6+1" project, which has been launched steadily in each base as scheduled.

129 Million Sets

Global shipment of TCL Air-Conditioners in 2022

10.6% increased year-on-year

20.19 Billion

Revenue of TCL Air-Conditioners in 2022

14.9% increased year-on-year

No.4

Market share of TCL Air-Conditioners ranks No.4 in the world

¹¹Source: ChinaIOL, global shipment data in 2022



TCL White Household Appliances

In line with the "product-driven, marketing-empowered, efficiency-based" business strategy and adhering to the user-centered approach, TCL White Household Appliances innovated to create a healthy life for the users, continuously meeting consumers' needs for high-quality and smart products and providing users with the utmost experience. In 2022, the shipment of refrigerators and washing machines reached 2.05 million and 2.24 million units respectively, with principal business revenue of CNY3.84 billion, up 5.2% year-on-year.

Both product competitiveness and profitability were upgraded

With sufficient, in-depth customer insights, TCL White Household Appliances further increased R&D investment in mid-to-high-end products, optimized the product mix, and improved SKU efficiency. The refrigerator and washing machine businesses both reached milestones: (1) Shipment of mid-to-high-end products registered a year-on-year increase of 61%. In particular, the online shipment of washing machines priced at CNY 2,000-3000 grew by 47%, with the proportion of sales volume up from 30% to 44%. Through the overwhelming "DD inverter motor, color touch screen, and smart dispensing" competition strategy, the sale volume of mid-to-high-end washing machines grew by 33%. (2) By integrating suppliers, advancing internal standardization, and reducing material costs via aggregate procurement, the company reduced costs by double digits in 2022, with the gross profit margin increasing by 4.1% year-on-year.

The company vigorously pursued technological innovations to create technical barriers

The number of new patents granted in the year grew by 64% year-on-year. In March 2022, TCL molecular preservation technology won the "International Leading" certification issued by the China National Light Industry Council, which indicates TCL White Household Appliances have made breakthroughs in the core preservation technology of refrigerators. In the second half of the year, with the launch of the wash & care product set with dual-converter steam generating heat pumps and the industry's largest twin-drum washing machine Q10, the company has successfully mastered the converter technology for heat pumps and broken through the technical barriers of twin cabin washing machine.

With all product categories being deeply integrated, significant growth was achieved in overseas markets

In the overseas markets, the company seized the opportunity to actively advance the "One Approach for One Country" strategy, and input multi-dimensional resources in key countries. The overseas brand business achieved a milestone breakthrough, with overseas revenue up 103% year-on-year in 2022.



2.05 Million Sets

Global shipment of refrigerators in 2022

2.24 Million Sets

Global shipment of washing machines in 2022

Homa Appliances

Homa Appliances remained committed to the R&D and manufacturing of household refrigerators and freezers. With a senior management team, the company sustained an industry-leading position in R&D, process design, product quality, manufacturing cost, and operational efficiency. In 2022, affected by the Russia-Ukraine war, inflation overseas and other factors, the global demand for refrigerators and freezers was relatively low. Homa Appliances actively consolidated and expanded customer resources, optimized its product mix, and continued to reduce costs and increase efficiency, generating CNY424 million in net profit attributable to shareholders of the listed company, a year-on-year increase of 630.2%.

The company vigorously expanded the non-European market, registering an increase of over 40% in domestic sales revenue

Despite the declining demand in the European market, the company actively assisted export sales customers in promoting terminal sales and vigorously expanded the markets outside Europe, and surprisingly achieved revenue growth of nearly 10% in the Asia-Pacific region. The company made breakthroughs in the development of the domestic market, inserted itself into the ecological chain of well-known consumer electronics companies, and increased domestic sales revenue by 40% year-on-year, which far exceeded the average growth rate of the industry.

Investment in R&D was further increased and the product mix constantly improved

Homa Appliances increased investment in R&D to sustain growth in the R&D expense ratio, one of the highest in the entire industry. The company has been leading the development of the refrigerator industry with its smart control zero-degree ultra-preservation technology, automatic ice maker innovation technology, AI-based dual-converter technology, etc., and constantly improves its product competitiveness and added value. When it comes to the products, the company continued to streamline product SKUs and improve the economies of scale of high-end products, with the proportion of high-end product revenue increased by about 8 percentage points. The product Homa S550 won the AWE Award for Quality Product, and Homa refrigerator air-cooled series won the EU Quality Award.



Comprehensive cost management in supply chain was advanced and quality and efficiency were significantly improved

Homa Appliances proactively promoted comprehensive cost management in the supply chain, optimized second and third-tier suppliers, and maintained a high proportion of self-made parts to ensure the quality of parts and secure cost advantages. It also reasonably optimized its production schedules to continuously improve production efficiency. Despite the decline in overseas shipping fees and raw material prices and the depreciation of CNY, the company still managed to improve its gross profit margin by 3.3 percentage points year-on-year. In addition, with the support of TCL Home Appliances, its controlling shareholder, the company's deposit and bank loan interest rates were reduced, significantly enhancing its financing ability. At the same time, with the support and coordination of the TCL resource system, the company set mortgages for overdue receivables, securing capital recovery and greatly improving its financial situation.

Smart manufacturing projects were initiated to promote green innovation and development

In 2022, the company invested in building the "Smart Manufacturing Project with an Annual Output of 2.8 Million High-end Air-cooled Homa Refrigerators", upgraded automation equipment and production lines, promoted lean production, and built industry-leading high-end smart plants as planned. It also continuously upgraded the manufacturing execution system (MES), enabling real-time online business and mobile, smart and digital-based management in a phased manner, and continued to improve operational efficiency, supporting the sustainable growth of the company with digital technology. In addition, the company released the 20th Anniversary - Innovative Homa White Paper and the 20th Anniversary - Homa Green Paper, which fully presented the results and planning of Homa Appliances in product innovation and ESG, as well as its commitment to developing into the most fast-growing and competitive global supplier of professional refrigeration equipment.

424 Million

Net profit attributable to shareholders of the listed company

630.2% increased year-on-year

Tonly Technology

With a dozen years of unremitting efforts in acoustic ODM, Tonly Technology is committed to building an industrial platform for smart hardware ODM, which is centered on acoustic products and extends to wearable devices, AIoT products as well as precision components and accessories. In 2022, Tonly Technology overcame internal and external pressures, enriched its customer structure, ramped up the distribution of production capacities, and achieved sustained and steady performance growth.

The company maintained its leading advantage in the audio market

In 2022, Bluetooth soundbars secured a global market share of 15.2%. Soundbars recorded a global market share of 16.8%.

Smart connection technology boosted growth in new categories

While the True Wireless Stereo (TWS) Bluetooth headphones and smart wearable business continued to grow, the company also dramatically enhanced its industrial capacity in the mobile phone ODM industry. Wristbands recorded a remarkable amount of shipment to customers in the GBA.

Precision technology capabilities and production capacity continued to improve

The company stepped up efforts to introduce top-notch talents, enhance the R&D capability in engineering technology, and substantially improve the capabilities in precision mold design and micro electro-acoustic technology. By enabling the development of the complete TWS headphone business, the company was highly recognized by industry-leading customers. It further expanded the production capacities of Beihai Plant and Vietnam plants, enhanced the capabilities in production automation, digitalization and precision manufacturing, constantly improved production efficiency and capacity utilization for internal cost reduction and efficiency improvement.

R&D innovation and engineering capabilities were continuously enhanced

The company carried out R&D in multiple locations by leveraging the regional advantages of Huizhou, Shenzhen, Xi'an and Penang (Malaysia). Efforts were put in technological innovation to build a smart and connected industrial platform. The true wireless Bluetooth headphone with active noise cancellation from independent preliminary research was well received by the market. Adhering to the technical innovation route of Bluetooth wireless audio streaming at low latency, low power, and high bit rate with universal connection, the company gradually improved the technical layout of Bluetooth LE audio and enriched the smart IoE product mix.¹¹

15.2%

Global market share of Bluetooth soundbars shipment in 2022



¹¹ LE Audio: LE (Low Energy) Audio runs on a Bluetooth Low Energy radio

TCL Environmental Technology

Amid a complex and fast-changing business environment, TCL Environmental Technology adhered to the strategic idea of "focusing on resource recycling and providing comprehensive environmental services", clarified the business logic, actively innovated the business model, built technical barriers, and provided customers with one-stop, professional comprehensive environmental services and solutions. In 2022, TCL Environmental Technology proactively expanded market share and improved business quality in the complex and difficult external environment. The company recorded CNY2.05 billion in principal business revenue, up 13.1% year-on-year.

Efforts were made to establish diverse recycling channels and explore new business sectors

(1) Recycling channels for electrical and electronic products were diversified. The company developed its ToB business by undertaking the product scrapping business of manufacturers such as Samsung, Olympus and government departments and public institutions. It also signed long-term strategic orders with Lenovo, Xiaomi and other leading enterprises in the consumer electronics industry. (2) The recycling business of electrical and electronic products extended to new categories, including ATM machines, medical recycling and large household appliances, thereby increasing the revenue generated from new category expansion. Meanwhile, in an attempt to explore the remanufacturing and utilization of mobile phone chips, the company has already confirmed the cooperation intent with mobile phone design companies. (3) Hazardous waste was recycled in a "hazard-free" manner, and the preparation of ammonium sulfate from waste sulfuric acid was put into mass production. (4) By integrating industry resources, the company built its professional capabilities for environmental comprehensive services. In terms of smart environmental protection, the company completed the data management platform for zero-waste cities, the online groundwater monitoring simulation system and the online pollution source monitoring simulation system, registering a business revenue of CNY34.47 million, up 105% year-on-year. It also signed business contracts worth CNY50.95 million in total, up 96% year-on-year.

The recycling business of hazardous waste in the regional market was further developed, with a focus on strategic major customers

The company has been deeply engaged with customers in key industries such as semiconductor, panel display, new energy, automobile and high-end medicine, and developed numerous new customers of strategic importance. It also signed annual contracts of over 130 million tons and completed annual shipments of about 8,400 tons. Both the customer quality and structure were significantly optimized.

Further efforts were made to push forward key projects and create momentum for future development

The Phase II of Tianjin Aobo project, which was completed and accepted in June, focused on ToB business and component remanufacturing. The Phase III, which is expected to commence in May, focused on high-value plastics and photovoltaic products. The fully quantified aluminum ash resource comprehensive utilization/recycled aluminum project located in Guangyuan, Sichuan Province began construction in July. Upon completion, multi-stage continuous enhanced hydrolysis and lixiviation will enable the deep dissociation of active components and high-efficiency lixiviation of salt components in aluminum ash residue. Meanwhile, TCL Huizhou New Materials Joint Venture was established and built decommissioning power battery recycling technology and business teams.

Technical barriers were created with utmost cost reduction and efficiency improvement

(1) The company improved its "high-value, high-quality" recycling technology capability and implemented 15 R&D projects, 5 of which were put into achievement commercialization, increasing the profit by CNY6.09 million. (2) Further efforts were made to optimize the production process, improve logistics efficiency, increase material reuse rate, and reduce the cost of secondary waste treatment to pursue maximum cost reduction and efficiency improvement.

2.05 Billion

Revenue of TCL Environmental Technology in 2022

13.1% increased year-on-year

TCL Industrial Park

By building an enabling platform, TCL Industrial Park empowered its business, strengthened the capacity of the entire value chain, provided professional services for industrial customers, sustained long-term development of business office, industrial logistics, residential investment and construction management, as well as achieved year-on-year growth in business performance. In 2022, it recorded CNY923 million in principal business revenue and CNY470 million in net profit.

Business office: stable customers, fast sales, risk control and robust operation

(1) Active measures were taken to stabilize high-quality customers and strengthen operation services. The TCL Headquarters Building in Beijing renewed the lease with quality customers, bringing in cash flow in advance. The TCL Building in Shenzhen launched a variety of activities to enhance customer experience and satisfaction. International E City was listed as a "2022 Benchmarking Project of Industrial Park with Strong Service Capability in the Guangdong-Hong Kong-Macao Greater Bay Area". (2) Fast sales and performance achievement. At the end of the year, the rental rate of the TCL Building in Shenzhen was 87.7%, 10 percentage points higher than that at the beginning of the year, hitting a new high in the past three years. The annual average rental rate of the International E City stood at 95.6%, leading the region. At the end of the year, the rental rate of the TCL Building in Pazhou, Guangzhou reached 87.6%. The annual average rental rate of Guangzhou Yunsheng stood at 97.8%.

Industrial logistics: capacity and reserve building, risk control, and efficiency improvement

(1) The target for the new asset area under management was overachieved. The dual-core strategic layout of "Yangtze River Delta + Greater Bay Area" was initially formed. Four projects were newly acquired, namely Huicheng Lugang Phase II and Phase III, Huanggang and Shanghai Qingpu, with the new asset area under management increasing by 957,000 m² annually. (2) Advance delivery and capacity building: The main part of Zhongkai Project was completed with zero change of engineering visa, and the overall construction time was advanced by four months. The planned costs of Huicheng Phase III and Hefei Phase II were 3-5% lower than similar projects in the market. The documents for engineering, design and cost standardization were formulated, substantially enhancing the management ability of the project life cycle. (3) Investment promotion and customer reserve: Hefei Phase I and Guangming Science and Technology Park leased out 100% of the space at a rent. The rent was higher than the regional average, with customers mostly listed companies.

Construction management: continuous cost reduction and quality priority

(1) Significantly improved quality and efficiency of organizational management: the per capita output value of construction management was CNY34.51 million, up 21% year-on-year. Through design optimization and business bidding, the annual cost of enterprise projects was reduced by over CNY200 million. (2) Customer satisfaction continued to improve, up 1.1 percentage points year-on-year.

Housing investment: stable investment and quick monetization

(1) The Dongguan Nancheng Project achieved a profit of CNY140 million, with investment revenue far exceeding expectations. (2) The R&D buildings and shops of Airmate Project were quickly leased out, delivering a transaction volume of CNY114 million with major customers. (3) The asset of inventory properties was sold to allow better asset utilization.

923 Million

Revenue of TCL Industrial Park
in 2022

470 Million

Net profit



Getech

Starting with semiconductor manufacturing, Getech is the only industrial Internet platform company in China with profound manufacturing strengths dedicated to providing full-stack digital solutions for customers in the pan-semiconductor industry and new energy industry chain. In 2022, the national policy remained favorable, and digital transformation became an industrial consensus. As the cornerstone of digital transformation, industrial software was playing a more prominent role, further triggering customers' demands for digital transformation and intelligent manufacturing. The situation hence laid a solid foundation for the company to meet the annual business target. In 2022, Getech recorded CNY1.26 billion in principal business revenue, up 69.7% year-on-year.

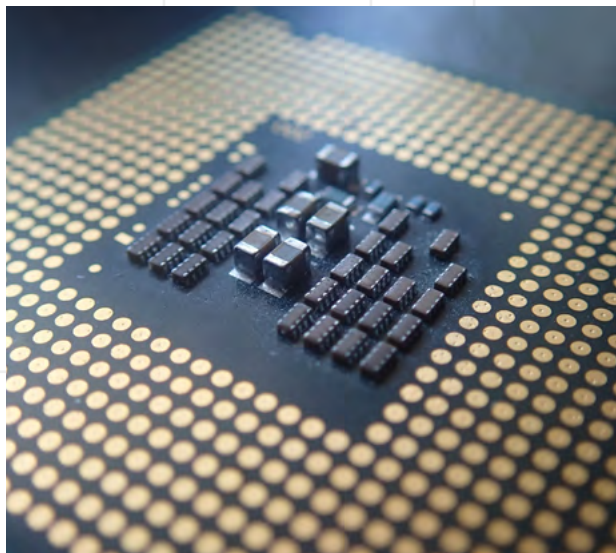
Efforts were made to consolidate the foundation and enlarge the influence of the pan-semiconductor industry chain

The company continued to make breakthroughs in semiconductor panel, integrated circuit and other industrial sectors. It successfully completed the fully self-dependent innovation of the full set of CIM system for Suzhou CSOT, China's first semiconductor panel plant operating at full capacity, and realized seamless system replacement with "zero impact on production". The project titled "New-generation 5G and Smart Plant Assisting China Star Optoelectronics Technology in Becoming a Global Production Base for Optoelectronics, Chips, Terminals and Network" won the second prize in the 5th "Bloom Cup" National Competition. It also succeeded in the R&D of 8-inch wafer plant CIM system solution and self-developed CIM products including FDC, SPC and EAP, which were applied and promoted in the semiconductor front-end equipment and after-process plants. The company's comprehensive technical strength was widely recognized by the industry, and some products were listed among the top ten chip products of "IC Future 2022".

1.26 Billion

Revenue of Getech in 2022

69.7% increased year-on-year



Strategic breakthroughs brought remarkable results for the expansion of the new energy industry chain

With profound insight into the production, equipment and quality management needs of highly automated plants, the company extended its service scope from pan-semiconductor to the new energy industry chain. In line with the industrial development cycle, the company launched innovative industrial solutions such as smart operation and maintenance of lithium battery equipment, energy consumption and dual-carbon goals of lithium batteries, overall upgrade of smart lithium battery plants, smart operation, maintenance, and monitoring of photovoltaic power stations, and smart yield analysis of photovoltaic chips. It successfully built more than ten benchmark project cases, and initially formed the whole-chain service capability from plant consulting and planning to system software implementation. The company also enhanced its competitive advantage for vertical industries at a faster pace.

New breakthroughs were made in the products and technical strengths of the industrial Internet platform

Deeply incorporating the Internet of Things, AI, big data, 5G and other new-generation information technologies, Getech continued to upgrade the technical architecture of smart platforms in an effort to further enhance the platform resource management capability and enrich the industrial application ecosystem. In May 2022, Getech's platform was selected as a cross-field industrial Internet platform under the Ministry of Industry and Information Technology. By the end of December, the platform had been linked with over 800,000 units/sets of industrial equipment, tested for over 30,000 industrial mechanism models, and installed with more than 10,000 industrial apps. In 2022, it was selected as one of the local key industrial Internet platform service providers in Shenzhen, Hubei and later Shanghai, participated in the compilation of the White Paper on Quality Big Data and the pilot security classification of the China Electronic Product Reliability and Environmental Testing Research Institute (CEPREI), and built three systems and four capabilities related to the security of industrial Internet platforms, doing its bit to boost the development of the industrial Internet industry.

TCL Financial Service

TCL Financial Service aims to provide financial services for MSMEs and households within the industrial ecosystem, in collaboration with large commercial banks and other quality financial institutions based on industrial business scenarios. The company sustained rapid business growth by optimizing business strategies and strengthening market leadership. Its overall business was focused on the supply chain FinTech. As the development path became clear, the business scale continued to expand, generating CNY880 million in principal business revenue, up 47.2% year-on-year.

The industrial position in supply chain FinTech was consolidated, and the business scale expanded rapidly

At the end of 2022, the supply chain FinTech expanded extensively and rapidly. The JDH platform provided efficient and convenient supply chain finance services to nearly 38,000 firms, with a total transaction volume of over CNY960 billion, reinforcing its leading position in the industry. In addition, the company saw a rapid rise in various business indicators, leading the market in the numbers of vouchers of receivable debt and supply chain notes and ranking among the top three in the scale of third-party technology platforms.

Inclusive finance business withstood market risks and made steady progress

Products such as inclusive business loan and PV financial lease continued to develop, and installment products of auto insurance and agricultural insurance meeting the policy requirements and market demands were innovatively launched. The installment business of auto insurance exceeded CNY200 million, and partnership was formed with major insurance institutions in the province to advance the installment business of agricultural insurance. The overall non-performing rate topped the industry. In the challenging market environment plagued by the pandemic, the non-performing rate remained below 1.3%, demonstrating strict control over asset quality.

Close communication was maintained with regulators and peer companies, and compliant and robust operation received wide recognition

TCL Financial attached great importance to compliant operations and maintained transparent, bidirectional communication with regulatory authorities while carrying out various business innovations. In 2022, JDH won the "Outstanding Award of City Promotion and Functional Construction" issued by the Guangdong Financial Supervisory Authority and the Guangdong SME Financing Platform, TCL Zhirong Technology Micro Loan was rated AAA+ by Guangdong CAMEL+RR, and TCL Internet Micro Loan was rated AAA by Guangdong CAMEL+RR. TCL Finance Lease passed the on-site inspection of trial business qualification by Zhuhai Municipal Bureau of Finance and received positive response.

880 Million

Revenue of TCL Financial Service in 2022

46.6% increased year-on-year

960 Billion

Transaction volume

No.3

In the scale of third-party technology platforms



Capital Operation and Review

In the midst of the complex conditions of the capital market in 2022, TCL Industries upheld the philosophy of steady and sound operation despite the challenging external environment. When implementing its overall strategy, the Company thoroughly considered risks and exercised prudence.

Getech completed internal reorganization with Sky-Tech and raised hundreds of millions of CNY in Series B funding

Getech and Sky-Tech, subsidiaries of TCL Industries, completed internal reorganization in April 2022. Sky-Tech then became a subsidiary of Getech, with its business merged into the latter. TCL Industries used the proceeds obtained from the transfer to increase its shareholding in Getech. This move will accelerate Sky-Tech's business transformation and help Getech focus on expanding its existing business of smart industrial parks. Furthermore, Sky-Tech's strengths and resources will be fully leveraged through business integration to create a business synergy that empowers the industrial Internet business with enhanced professional capabilities.

In November 2022, Getech completed its Series B funding and raised hundreds of millions of CNY. Investors included SAIC Motor and its FoF management platform Hengxu Capital, along with Guangdong Yuecai Fund. Scheme Capital served as the financial advisor of the investment. Hengxu Capital is a privately-offered fund under SAIC Financial Holding. Relying on the overall industrial advantages of SAIC Motor and the efficient collaboration with SAIC Financial Holding, the fund has positioned itself in strategic emerging industries such as green travel, travel ecology, and health ecology. It is also the manager of Guangdong Industrial Development Fund and Guangdong Semiconductor and Integrated Circuit Industry Investment Fund, with more than CNY80 billion assets and nearly 300 investment projects under management. The funds raised in this round will be mainly used to increase the investment in semiconductor computer integrated manufacturing system (CIM) products, strengthen the Company's AI and big data technology foundation, and expand its core competitiveness in intelligent equipment and edge control to provide deeply integrated solutions for customers in semiconductor materials, equipment, wafer fabrication, packaging and testing, new energy lithium battery, and photovoltaic industries.

As at December 31, 2022, TCL Industries, as the controlling shareholder, held 34.6% equity interest in Getech.

TCL Electronics' acquisition of TCL Digital Technology facilitates capital operation and implementation for companies to be invested

In May 2022, TCL Electronics (Huizhou), a subsidiary of TCL Electronics, acquired from TCL Industries (Hong Kong) 100% equity interest in TCL Digital Technology (Shenzhen) Co., Ltd. ("TCL Digital Technology"), turning TCL Digital Technology, formerly a fully-owned second-tier subsidiary of TCL Industries, into a company held by TCL Electronics under TCL Industries.

TCL Digital Technology holds part of the equity interest in TCL Industries' strategic partners along the upstream industrial chain, including Gaoshengda Holding (Huizhou) Co., Ltd., Huarui (Huizhou) Co., Ltd., TCL Very Lighting Technology (Huizhou) Co., Ltd., Taiyang Electro-optic (Huizhou) Co., Ltd., Techhigh Circuit Science and Technology (Huizhou) Co., Ltd., and Huizhou Gaoshengda Metal Co., Ltd. It serves an investment holding platform for in-depth collaboration between TCL and its supply chain that enables investment and business coordination. The equity transfer will benefit the companies that invested in TCL Digital Technology by facilitating their capital operation and speeding up their cash flowing back to the capital market. As a result, TCL Industries' will increase overall financial return and consolidate its strategic partnership with its supply chain.

As at December 31, 2022, TCL Industries, through its listed company in Hong Kong, TCL Electronics, held 100% equity interest in TCL Digital Technology.

Main Board IPO application by Tonly Technology expects to strengthen the company's core competitiveness and further enhance its market position

In May 2022, Tonly Technology completed the dismantling of its overseas structure listed in Hong Kong, making its shareholder, Tonly Electronics (Hong Kong), a fully-owned subsidiary of TCL Industries. In September 2022, Tonly Technology submitted an application on the main board of Shenzhen Stock Exchange. In the application, Huatai United Securities Co., Ltd. was the sponsor, Dahua Certified Public Accountants (Special General Partnership) was the auditor, and Beijing Jia Yuan Law Offices as the corporate lawyer. Being listed on the A-share market will enrich the company's financing channels, providing financial support for its rapid growth and reducing financial risks. In addition, the move will also raise its influence in the capital market and strengthen its core competitiveness to further enhance its market position.

As at December 31, 2022, TCL Industries, through its fully-owned subsidiary, Tonly Electronics (Hong Kong), held 61% equity interest in Tonly Technology.

TCL Environmental Technology intends to introduce state-owned assets platform and industrial investment fund for the new round of financing

In 2022 H2, TCL Environmental Technology launched a new round of financing, mainly for multiple resource recycling projects, including the comprehensive utilization project of fully quantified aluminum ash resource in Guangyuan, the recycling and comprehensive utilization project of retired lithium batteries, the silicon mud resource utilization project, and the retired photovoltaic module resource utilization project. The total planned financing for this round exceeded CNY100 million. Investors included the capital platform run by the Huizhou local government, a funding platform under Jiangsu Provincial Government State-owned Assets and Administration Commission that focuses on the investment in environmental protection, and financial investors.

As at December 31, 2022, TCL Industries, as the controlling shareholder, held 28.1% equity interest in TCL Environmental Technology.

Research and Innovation

In 2022, TCL Industries continued its R&D strategy oriented towards display performance, healthy living and energy conservation, and smart technology. By consistently advancing technological research and innovation, the Company improved the product and technical competitiveness of its smart terminals. In the meantime, it also explored innovative business and strengthened technology platforms for ultimate experience in image quality, health demands, and smart interconnection and interaction. In 2022, R&D expenses registered CNY4.01 billion, up 9.4% year-on-year.

Display technologies were enhanced in every aspect under the "Display Performance First" strategy

The Company focused on the core competence in smart screen audio and image quality to consolidate its first-mover advantage in technology. It continuously iterated the application of Mini LED technology and maintained the industry-leading position with the world's first ODO solution. While innovating the structures and designs of large-size products and technologies, the Company steadily advanced the R&D of image quality engine-related technologies to enhance the viewing experience of smart screens. It also remained ahead of domestic rivals in ultra-slim sky sound and whole machine form. Through smart dimming and multiple scattering filters, a paper-like sunlight screen was created to form an eye-care technology solution, which received the eye protection certifications of TUV Rheinland and China National Institute of Standardization's VICO evaluation system. With improved smart screen chip technology, the R&D of SoC went smoothly, leading to the completion of trial production and testing on TCL platforms.

Iteration of Mini LED was advanced to secure a leading position in display technology

The Company formed technical control points of Mini LED display through independent and cooperative development of full platform architectures, including COB whole process technique, customized LED chips, self-developed PG-LENS optical design, and drive backplane technology reserve. Breakthroughs were made in the ultra-multi-partitioned ultimate performance Mini LED backlight technology, leading the industry in 5,000 nits brightness and the 5,000 zones. Mini LED-equipped smart screen products X11G and C12G were put into mass production, both of which have been proven to fit the market. They supported the core competitiveness of Mini LED's image quality, and fulfilled users' needs for a high-end visual experience. TCL Mini LED smart screens won many awards at home and abroad, including the German Red Dot Design Award, the European Imaging and Sound Association (EISA) Award, and the CES Display Innovation Award.

Image quality engine was optimized to realize industry-leading subjective image quality

The Company supported its Mini LED strategy through a combination of the self-developed, fully-refined LD algorithm and high-precision, low-latency eye protection drive technology solutions. By researching the application of AI-based image quality algorithms, it transplanted the depth-of-field recognition model to smart screen systems with repeated optimization to increase depth perception. In addition, a new algorithm was developed to dynamically adjust color viewing angles based on the viewer's position.

The Company actively maintained the display technology ecosystem and led in the compiling of Mini LED industry standards

By the end of 2022, TCL Industries has assisted in the revision of six national standards, 17 industry standards, 10 recommended standards, and four standards of China UHD Video Industry Alliance (CUVA) concerning the Mini LED technology, becoming one of the founders of industry standards in the Mini LED field.

Notable innovations were made in AC, refrigerators and washing machines following the strategy of healthy living and energy conservation

TCL Air-Conditioners: Global leader in large fresh air volume and frequency conversion and energy-saving technology

Based on the key technology of fresh air AC to deliver large fresh air volume and high comfort under air quality intelligent control, TCL Air-Conditioners researched and addressed industry-wide difficulties such as small air volume, large noise, poor sound quality, unsatisfying comfort, and intellectual inadequacy of fresh air AC. The company proposed a noise-reducing technology based on pipeline drag reduction and multi-field coupling. With this technology, large fresh air volume with low noise can be achieved by synergizing the pipeline drag reduction for air inflow and the fans' work field as well as by fluid-solid-magnetic multi-field coupling. It also proposed a TVOC detection-based technology to achieve smart control of air quality for various scenarios. In addition, the Small Blue Wing high-comfort fresh air flow organization ejection structure was invented to deliver a comfortable experience with constant temperature. These technologies have been industrialized, well received by users, and attained certifications of world-leading technologies.

Breakthrough was made in the high-frequency variable carrier PFC control and ripple suppression technology,

which enables an intensive, high-efficiency design of inverter controller to address industry-wide difficulties such as temperature rise of power devices and short lifetime of electrolytic capacitors. It was the core innovation during the research of key technologies of high-efficiency inverter controller. Based on the high-frequency variable carrier PFC control technology, TCL Industries developed a synchronous control technology for carrier frequency and conduction time. Combined with duty cycle feedforward control, the technology significantly reduces component temperature rise and improves EMI and harmonic indicators. The company also created ripple suppression algorithms to lower the ripple current of electrolytic capacitors through instantaneous power feedforward control, notably improving the lifetime and reliability of electrolytic capacitors. The introduction of frequency conversion technologies has effectively extended the service life of air-conditioners and boosted energy efficiency upgrade.

TCL refrigerators: consistent exploration in healthy life, food preservation, ice making, material innovation, simulation technology and structure innovation, etc.

In its continuous exploration in magnetic preservation, TCL Industries partnered with Jiangnan University to establish the Joint Laboratory for Preservation Technology Innovation, which won various technology awards at home and abroad and received global leading certifications. By studying the influence of low-energy magnetic fields on physical nutrients and the microbial inhibition mechanism, the Company made breakthroughs in low-energy magnetic field technology to realize energy-saving high-quality preservation. The achievements in magnetic preservation have passed global leading technical evaluations and helped create more than

120 patents that safeguard TCL's refrigerator business. With this technology embedded, the Gewu refrigerator series received good responses from consumers after its launch.

In terms of product experience improvement, the company put pre-research investment into ice-making technology, cryogenic technology, material CMF research, simulation technology, and structural innovation design to further explore the technological advantages in refrigerator R&D. By doing so, it strives to boost industry development and provide better consumer experience.

TCL washing machines: focusing on healthy cleaning, smart, high efficient and energy saving technologies

Centering on healthy cleaning, TCL Industries comprehensively created technical control points for washing machines based on core technologies of partitioned washing, pollution-free washing and sterilization, smart soft care, and energy conservation. Partitioned washing machines have a complete range of product categories. The Company developed a double-cabin, double-drive independent suspension damping system and a double-stroke variable damping absorber, using the vibration optimization system to achieve industry-leading washing capacity in the upper cabin. In terms of pollution-free washing and sterilization, the Company has been leading the industry with its ion wind sterilization technology, TPE odorless rubber technology, and the pioneering plush filtering pollution-free washing

technology. Key breakthroughs were made in smart soft care technologies. Dryers were equipped with a steam care feature and a multi-dimensional algorithm to improve drying efficiency. Non-electrolytic capacitor reactance variable frequency technology was pioneered, and single-chip dual-frequency technology kept leading the industry. In terms of energy conservation, by researching variable-speed high-efficiency washing technology, precise load recognition technology, and low-temperature energy-saving washing technology, the Company improved energy efficiency for the entire product series, achieving the European drum energy efficiency class A.

Breakthroughs were made in innovation sectors including AI, IoT and AR in exploration of smart scenario-based applications

AI Technology Empowers Device Smart Interaction and Smart Scenario-based Applications

In terms of AI speech, TCL Industries' ability to develop end-to-end complete speech interaction chains facilitated the smart speech interaction of refrigerators, TVs and other terminal devices. A language model is the core component of AI natural language processing. TCL Industries' self-developed complex semantic analysis method (Logical Form) has industry-leading representation of semantics and complex juxtaposition and nested sentence in open dialogue, which helps effectively improve voice control performance and provides technical support for speech search and interaction. Breakthroughs were made in edge AI technology. AutoML ranked first in depth estimation and second in the comprehensive score of image super-resolution in the ECCV 2022 Mobile AI Competition. The Company optimized full automation and deployed AI models on devices, accelerated the convergence of AI models on TCL smart TVs, mobile phones, and other smart devices, and empowered smart scenario-based applications such as AI fitness, remote classrooms, and children-oriented content.

Breakthroughs were made in Key Technologies for AR Glasses

TCL Industries achieved ground-breaking integration of lightweight and compact design, natural display, all-weather scenarios, and seamless blending of virtual and real elements - the four key features in consumer-grade AR. Significant breakthroughs were achieved in key technologies, including full-color MicroLED display, optical waveguide brightness, and precision and miniaturization of self-developed light engine. The Company developed a 0.7cc ultra-compact full-color MicroLED light engine component, and achieved a three-fold increase in diffraction optical waveguide and micron-scale binocular fusion natural display. These advancements enabled binocular full-color, high-brightness display and multi-scenario use of consumer-grade AR glasses, while maintaining lightweight and a compact design. Based on the technical foundation, the Company independently designed the process flow and developed proprietary fully automated equipment and systems, ultimately achieving high-precision, high-yield mass production of full-color light engines.

The Company actively advanced industry standard interconnection between China and the World and ecological capability development

Regarding standard products and ecosystem, TCL Industries was the only TV sponsor and exhibitor of the Matter 1.0 Launch Event and among those receiving the first batch of product certifications by Matter TV. Regarding technical standard formulation, with a focus on the smart home all-scenario technology stack, the Company actively promoted industry standardization at the levels of underlying communication, application and ecosystem. The Company submitted over 50 standard proposals to industry standard organizations at home and abroad, and advanced a number of industry standards for technology application, leading to the winning of the "SparkLink Standard Organization Contribution Awards". In addition, as an important member of the 3GPP and AVS standards, TCL Industries has actively promoted international standardization in wide-area and local communication technologies, as well as audio and video codec technologies. Focusing on all-category Internet-connected devices, all AIoT scenarios, and user-oriented audio and video data flow circulation, the Company will leverage its mature technologies to empower industry standards and contribute to wider coverage of interconnectivity and smart lifestyle.

Risk Factors

In 2022, faced with the complex and ever-changing internal and external environment and risks, TCL Industries strictly followed laws and regulations, continuously improved its governance structure, enhanced the level of standardized operation, and strengthened its internal control system so as to effectively prevent and control various risks and ensure its sustained, steady and healthy development.

Policy Regulation Risk

As the company's business continues to expand both domestically and overseas as well as external factors such as continuously fluctuating international trade policies, increasingly stringent regulatory environment in many countries, and ever-changing international political landscape, TCL Industries is exposed to severer trade, compliance and political risks (including geopolitical risk) when operating globally. These risks can be subdivided into trade policy risk, export and sanction compliance risk, supply chain compliance risk, anti-bribery risk, anti-monopoly risk, privacy protection risk, cybersecurity risk and other compliance risks, as well as

risks arising from political uncertainty.

TCL Industries is committed to strictly complying with applicable laws and regulations. It has developed a compliance management system within the company and is striving to systematically control related risks by adopting various compliance control methods such as attaching importance at the management-level, establishing relevant organizations, issuing policies, and embedding processes, training and educating, and inspecting and auditing. There are risks that have not yet been fully covered by the existing

compliance system or are difficult to effectively prevent and control, especially abrupt changes in policies and regulations resulting from political factors. To address such risks, on the one hand, TCL Industries actively pays attention to changes in relevant laws, regulations and policies, continuously improves its compliance capabilities, perfects the existing compliance management system, and enhances crisis response capacity. On the other hand, on the basis of compliance, the Company brings its global business advantages into full play and optimizes the capacity layout and supply chain system to minimize the negative impact of policy regulation risk on its business.

Supply Chain Risk

In 2022, at the macro level, the tightening of global monetary policies led to a sharp decline in consumer demand. The Fed's consecutive rate hikes and the slower-than-expected inflation easing in Europe and the United States added more uncertainty to the world economy, which had already been seriously affected by the Russia-Ukraine war since its breakout in the first half of the year, further weakening expectations for trade growth. In addition, the shift in consumer spending from goods to services impacted industry sales anticipations and logistics fulfillment capabilities, leading to inadequate negotiating power for logistics suppliers in new contracts. For TCL Industries, any interruption in the supply chain can cause production shutdowns, failed deliveries, and other disruptions, particularly in categories such as high-power and main control semiconductors from Europe and North America, which have high technological barriers, long delivery cycles, and overseas supply chains. This poses greater challenges for their medium- to long-term inventory management and resource allocation. Meanwhile, the containment of the Chinese mainland's advanced manufacturing processes and technologies by the United States, Japan, and Europe, as well as the changing situation in Taiwan, will further impact the supply guarantee of critical materials such as semiconductors.

Against this backdrop, the Company adheres to the strategy of globalized and diversified supply chain and implements a "1 + 1 + N" supply tactics. By promoting global strategic cooperation, it has deepened and consolidated its partnerships with strategic and core suppliers. In addition to reinforcing cooperation with existing physical distributors, the Company has developed online sales networks at a faster pace to ensure a resilient supply chain in the face of rapidly changing markets and competitive customer acquisition. To deliver long-term healthy growth, the Company aims to establish a secure, low-cost, transparent, agile and efficient globally integrated and user-centered supply chain and quality management system.

Liquidity risk

The Company emphasizes debt management and maintains reasonable debt level, structure and cost. As at December 31, 2022, the Company registered a liability-asset ratio of 81.4%, slightly down 0.48 percentage points year-on-year; an interest-bearing liability ratio of 24.4%, down 1.6 percentage points year-on-year; outstanding interest-bearing liabilities

of CNY25.39 billion, including CNY14.01 billion due within 1 year, CNY5.94 billion due in 1-2 years, CNY2.76 billion due in 2-5 years and CNY2.67 billion due in over 5 years. In order to prevent the potential impact of a lack of liquidity on its business development, while actively stepping up efforts to collect accounts receivable, the Company conducts funds planning in advance, establishes a sound cooperative relationship with banks and other financial institutions, and raises the funds needed for normal operations by short-term borrowings and other means. Furthermore, the Company strives to diversify its funding sources, raise medium and long-term funds at a low cost, and minimize refinancing risk.

Foreign Exchange Risk

TCL Industries' sales network reaches out to North America, Europe, South America, Asia Pacific, the Middle East, Africa, and other regions in the world, with more than 60% of its total revenue in 2022 coming from exports. As its subsidiaries are exposed to foreign exchange risk from foreign currency-denominated financial assets and liabilities and net overseas investment, sharp fluctuations in exchange rates may not only adversely affect its overseas business, but also lead to exchange losses and hence increase financial costs. In 2022, impacted by factors such as the COVID-19 pandemic, monetary policy divergence among major economies and the inflation crisis, geopolitical wars, and global economic recovery slowdown, the foreign currency market saw record-breaking dramatic movements in multiple currencies. Specifically, the Fed hiked interest rates seven times by a total of 425 bps during the year, while the U.S. dollar index rose above 114 -its highest level in 20 years - before dropping to around 103 at the end of the year. Over the year, the U.S. dollar appreciated significantly against Euro, Yen and Renminbi.

The Company's management quickly responded to the increasingly volatile foreign exchange market. Adhering to the principle of "neutralizing foreign exchange risks", the Company formulated hedging strategies that matched business operations, using natural hedging as the primary method, supplemented by derivative instruments such as forward contracts and currency swaps, to mitigate the impact of exchange rate fluctuations on its profitability. By conducting foreign exchange fund business, the Company has further enhanced its foreign exchange risk management capability to preserve the value of its assets denominated in foreign currencies. The Fed's multiple rate hikes in 2022 resulted in a sustained increase in the Company's USD-denominated financing costs, putting pressure on its financial costs. To address this issue, the Company proactively adjusted its financing strategy, optimized its debt structure, and seized the opportunity for low-cost loan resources, thereby maximizing its control over interest expenses.

Financial Report



Financial Report

TCL Industries Holdings Co., Ltd.

Consolidated Financial Report *

(From January 1, 2022 to December 31, 2022)

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* Financial data is disclosed in this report based on Chinese accounting standards and audited.

Consolidated Balance Sheet

CNY, Thousand

Assets	Ending Balance	Beginning Balance
Current assets		
Monetary assets	14,132,907	15,516,629
Held-for-trading financial assets	2,675,439	2,308,329
Derivative financial assets	690,857	351,498
Notes receivable	2,136,637	1,102,574
Accounts receivable	18,328,600	16,575,714
Prepayments	1,358,033	1,023,637
Other receivables	6,165,607	5,174,444
Receivables financing	2,429,490	1,968,873
Inventories	14,697,363	16,988,028
Contract assets	27,913	154,703
Assets held for sale	3,288	3,231
Non-current assets maturing within one year	221,045	120,156
Other current assets	7,210,270	6,123,951
Total current assets	70,077,450	67,411,767
Non-current assets		
Loans and advances to customers	1,200,021	1,357,518
Debt investments	764,701	-
Long-term receivables	572,279	87,882
Long-term equity investments	4,134,405	2,942,556
Investments in other equity instruments	1,185,131	1,353,147
Other non-current financial assets	2,732,473	2,824,298
Investment property	5,922,766	5,944,567
Fixed assets	7,294,890	6,026,393
Construction-in-progress	1,811,167	955,789
Right-of-use assets	951,777	1,160,139
Intangible assets	1,790,368	1,782,741
Development expenditures	289,570	304,275
Goodwill	2,888,998	2,852,817
Long-term deferred expenses	685,730	506,545
Deferred income tax assets	641,903	508,001
Other non-current assets	782,048	357,821
Total non-current assets	33,648,227	28,964,490
Total assets	103,725,677	96,376,257

Legal Representative: Du Juan

CEO: Du Juan

CFO: Hu Dien Chien

Consolidated Balance Sheet

CNY, Thousand

Liabilities and shareholders' equity	Ending Balance	Beginning Balance
Current liabilities		
Short-term borrowings	9,772,253	14,375,096
Held-for-trading financial liabilities	-	12,861
Derivative financial liabilities	302,569	18,673
Notes payable	7,742,500	6,756,867
Accounts payable	24,001,024	23,363,728
Advances from customers	389,019	-
Contract liabilities	3,559,508	3,299,963
Financial assets sold under repurchase agreements	504,439	-
Remunerations payable	3,112,087	2,765,011
Taxes payable	776,901	755,852
Other payables	15,849,483	13,415,638
Non-current liabilities maturing within one year	3,288,153	1,467,516
Other current liabilities	1,053,012	1,507,246
Total current liabilities	70,350,949	67,738,452
Long-term borrowings	11,972,433	9,491,407
Provisions	337,882	-
Lease liabilities	741,196	916,460
Long-term payables	289,143	40,685
Long-term remuneration payable	40,861	-
Deferred income	137,257	103,492
Deferred tax liabilities	483,183	515,487
Other non-current liabilities	32,323	61,092
Total non-current liabilities	14,034,278	11,128,622
Total liabilities	84,385,267	78,867,074
Owner's equity (or shareholders' equity):		
Capital stock	3,225,000	3,225,000
Capital reserves	504,448	-
Special reserves	488	-
Other comprehensive income	(1,181,551)	(483,968)
Surplus reserves	130,617	82,378
General risk reserves	506	-
Retained earnings	4,073,522	3,241,507
Total equity attributable to owners of the parent company	6,751,030	6,064,917
Minority interests	12,589,419	11,444,266
Total owner's equity	19,340,450	17,509,183
Total liabilities and owner's equity	103,725,677	96,376,257

Legal Representative: Du Juan

CEO: Du Juan

CFO: Hu Dien Chien

Consolidated Income Statement

CNY, Thousand

	Amount for Current	Amount for Prior Period
I. Total revenue	106,086,484	105,641,242
Less: Total costs of sales	102,398,307	87,564,894
Of which: Costs of sales	85,494,601	87,564,894
Taxes and surcharges	687,854	577,092
Selling expenses	8,997,835	8,177,291
Administrative expenses	4,068,847	4,370,469
R & D costs	4,005,346	3,660,636
Financial expenses	(856,185)	666,344
Of which: Interest expenses	1,346,586	904,994
Interest income	769,450	585,095
Plus: Other income	727,258	673,870
Return on investment	(470,125)	3,819,502
Exchange gains	-	-
Net exposure hedge gains	-	-
Gain on changes in fair value	275,580	259,143
Asset impairment losses	299,359	656,530
Credit impairment losses	143,413	121,112
Income from asset disposal	(7,271)	42,550
II. Operating profit	3,770,847	4,641,938
Plus: Non-operating income	106,005	78,548
Less: Non-operating expenditures	166,262	86,351
III. Profit before tax	3,710,591	4,634,135
Less: Income tax expenses	649,022	419,636
IV. Net profit	3,061,569	4,214,500
Classification by ownership		
Net profit attributable to owners of the parent company	1,480,760	1,951,575
Net profit attributable to non-controlling interests	1,580,809	2,262,925
Classification by business continuity		
Net profit from continuing operations	3,061,569	2,235,961
Net profit from discontinued operations	-	1,978,539

Legal Representative: Du Juan

CEO: Du Juan

CFO: Hu Dien Chien

Consolidated Cash Flow Statement

CNY, Thousand

	Amount for Current	Amount for Prior Period
I. Cash flow generated from operating activities		
Proceeds from sale of commodities and rendering of services	111,787,877	108,780,355
Tax and levy rebates	4,176,117	4,321,055
Cash generated from other operating activities	4,572,720	1,611,706
Subtotal of cash generated from operating activities	120,536,714	114,713,116
Payments for commodities and services	90,604,794	93,678,986
Cash paid to and for employees	11,580,943	10,528,659
Taxes and surcharges paid	3,435,954	2,061,278
Cash used in other operating activities	9,213,952	8,223,337
Subtotal of cash used in operating activities	114,835,642	114,492,260
Net cash generated from operating activities	5,701,072	220,856
II. Cash flow generated from investment activities:		
Proceeds from disinvestments	18,305,375	18,343,249
Proceeds from return on investments	585,407	531,200
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	50,558	58,186
Net proceeds from disposal of subsidiaries and other business units	196,975	1,170,351
Cash generated from other investing activities	988,570	1,628,574
Subtotal of cash generated from investment activities	20,126,885	21,731,560
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	3,299,729	3,037,839
Payments for investments	21,249,439	20,342,861
Net payments for acquiring subsidiaries and other business units	8,894	1,131,891
Cash used in other investing activities	314,699	454,446
Subtotal of cash used in investing activities	24,872,762	24,967,037
Net cash used in investing activities	(4,745,877)	(3,235,477)

Legal Representative: Du Juan

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Consolidated Cash Flow Statement (continued)

CNY, Thousand

	Amount for Current	Amount for Prior Period
III. Cash flow generated from financing activities:		
Capital contributions received	1,180,552	959,006
Borrowings raised	26,848,117	32,769,167
Cash generated from other financing activities	4,411,570	3,699,319
Subtotal of cash generated from financing activities	32,440,239	37,427,492
Cash paid for debt repayment	28,190,820	24,607,307
Cash paid for distribution of dividends and profits or payment of interests	2,796,068	2,243,017
Of which: Dividends and profits paid by subsidiaries to minority shareholders	890,781	728,271
Other cash paid in relation to financing activities	2,984,968	6,402,058
Subtotal of cash used in financing activities	33,971,856	33,252,382
Net cash generated from financing activities	(1,531,617)	4,175,110
IV. Effect of exchange rate changes on cash and cash equivalents	271,322	151,890
V. Net increase of cash and cash equivalents	(305,099)	1,312,379
Plus: Beginning balance of cash and cash equivalents	13,113,372	11,800,995
VI. Closing balance of cash and cash equivalents	12,808,273	13,113,374

Legal Representative:

Du Juan

CEO:

Du Juan

CFO:

Hu Dien Chien

Abbreviations and Exchange Rates



Abbreviations and Exchange Rates

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

Abbreviation	Full Name
TCL Industries, the Company	TCL Industries Holdings Co., Ltd.
TCL Electronics	TCL Electronics Holdings Limited, a subsidiary of the Company listed on the HKSE, stock code: 01070. HK
TCL Air-Conditioners	TCL Air Conditioner (Zhongshan) Co., Ltd.
TCL White Household Appliances	TCL Household Electric Appliance (Hefei) Co., Ltd.
Homa Appliances	Guangdong Homa Appliances Co., Ltd., a subsidiary of the Company listed on the SZSE, stock code: 002668.SZ
TCL Home Appliances	TCL Home Appliances Group Co., Ltd.
Tonly Technology	Tonly Technology Holdings Limited
Tonly Electronics (Hong Kong)	Tonly Electronics Technology (HK) Limited
TCL Environmental Technology	TCL Environmental Technology Co., Ltd.
Huizhou TCL New Material	Huizhou TCL New Material Technology Co., Ltd.
TCL Industrial Park	TCL Technology Industrial Park Co., Ltd.
Getech	Gatech Technology Co., Ltd.
Suzhou China Star	Suzhou China Star Optoelectronics Technology Co., Ltd.
TCL Financial Service	TCL Financial Service Holding Group (Guangzhou) Co., Ltd.
Zhirong Technology Small Loan	Huizhou Zhongkai TCL Zhirong Technology Small Loan Co., Ltd.
TCL Internet Micro Loan	Guangzhou TCL Internet Micro Loan Co., Ltd.
TCL Finance Lease	TCL Finance Lease (Zhuhai) Co., Ltd.
TCL Zhonghuan	TCL Zhonghuan Renewable Energy Technology Co., Ltd.
Sky-Tech	Sky-Tech Holding Limited
SAIC Motor	SAIC Motor Corporation Limited
Hengxu Capital	Shanghai SAIC Hengxu Investment Management Co., Ltd.
Guangdong Yuecai Fund	Guangdong Yuecai Industry Investment Fund Partnership (L.P.)
Scheme Capital	Shanghai Scheme Capital Investment Management Co., Ltd.
SAIC Financial Holding	SAIC Financial Holding Co., Ltd.
TCL Electronics (Huizhou)	TCL Electronics (Huizhou) Co., Ltd.
TCL Industries (Hong Kong)	TCL Industries Holdings (Hong Kong) Co., Ltd.
TCL Digital Technology	TCL Digital Technology (Shenzhen) Co., Ltd.

Exchange Rate

CNY/HKD	January 2022 to December 2022	January 2021 to December 2021
Average rate	0.8628	0.8294
CNY/HKD	December 31, 2022	December 31, 2021
Closing rate	0.8933	0.8176



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