

TCL

2022 Annual Results

TCL电子控股有限公司

TCL ELECTRONICS HOLDINGS LIMITED

Incorporated in the Cayman Islands with Limited Liability

(Stock Code: 01070.HK)

**INSPIRE
GREATNESS**



1

**Environment
and Strategy**



2

**Business
Review**



3

Outlook

The space of intelligent device industry is stable

The global scale of household appliances is expected to reach RMB 1.4-1.6 trillion yuan in 2027¹

Unit: RMB

Shipment of TCL smart screens ranked Top 2 in global², with market share reaching 11.7%



Color TV
460 billion¹

TCL's market share

Region

≥14%	China, North America, Latin America
≥10%	Eastern Europe, Asia Pacific (excluding Japan)
≤10%	Japan, Western Europe, Central and East Africa



Air Conditioner
300 billion¹



Refrigerator
300 billion¹



Washing Machine
300 billion¹



Target market of mobile phone
180 billion¹

Global scale continues to consolidate



Target market of smart commercial display
70 billion¹

Steady growth, but fragmented industry

Exploring new growth space



New energy - Photovoltaic, energy storage products and solutions

Forecast of newly installed PV capacity worldwide³



In 2026
346GW



New Trend - Mobile scene of AR/VR products

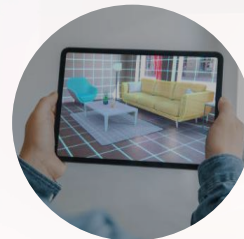
Global revenue and user forecast of AR hardware industry in 2026⁴



Revenue
US\$28.5 billion



Users
90.2 million



New Space - Hotel/community/building, etc. Business-end scenarios

New scene - Large product item of new intelligent hardware (Intelligent microprojection, home security, etc.)

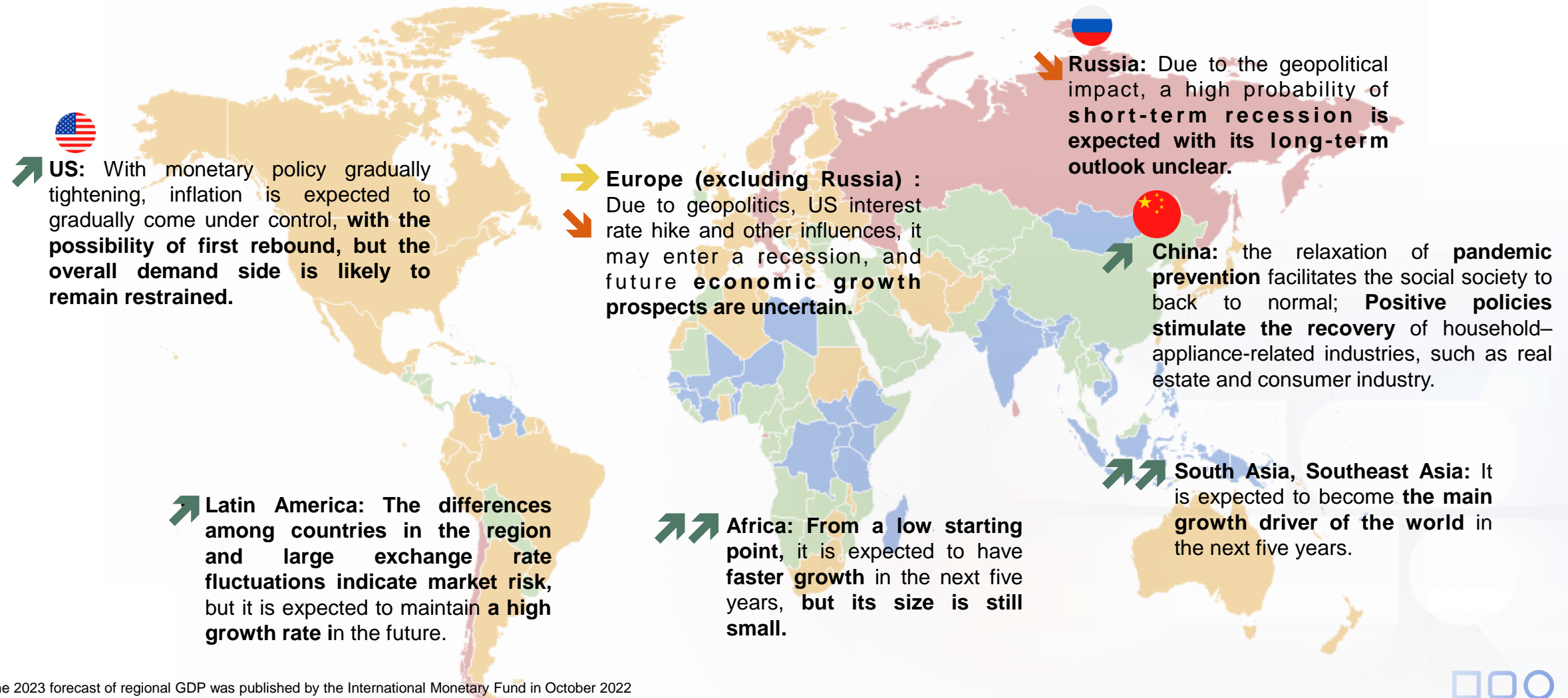
Regional opportunities | Emerging countries may have relatively faster growth; China and the US have higher possibility to emerge from the trough first. The relative outlook for Europe is uncertain



➔ optimism
 ➔ unclear
 ➔ pessimism

Global economy growth forecast¹

■ -3%-0%
 ■ 0%-3%
 ■ 3%-5%
 ■ > 5%



Note: 1. The 2023 forecast of regional GDP was published by the International Monetary Fund in October 2022
Data Source: International Monetary Fund

Value Led by Brand with Relative Cost Advantage, Ultimate Efficiency Management and Collaborative Innovation

Focus on penetration with mid-to-high end, overseas markets and new track breakthrough

Internet Business

Take user's experience as the core with continuously stable profit contribution

The PRC Internet

International Internet



Business Structure



Display Business

Continue to increase global market share, propel the strategy of large size and mid-to-high end, and achieve high-quality growth

Large-sized Display

Small-and-Medium-Sized Display

Smart Commercial Display



Innovative Business

The leader of the all-category, rapidly expand the scale, enabling the long-term growth of the company

Smart Connection

Smart Home

All-Category Marketing

Photovoltaic Business



Industrial Base + R&D Capability



Global Layout + Multiple Channels



Brand + Retail



1

**Environment
and Strategy**



2

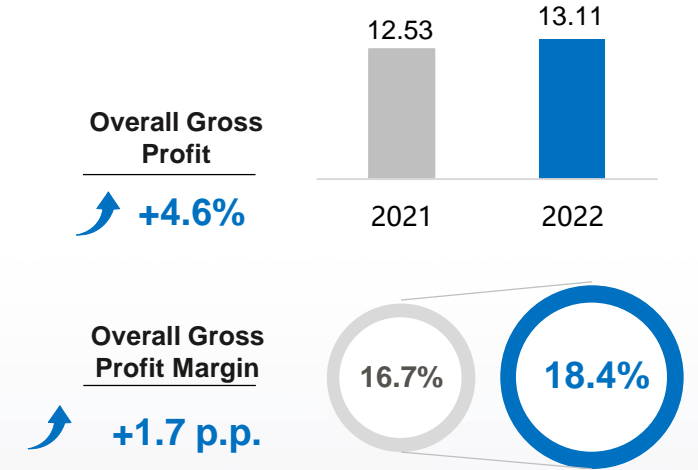
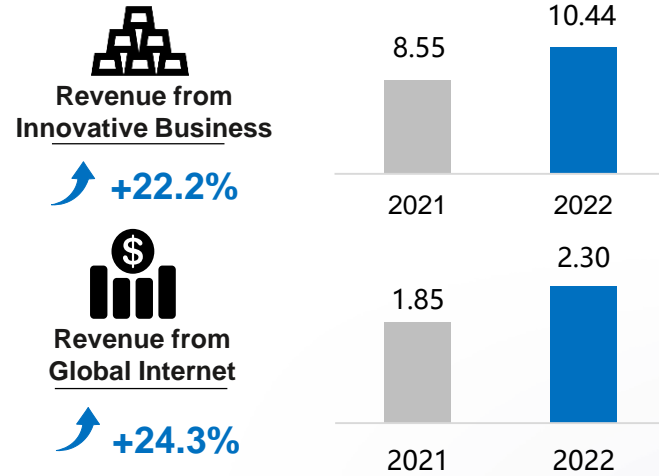
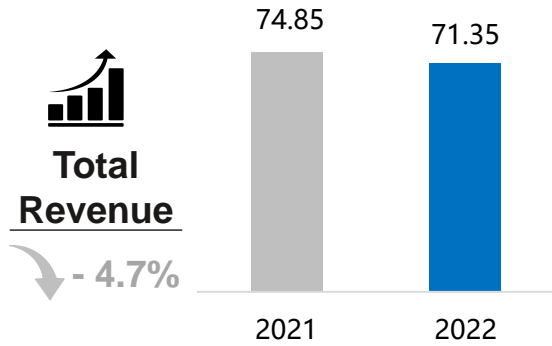
**Business
Review**



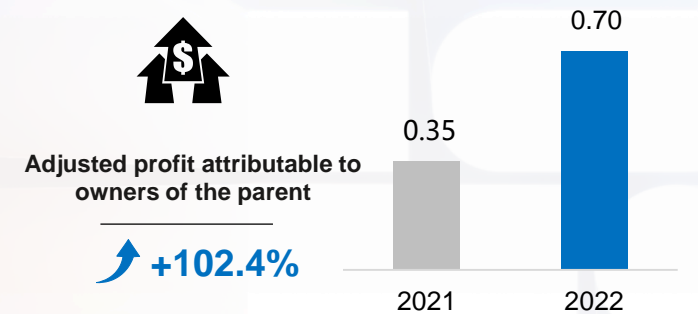
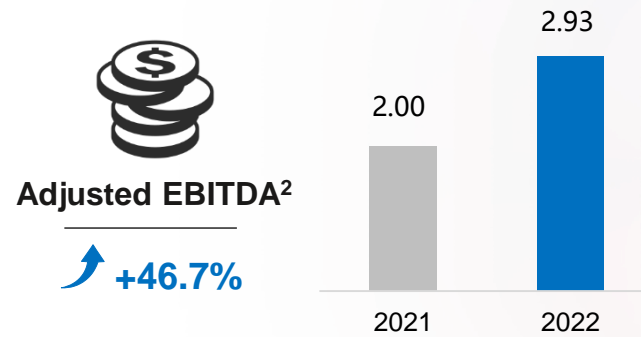
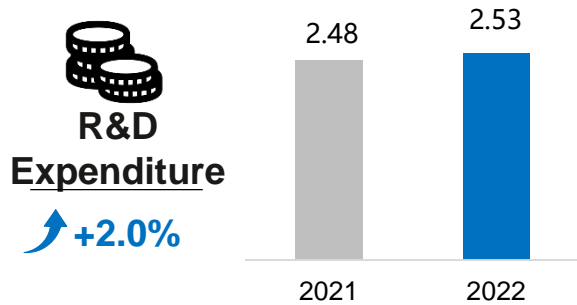
3

Outlook

Unit: HK\$ billion



The R&D expense ratio reached 3.5% increased by 0.2 p.p. yoy



Proposed annual dividend: HK12.70 cents per share
Full-year dividend payout ratio was 45%³

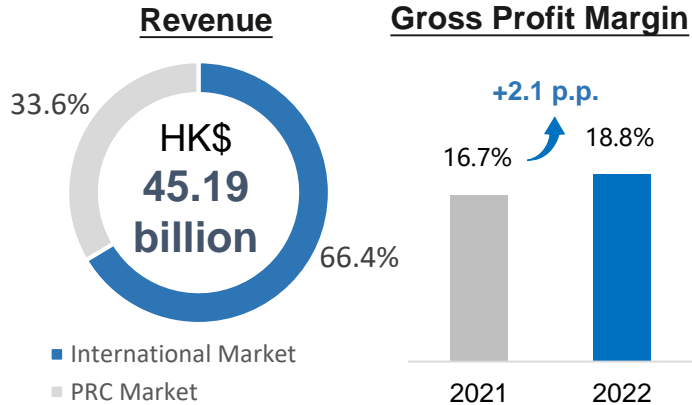
Notes:

- Operating profit refers to adjusted profit attributable to owners of the parent, defined as profit attributable to owners of the parent after adding back the following adjustments by using non-HKFRS measure : (i) (gain)/loss from investment company; (ii) (gain)/loss on sale and liquidation of subsidiaries; (iii) earnings related to call options and put options; and (iv) disposal of non-current assets (gains)/losses
- Adjusted EBITDA is defined as earnings before finance costs, income tax, depreciation and amortisation, excluding the Group's share of profits and losses of joint ventures and associates, and excluding one-off non-operating items
- Dividend is distributed at 45% of the adjusted profit attributable to owners of the parent

Display Business

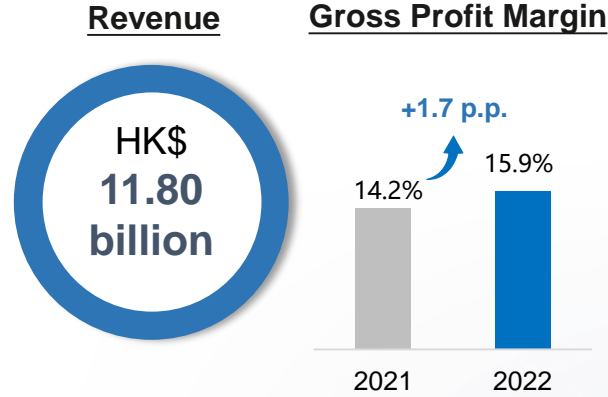
Large-sized Display

Focus on profit improvement: Gross profit margin increased by 2.1 p.p.



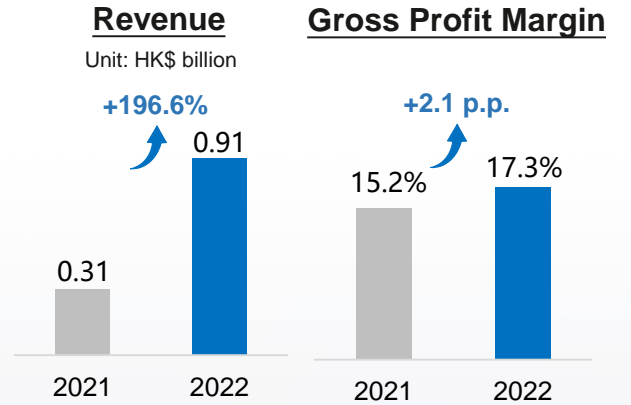
Small-and-Medium-Sized Display

With upgrading product and deepening of operator channels, the gross profit margin increased by 1.7 p.p.



Smart Commercial Display

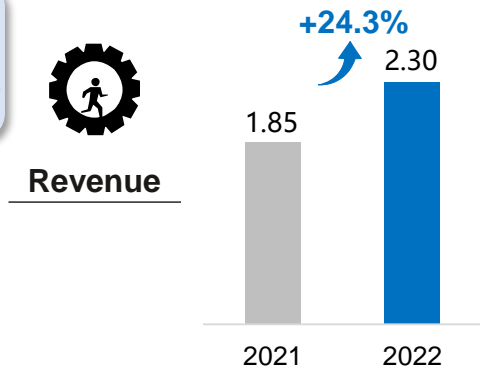
Exploring the overseas industrial chain of commercial display drove the rapid growth of revenue and gross profit



Internet Business

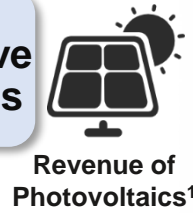
The performance of Internet business was outstanding with significant profit contribution

Unit: HK\$ billion



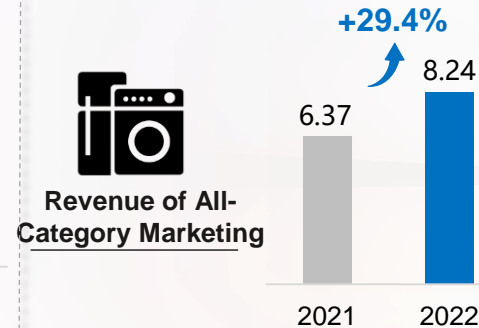
Innovative Business

Unit: HK\$ billion



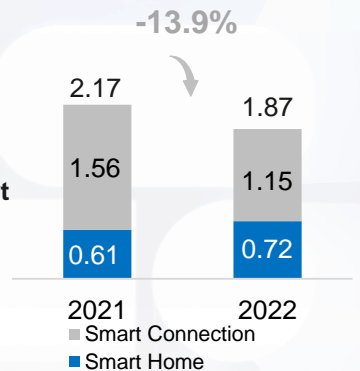
The Photovoltaic business become officially operational in Q2 of 2022, and it is expanding rapidly

Innovative business maintained rapid development, with the revenue increased by 22.2% yoy



Global distribution revenue expanded, and gross profit margin increased by 2.1 p.p.

Revenue of Smart Connection and Smart Home



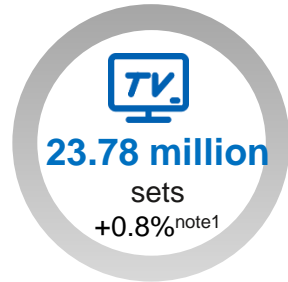
Revenue of smart home has maintained steady growth. The inflation and geopolitical conflicts affected the MiFi markets in Europe and the United States. Revenue of smart connection declined but still maintained its relative competitive advantage

1.1 Display Business – Large-sized Display | Achieved breakthroughs in the mid-to-high end, sales performance in the PRC market was outstanding, and the global market share remained in leading places

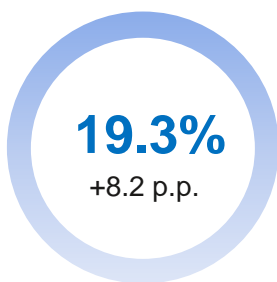


The larger-size trend of TCL's smart screen was significant with its shipment ranked **top 2 in global¹**

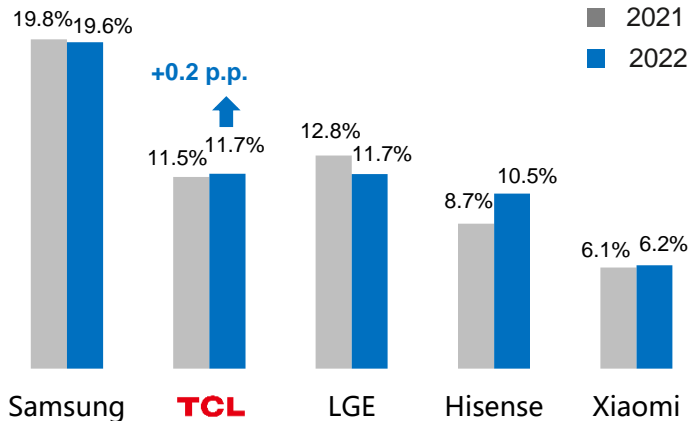
Global Shipment of TCL Smart Screen



Proportion of TCL's 65-inch and above Screen

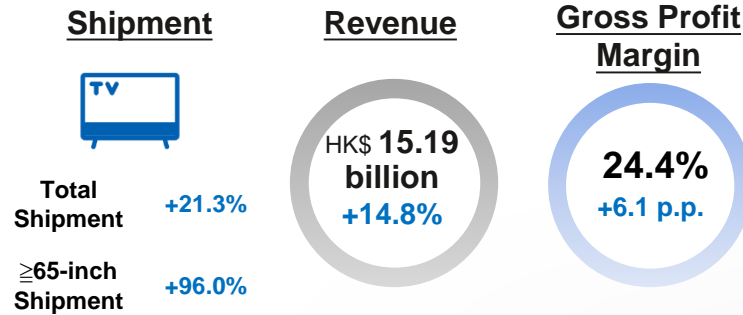


Market Share of Global TV shipment¹

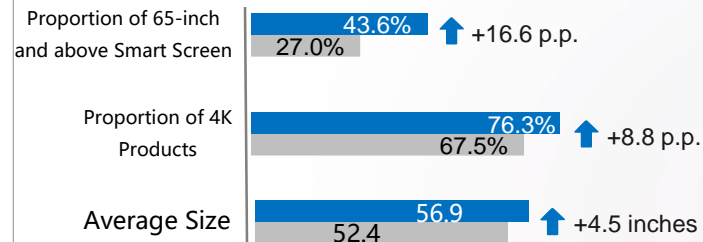


PRC Market

Dual-brand strategy has helped the sales soar and outperformed the industry^{Note2}, improved product mix attributed to the significant increase of gross profit margin



Proportion of High-End Products and Average Size of Products

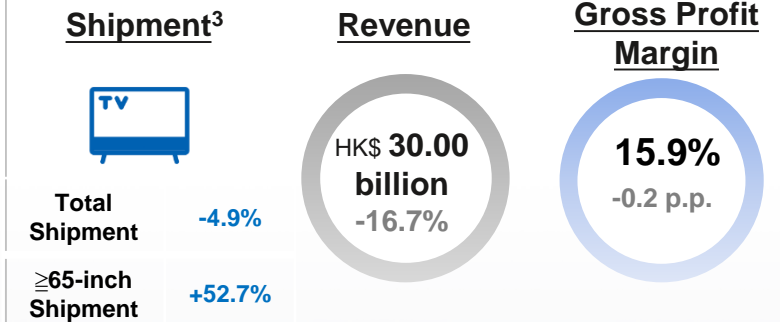


According to CMM omni-channel data, in 2022:

- ✓ The market share by **retail sales revenue** of TCL smart screens **ranked top 2 in the industry**, and the average retail price increased against the trend by 11.3% yoy, which significantly outperformed the average level in the industry^{Note3}
- ✓ The omni-channel retail sales volume of **quantum dot and Mini LED smart screens** in PRC market ranked No.1²

International Market

Achieved breakthroughs in product mix, gross profit margin remained steadily, smart screen ranked **top 5** in over 20 countries³



Rankings of Market Share of TCL Smart Screens in Overseas Countries³

Emerging Markets		North American Markets	
Australia	No.1	United States	No.2
Philippines	No.1	Mexico	No.4
Pakistan	No.1	Canada	No.5
Myanmar	No.2	European Markets	
Saudi Arabia	No.2	France	No.2
Brazil	No.3	Czech Republic	No.3
Kazakhstan	No.3	Italy	No.3
Thailand	No.4	Poland	No.4
Vietnam	No.4	Greece	No.4
Morocco	No.4	Hungary	No.5
Argentina	No.4		
Chile	No.5		
UAE	No.5		

Data Source: 1. Omdia, rankings of global brand TV shipment in 2022 2. CMM omni-channel data, data of retail sales volume in the PRC market in 2022

3. Market share data of TV shipment in overseas countries (except North America) in 2022 is from GfK, and the market share data of TV retail sales volume in North America in 2022 is from NPD.

Note: 1. According to Omdia report, the global shipment of TV in 2022 declined by 4.8% to 203 million sets, TCL smart screen outperformed the average level of the industry by shipment.

2. According to CMM omni-channel retail data, the retail sales volume of TV in the PRC market has increased by 5.6% to 34.94 million sets

3. According to CMM omni-channel retail data, the average selling price of industry in 2022 has declined by 6.9% yoy

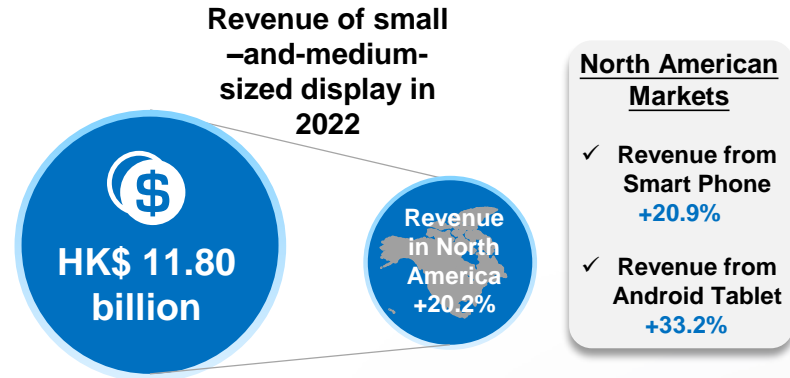
1.2 Display Business – Small-and-Medium-Sized Display | Advantage in global operator channels is prominent, by focusing on key development, business in North American markets rebounded



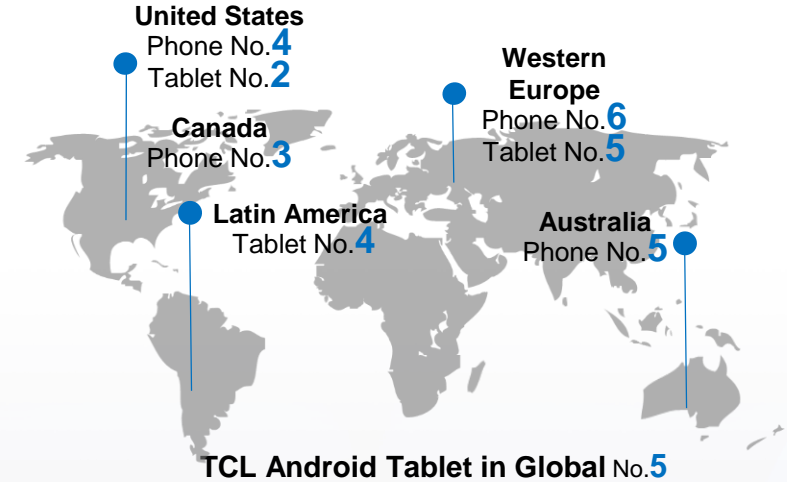
European and American first-tier network operators are fully covered



Sales in North America continued to grow



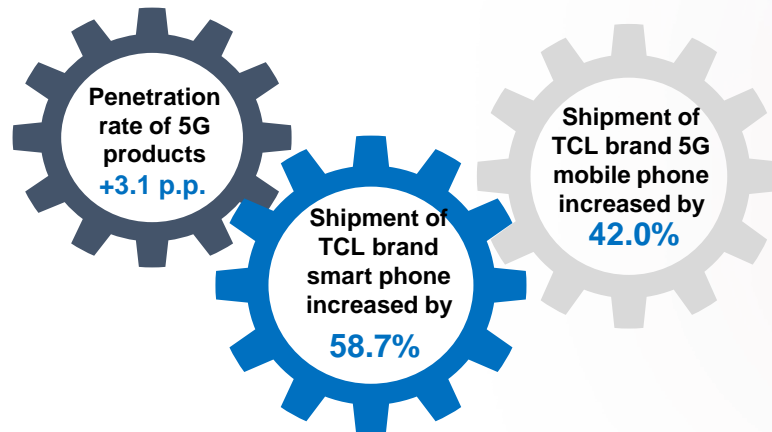
Rankings¹ of TCL Mobile Phone and Android Tablet by Shipment



Product line & country focus, the shipment of TCL's smart phone achieved growth



TCL 40 R 5G Mobile Phone



TCL Android Tablets accelerated market expansion



TCL TAB 8 LE



TCL NXT PAPER 12 PRO

- ✓ The 8-inch hot product in North America has successfully iterated and won the bid. **Maintained No.1 in North American operators**
- ✓ Successfully developed **Uber 2B Customers** in UK and further expanded the markets in North America and the Asia-Pacific region, significantly driving the growth of shipment



1.3 Display Business - Smart Commercial Display | Focusing on interactive flat panel display (IFPD) of education and conference, the annual revenue has **tripled** to **HK\$ 911 million**



- ✓ Explored into the IFPD market **with cooperation with DingTalk and Tencent Ecology**. Cooperated with **overseas leading IFPD brand** by fully utilising its business integration, the volume in overseas markets increased rapidly

- ✓ Intelligent teaching platform of TCL cloud, digitizing teaching process
- ✓ Built-in environmental sensor, intelligent monitoring the teaching environment
- ✓ Teaching screen with high definition and eye protection, providing care for teachers and students' eyes
- ✓ High precision of infrared touch, smooth whiteboard writing
- ✓ Integrated design of camera, microphone and speaker, suitable for multi-scene teaching
- ✓ Front interface and key design, convenient operation
- ✓ Unique exterior design

TCL Smart Education Whiteboard X60



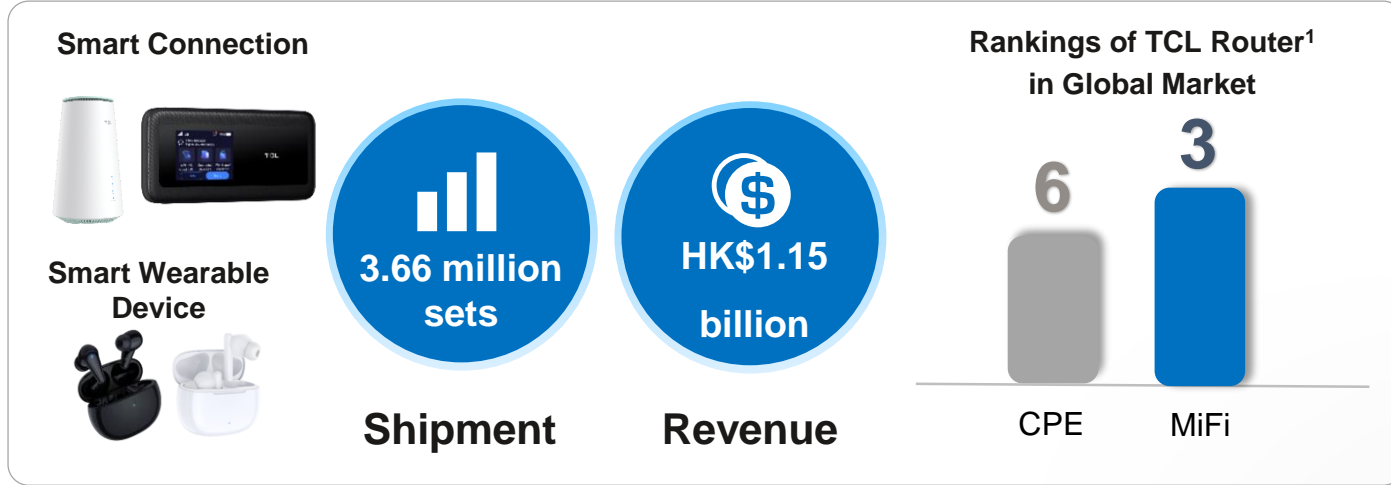
Intelligent Interactive Conference Board V50

- ✓ With the innovative and comfortable handwriting screen, write more freely and swiftly
- ✓ Wireless screen projection by using TCL Share, convenient sharing and efficient reporting
- ✓ Coordination with Tencent documents and WPS office, easy for multi-party collaboration
- ✓ 4K Ultra HD display with 1.07 billion rich colors
- ✓ Integrated design of camera, microphone and speaker, suitable for multiple scenarios
- ✓ Enrich the video conference ecology, and help enterprises to cooperate without boundaries
- ✓ BYOD (Build Your Own Device) solution for achieving flexible and independent working

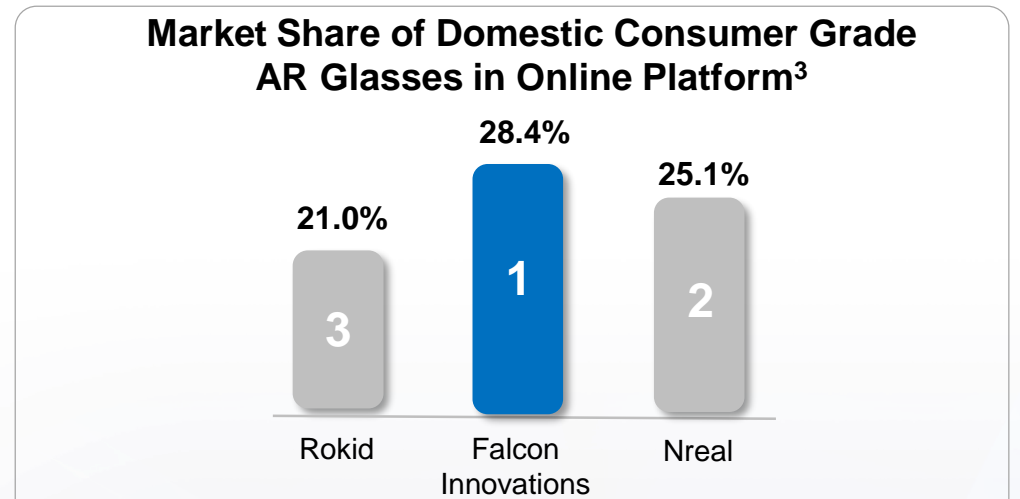
2.1 Innovative Business - Smart Connection and Smart Home | With the global development of Intelligent and technological new categories, the Company became one of the first tapping into the AR/VR market



Smart Connection - Actively expanded its product portfolio into 4G/5G, continuously making breakthroughs in **the operators channel**



AR/XR Glasses – **Market share ranked No.1** in the PRC online market



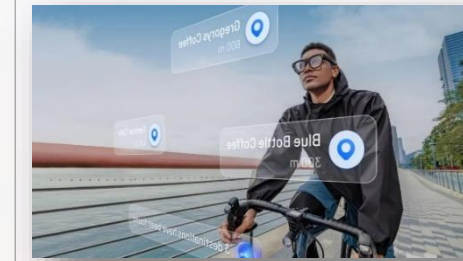
Smart Home — The mid-to-high-end structure of smart door lock has significantly improved, **with its market share of smart door lock with large-screen peephole leading in the industry**

TCL

TCL 可视安全智能锁
灵眸小金刚10系
十大黑科技 可视安全新旗舰

- ✓ Revenue in 2022 reached HK\$ **0.72 billion**, **increased by 17.0% yoy**
- ✓ in 2022, **12** new smart door locks have been launched, with cumulative shipment of new products accounting for **over 70%**, among them, the new products of mid-to-high end 10-series that were self-research and developed, have won unanimous praise from the industry
- ✓ TCL 7-series door locks with large-screen peephole ranked **Top 3²** in terms of market share by online sales volume in China in 2022

RayNeo X2 consumer grade AR Glasses



Lightweight appearance

Simple wireless integrated design
Meet the wear needs in daily life

Rich application scenarios

Intelligent translation, real-time navigation, information reminder, quick photo-taking and other scenes

Leading technology

binocular full-color Micro-LED optical waveguide displays
1000nits full scene display brightness + high-definition camera of 16 million pixel
Qualcomm Snapdragon XR2 professional powerful computing power + self-developed visual SLAM algorithm

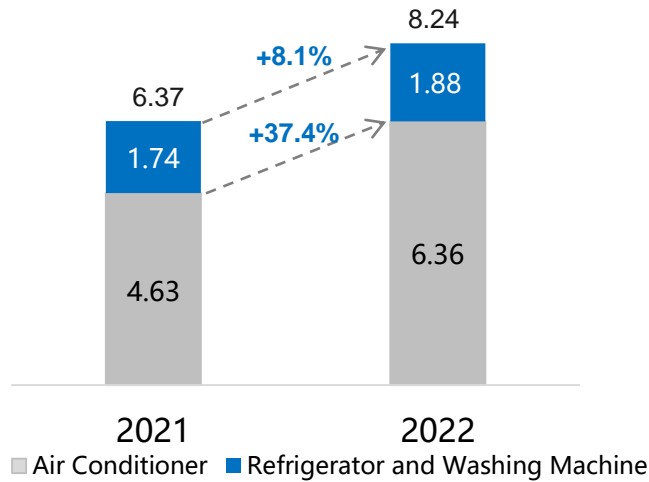


2.2 Innovative Business – All-Category Marketing | The synergy of brand and channel accelerated the growth of global distribution scale, and gross profit margin increased by 2.1 p.p.



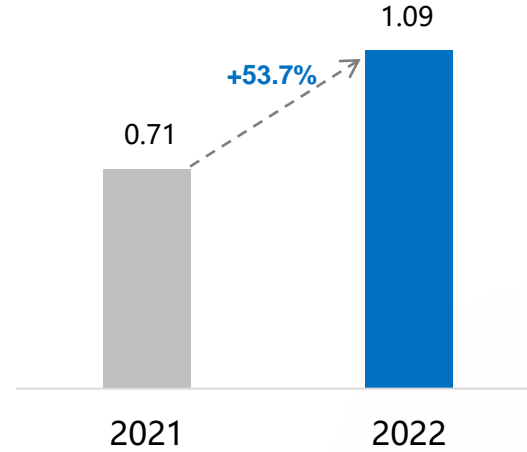
Distribution Revenue

Unit: HK\$ billion



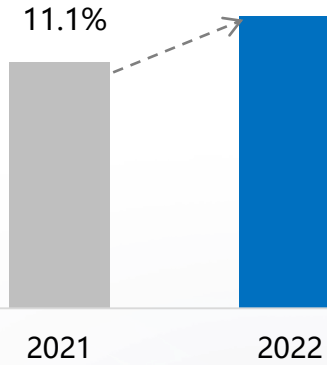
Distribution Gross Profit

Unit: HK\$ billion



Distribution Gross Profit Margin

+2.1 p.p. 13.2%



Ranking of TCL Air Conditioner in Global¹

No.4



TCL Fresh Air Series Air Conditioner



TCL Lattice Series Refrigerator



TCL Dual-Drum Series Washing Machine



Source: 1. ChinalOL, global shipment data in 2022

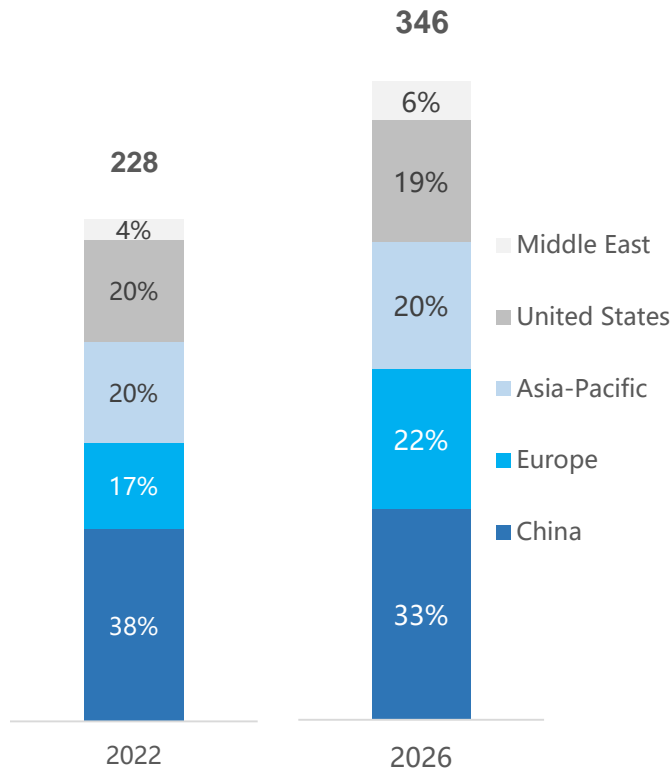
2.3 Innovative Business - Photovoltaic Business | Global industry – Great market potential of distributed PV in Europe, America and China, and strong demand for energy storage in Europe



Newly Installed PV Capacity in Global Market¹

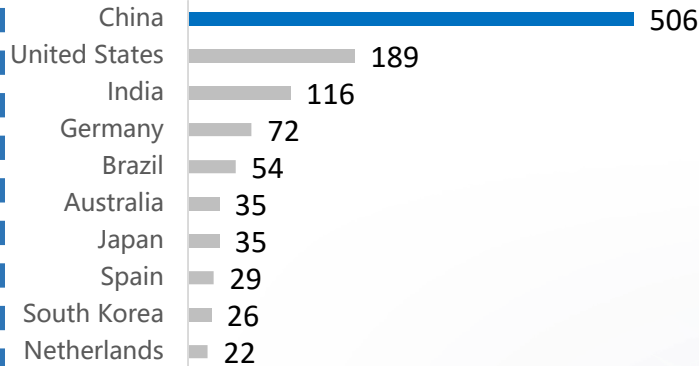
Unit: GW

Forecast from 2022 to 2026
CAGR 11%



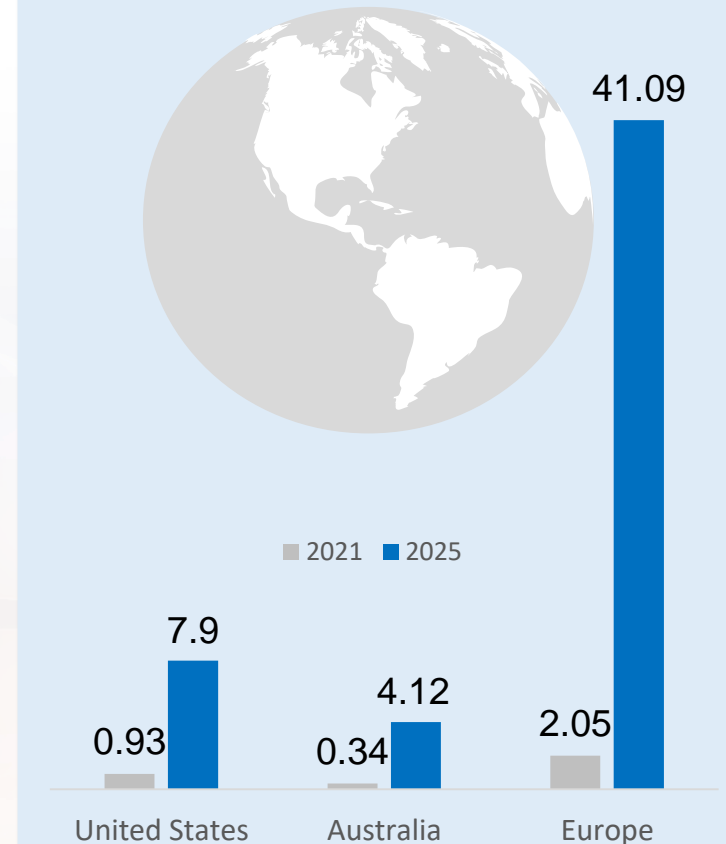
Forecast of the World's Top 10 Countries in terms of Cumulative Newly Installed PV from 2022 to 2026¹

Unit: GW



Forecast of Installed Capacity of Household Energy Storage in Major Global Markets³

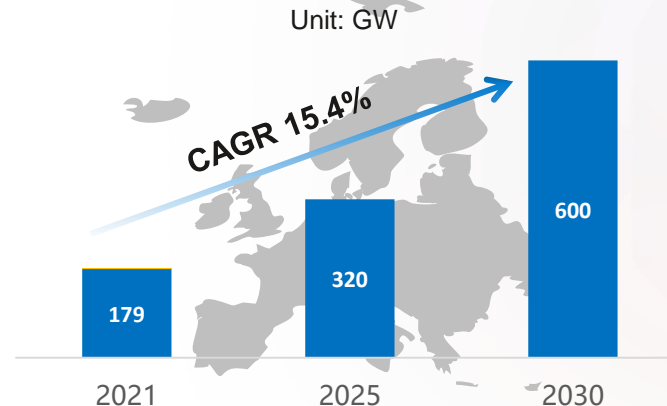
Unit: GWh



Cumulative Installed PV Capacity in Europe²

(Distributed PV capacity dominates in Europe)

Unit: GW

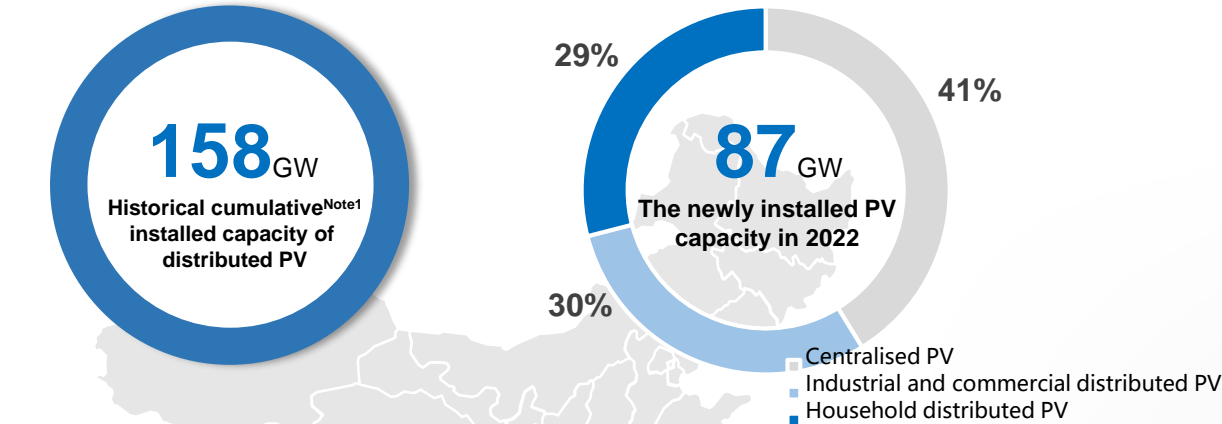


Data resource: 1. Solar Power Europe 2. REPowerEU, BOC Securities 3. Solar Power Europe, BNEF, IEA

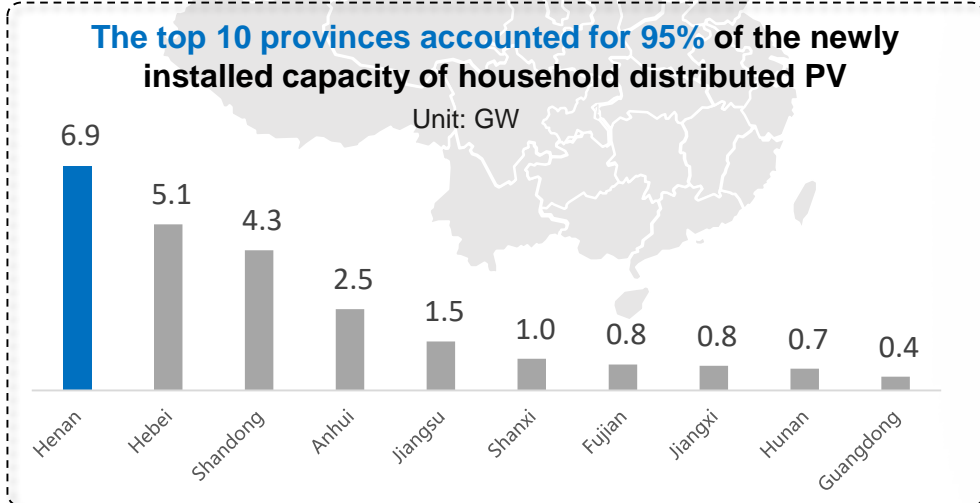
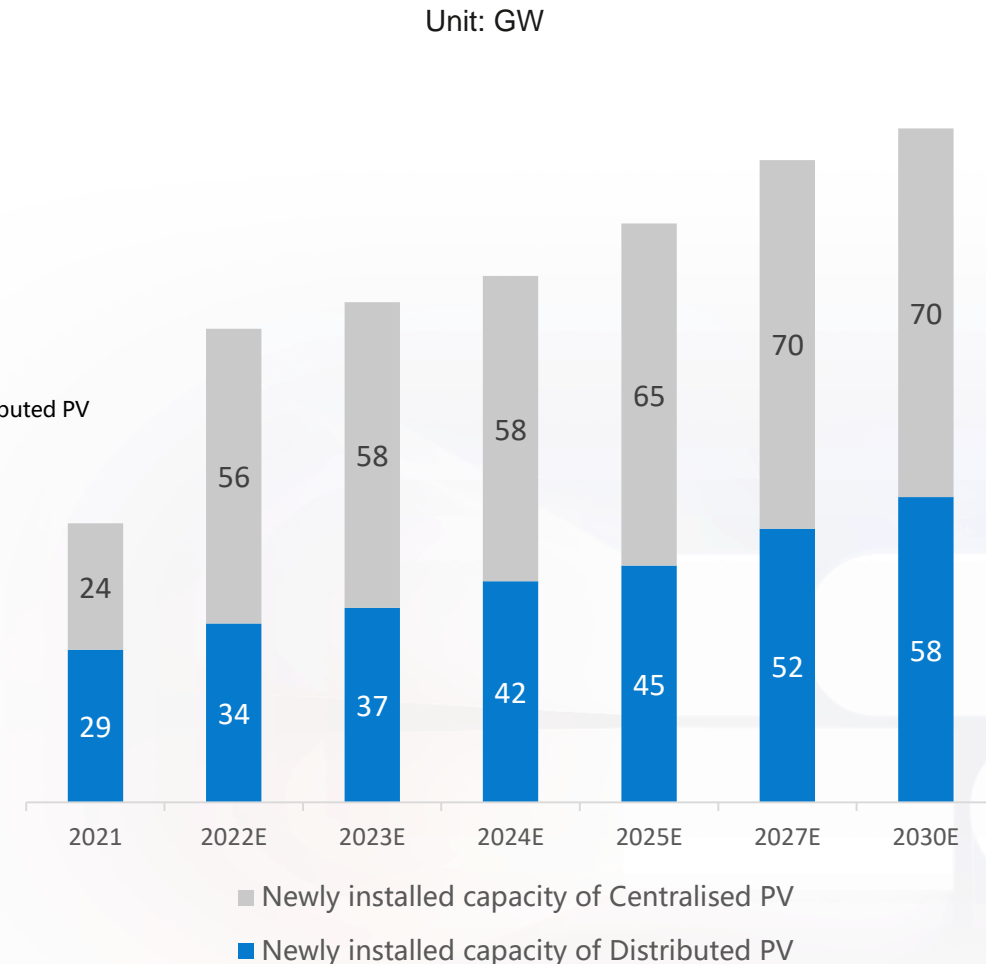
2.3 Innovative Business - Photovoltaic Business | the PRC industry - The capacity of distributed PV increased rapidly with central and southern China becoming the new incremental market in the future



The Newly Installed PV Capacity in China in 2022¹



Forecast of Newly Installed PV Capacity in China from 2021 to 2030²



Source: 1. National Energy Administration 2. China Photovoltaic Industry Association (CPIA)

Note: 1. Cumulative data up to the end of December 2022

2.3 Innovative Business - Photovoltaic Business | Since its official operation in the second quarter of 2022, the company has accelerated the development of B-to-B and C-to-C business and continued to expand its business scale **TCL**

More than 120 industrial and commercial projects have been signed

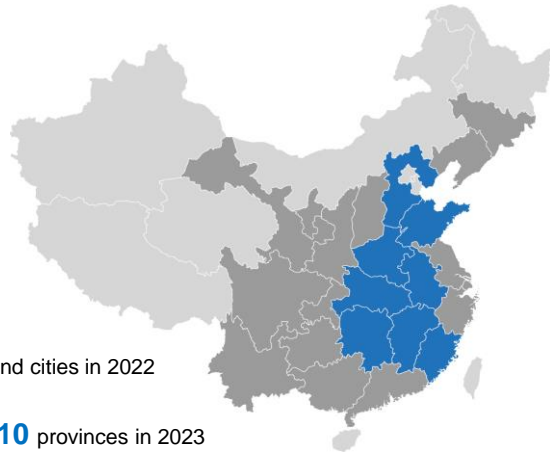
More than 150 new distribution channels

Built the platforms system, covering the four key capabilities of capital, engineering technology, technology system and regulation & processes, from 0 to 1



Over 8,000 rural households have signed contracts

Revenue in 2022^{Note 1}
HK\$0.33 billion

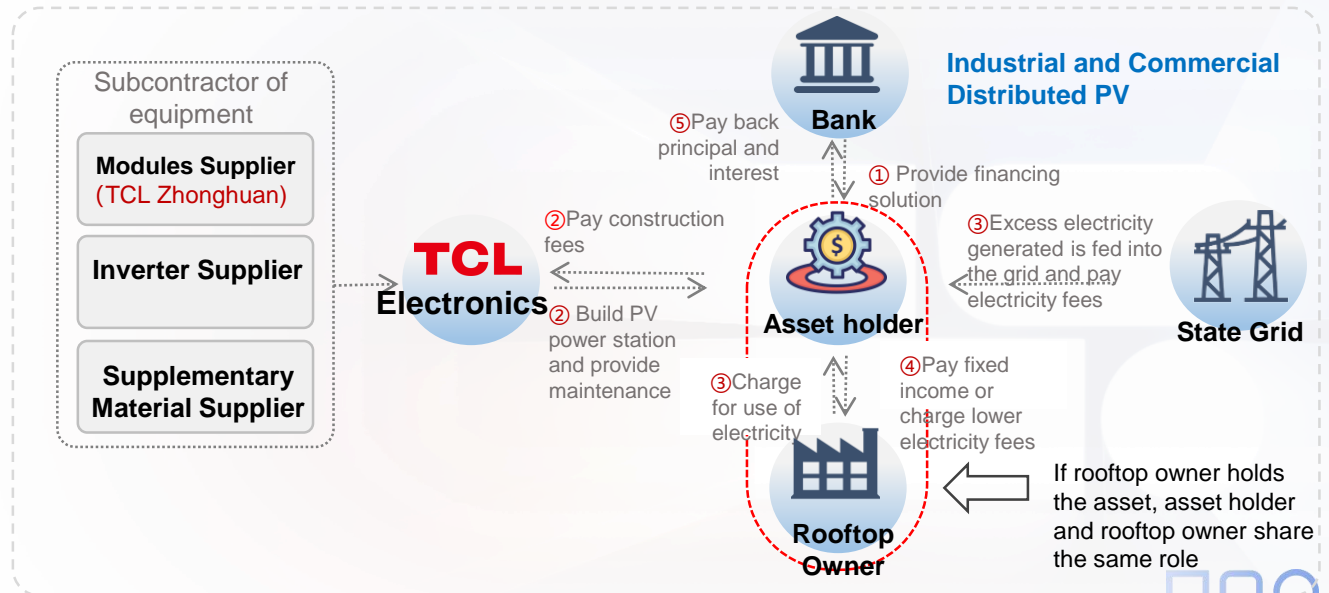
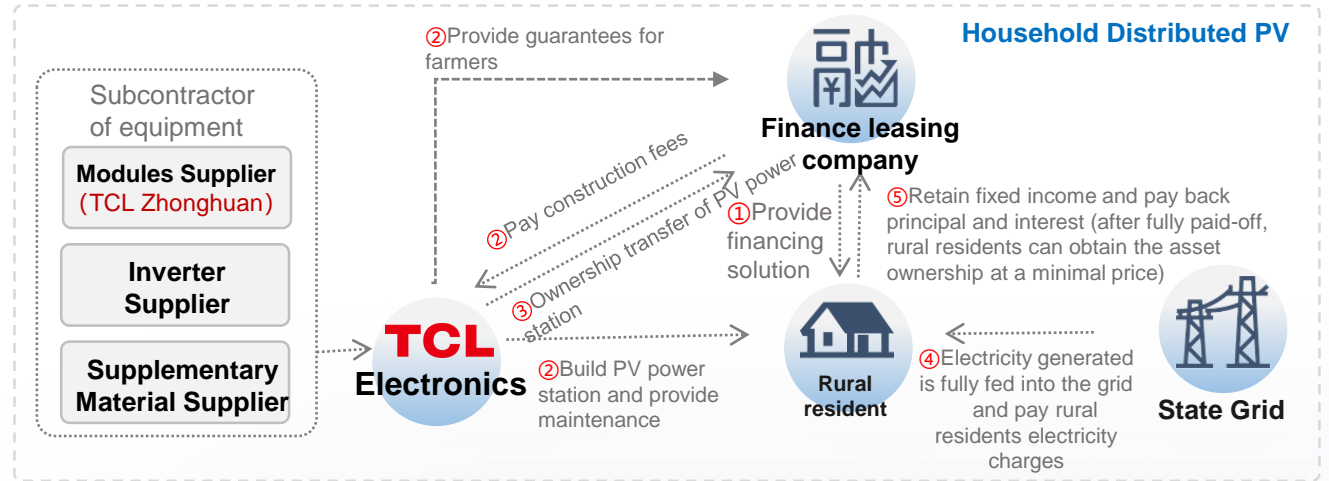


Explored business in 9 provinces and cities in 2022

Plan to expand business in over 10 provinces in 2023



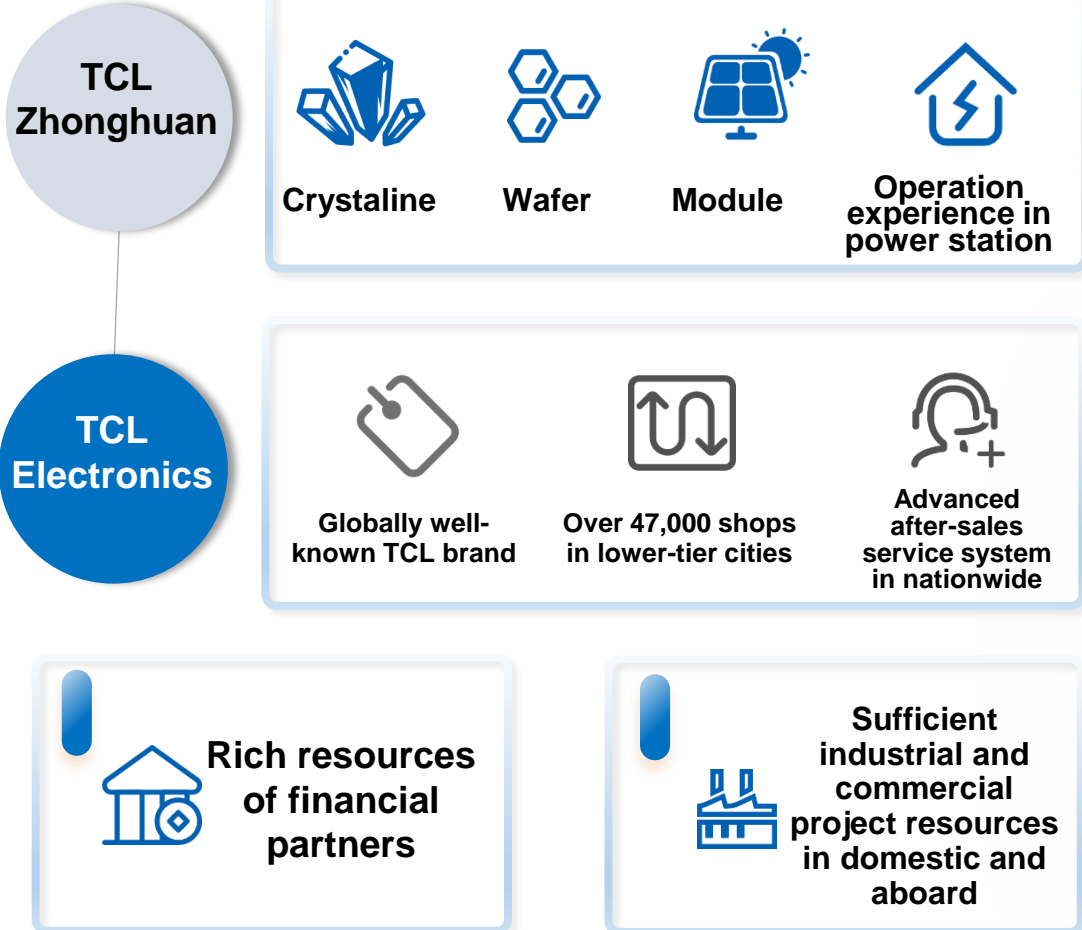
CREC China's top ten distributed PV system brands
The most influential household photovoltaic system in the photovoltaic industry of 2022



2.3 Innovative Business - Photovoltaic Business | Relying on the advantages of the industrial chain, enable long-term growth with global outlook



- ✓ It has a **complete** upstream photovoltaic industrial chain and rich financial/project resources
- ✓ TCL Electronics has **the advantage of being a late mover** when entering distributed PV business



Growth curve

Third Growth Target

Secondary Growth Target

Primary Growth Target

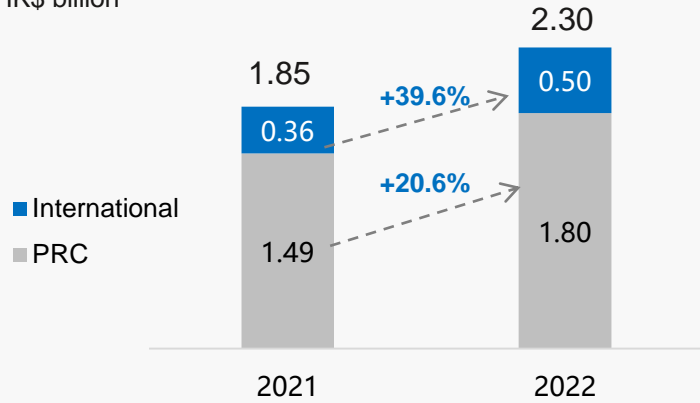
The first-tier group of distributed PV in China
Major participant in global PV market

Tap into major overseas countries

Comprehensive coverage of distributed PV from household to industrial and commercial

Revenue of Global Internet

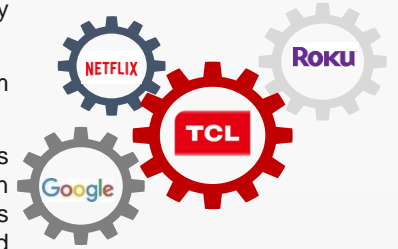
Unit: HK\$ billion



International Market Performance

International Market: Equipped with third-party OTT system and operated **TCL Channel** content integration application platform

- ✓ Cooperate with giants like Roku, Google and Netflix, to continuously improve users experience
- ✓ Since 2021, it has been continuously receiving revenue sharing from Google's platform
- ✓ Falcon has gradually achieved breakthroughs in its overseas business model. It has accumulated a large number of overseas TCL smart screen users through its OTT platforms in cooperation, enhancing its monetisation capability. By the end of December 2022, TCL Channel had accumulated **over 12million** users, covering **60 countries** in North America, Europe, Central and South America, and the Asia-Pacific region



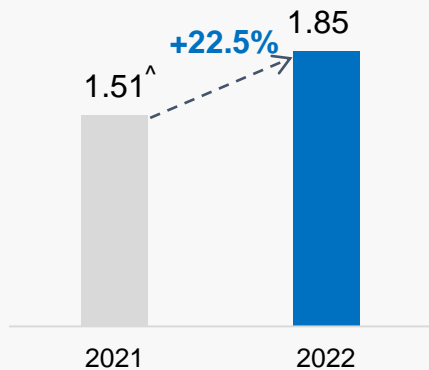
Continue to deepen global cooperation with Internet giants

Falcon Network Technology

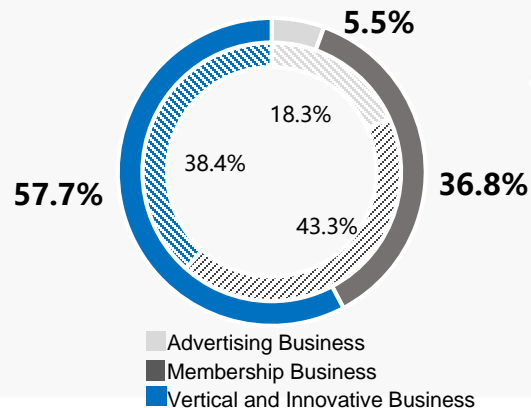
Focus on **product innovation** to strengthen competitiveness, and continuously improve the **operating efficiency** of the platform

Unit: HK\$ billion

Revenue



The Proportion of Revenue
Outer ring 2022 vs Inner ring 2021[^]

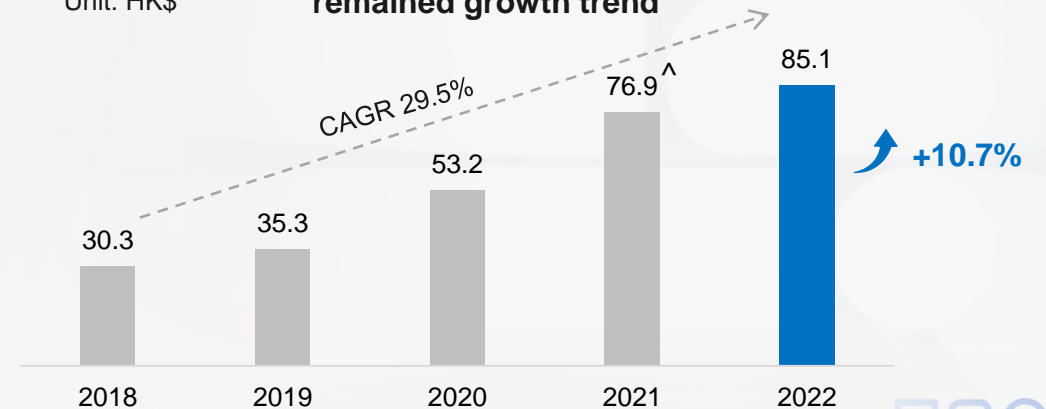


Note: [^]adjusted

ARPU

The platform operation capacity remained growth trend

Unit: HK\$



4.1 Business Highlights | Actively responded to supply chain and market changes, optimised product mix, improved management quality, and adhered to business innovation



Product competitiveness has been significantly improved

- Proportion of shipment of TCL smart screens ≥65 inches increased by **8.2 p.p.**
- Global shipment of quantum dot/Mini LED **increased by over 10%** yoy
- Global shipment of TCL smart screens with high refresh rate of 120Hz/100Hz **increased by 198.7%** yoy¹, ranking fifth in global
- Brand index significantly increased to 120, ranked **the second** among Chinese TV brand²

Product Structure

With the leading display technology to first launch cutting-edge products

- With the world's first layout and mass production of Mini LED smart screens, TCL Mini LED smart screen ranked No.1² in terms of domestic retail sales volume.

Excellent performance in the PRC market with outperforming the industry against the trend

- Accelerated the implementation of "TCL+ Falcon" dual brand strategy, shipment of TCL smart screens increased by **over 20%** yoy
- Channel structure continued to improve, with proportion of online channel for TCL smart screen **increasing by 13.0 p.p. to 61.7%**

Operation Quality

Significant cost reduction and improved turnover efficiency

- Enhanced the supply chain platform capacity with key ecology of integrated supply chain constructed
- Inventory turnover improved with **5 days** shorter than last year
- Enhanced cost competitiveness via its unique vertical industrial chain

Accelerated the market share growth of overseas markets

- The market share in **more than 20** overseas countries continued to increase³
- The market share in **more than 20** overseas countries ranked Top 5³

Achieve high-quality operation growth

- Y-o-Y improvement in **profit > revenue > scale**
- Stable scale performance with adjusted profit attributable to owners of the parent **doubled**

Global Internet business profit contribution was stable and significant

- Rich content of domestic platform, APRU exceeded HK\$80, CAGR in the past five years reached **29.5%**
- Overseas cooperation with giants to explore new business models, in order to improve revenue sustainability

Business Innovation

Achieved development in the new track

- Officially operated the photovoltaic business in Q2 of 2022 and expanded the business rapidly
- Released AR/XR new products, with its **market share ranked No.1 in domestic**⁴
- Business scale and gross profit of all-category marketing continued to expand

Data Source: 1. Omdia, global brand TV shipment in 2022 2. CMM omni-channel data, TV retail sales volume data in the PRC market in 2022

3. GfK and NPD, market share data of TV shipment in overseas countries (except North America) in 2022 is from GfK, and the market share data of TV retail sales volume in North America in 2022 is from NPD. 4. iResearch, online sales volume data of the PRC online market in 2022



4.2 Business Highlights | Consolidate industry-leading R&D capabilities, uphold innovation-driven development and improve R&D efficiency

TCL

Steadily promote research and development of **display resolution** quality technology, support **display product matrix** competitiveness

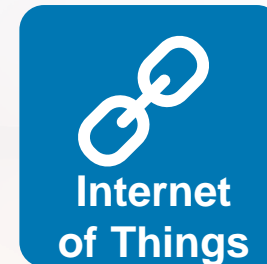
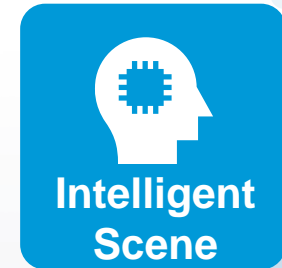
- ✓ Efficient synergy with China Star Optoelectronics Technology, continue to improve the cost competitiveness of large-sized panel, establish technical barriers
- ✓ Consolidate the first-mover advantage of technology, continue to evolve Mini LED, resolution engine, color management and other core display technologies, improve product competitiveness
- ✓ Reinforce display technology platform capability, achieve research and development efficiency improvement through public platform technology reuse

Strengthen the **connectivity** capacity of **smart devices**, promote the development of technical standards for **interconnection**

- ✓ Through capacity building of 5G communication, IoT platform, cloud services and AI fault diagnosis, improve the stability, reliability and security of terminal connections
- ✓ Oriented by user needs and experience, create ultimate experience and value for users
- ✓ Centering on the interconnection of all categories of equipment, AIoT application in all scenarios and data flow between audio and video, actively construct industry standards through existing technologies to maintain the intelligent connection industry ecology

Increase the investment in **software and hardware** technology platform and explore the **application of intelligent scenarios**

- ✓ Increase the investment in technology platforms such as image technology, operating system, artificial intelligence, electronic control and new materials, strengthen the construction of technology engineering system, and improve the core performance, operation and interactive experience of software and hardware of products
- ✓ Continue to deepen R&D investment in AR/VR and other innovative tracks, layout of new paradigm interactive entrance, and explore the Implementation of intelligent scene application



4.3 Business Highlights | The brand and different kinds of intelligent products were highly recognised by the global industry and consumers



Multiple innovation awards from European Imaging and Sound Association (EISA)

- TCL Mini LED 4K Smart Screen 65C835 won the "PREMIUM MINI LED TV 2022-2023" award
- TCL 55C735 Smart Screen won the "BEST BUY LCD TV" award
- TCL C935U Soundbar won the "BEST BUY SOUNDBAR" award

Won multiple innovation awards at the International Consumer Electronics Show (CES)

- TCL Mini LED 4K Smart Screen 75C935 and 75C835 won the "CES®2023 Innovation Award"
- TCL X11 QD-Mini LED Smart Screen won the "Innovation Award for Mini LED Display of the Year"
- TCL 4K Mini LED Smart Screen C845 won the "Gold Award for New Generation Display Technology"
- TCL Smart Tablet NXTPAPER 12 Pro won the "Eye Care Technology Innovation Award"
- TCL NXTWEAR Air Smart Glasses won the "Most Innovative Product Award"

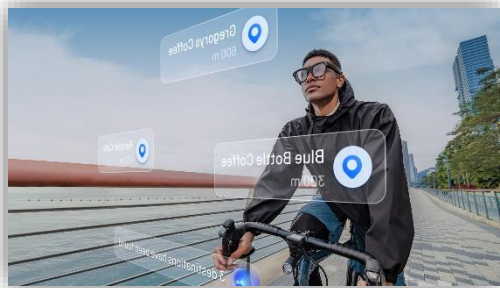


Smart products and innovative design won 13 iF Design Awards and 8 Red Dot Design Awards

- Air purifier Breeva Pro 400/700, TCL NXTHUB V60 conference tablet, TCL FLEX V Smart folding phone, the router TCL CPE Air, TCL P73 series Home theater Soundbar and TCL Falcon AR glasses won "iF Design Award"
- TCL QD-Mini LED Smart Screen C12E, TCL X11 QD-Mini LED Smart Screen, TCL X12 Mini LED 8K Smart Screen, TCL C series AI Television camera, TCL Fresh Air Series Air Conditioner won the "Red Dot Design Award" in Germany

A number of scientific and technological innovation awards issued by China Video Industry Association

- TCL X11 QD-Mini LED Smart Screen won the "2022 Annual Science and Technology Innovation Award • Technology Award"
- TCL QD-Mini LED Giant-screen Smart Screen 98X9C Pro won the "2022 Annual Technological Innovation Award • Product Award"



Falcon Innovations and Falcon AR/XR smart glasses won multiple industry awards

- The design and development of the first binocular full-color Micro LED holographic optical waveguide AR glasses won "the second Prize of the Third Science and Technology Award"
- Falcon Innovations was selected as "WISE 2022 King of New Economy, New Business Format of Metaverse TOP 30"
- Falcon Innovations was selected as "2022 Chinese AR Top 50"

A number of design awards from the China Household Electrical Appliances Research Institute

- TCL 16KG Double Drum washing machine industrial design project won the annual "Design Innovation Achievement Award"
- TCL refrigerator washing machine brand won the "Most Innovative Household Appliance Brand"



4.4 Business Highlights | Environment, Society and Governance, **ESG has been rated A** by Hang Seng Index for five consecutive years, showing outstanding performance



Overall ESG Rating¹



From 2018 to 2022
ESG has been rated A for
five consecutive years

Overall Awards

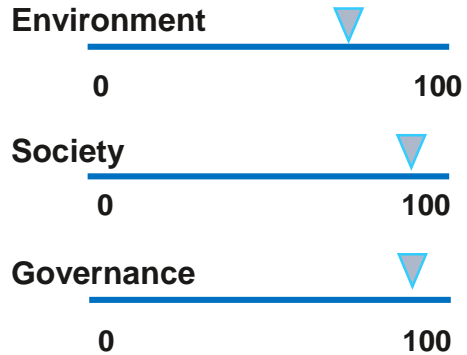
From 2019 to 2022
has been included in the **Hang Seng Sustainable Enterprises Benchmark Index** for **four consecutive years¹**

ESG Performance Comparison¹

Compare with peer companies:
Top 20%
(out of 94 companies)

Comparison with other
components: **Top 20%**
(Out of 575 companies)

Overall ESG Performance¹



E

The industry's first new embedded integrated honeycomb panel packaging scheme, **reducing greenhouse gas emissions from transportation** by cutting packaging thickness
Manual spraying production line waste gas treatment transformation, **VOCs removal rate rose to 85%, emissions reduced by 4.8 tons/year**
Expand the photovoltaic business to help rural revitalisation, **and propel the development of low-carbon economy**

S

The Group **continues to increase the proportion of female employees** globally, **to over 40% by 2022**
TCL mobile phone products have introduced **the hearing aid function**, to provide more convenient **and barrier-free** product experience

G

The 7th Gelonghui Award for Outstanding Listed Companies in Greater China: **Annual Information Disclosure Award**
Integrated, formulated and adopted the **Anti-Corruption Policy** in 2022





1

**Environment
and Strategy**



2

**Business
Review**



3

Outlook

Brand



Product

- ✓ Master the technical winning points
- ✓ Provide extreme user experience
- ✓ Achieve industrial chain integration, with cost competitiveness



Marketing

- ✓ Improve both brand index and recognition
- ✓ Continue to deepen the coverage of key areas and high-quality channels

Efficiency



Operation

- ✓ Optimise layout, improve efficiency and reduce cost
- ✓ Refine operation, improve efficiency



Organisation

- ✓ Build a **personnel training system**
- ✓ Optimise the **process and digital** construction capacity

Innovation



Cocreation

- ✓ Maintain **continuous innovation** capacity
- ✓ Produce **synergistic ecological** effect





INSPIRE GREATNESS



Core Goal

Achieve high-quality improvement with

“growth of cash flow > growth of profit > growth of revenue > growth of scale”

The main source of revenue growth

- Increase in ASP
- Expanding coverage in regional and channel
- Sales volume growth in key regions and key channels
- New business scale growth

The main source of profit growth

- Enhancement in competitiveness of products and technologies
- Structural cost reduction
- Efficiency improvement in R&D, operating assets and organisation

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- A number of forward-looking statements may be made from this presentation. Forward-looking statements are statements that are not historical facts. These forward-looking statements are based on the current expectations of the Company and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties, the Company’ s actual results could differ materially from these statements.

TCL

THANKS!

March 2023

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