

Stock Code: 000100

Stock Abbr.: TCL TECH.

Announcement No.: 2024-018

TCL 科技集团股份有限公司
TCL Technology Group Corporation



First Quarter 2024 Report

April 28, 2024

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Section I Important Notices and Definitions

The Board of Directors (or the "Board"), the Supervisory Committee, directors, supervisors and senior management of TCL Technology Group Corporation (hereinafter referred to as the "Company") hereby guarantee that this quarterly report is factual, accurate and complete, and shall be jointly and severally liable for any misrepresentations, misleading statements, or material omissions therein.

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

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

The future plans, development strategies or other forward-looking statements mentioned in this Report shall NOT be considered as promises of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

This Report has not been audited. This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Definitions

Term	Refers to	Definition
Company, the Company, the Group	Refers to	TCL Technology Group Corporation
The "Reporting Period", "current period"	Refers to	The period from January 1, 2024 to March 31, 2024.
TCL CSOT	Refers to	TCL China Star Optoelectronics Technology Co., Ltd.
TZE	Refers to	TCL Zhonghuan Renewable Energy Technology Co., Ltd., a majority-owned subsidiary of the Company listed on the Shenzhen Stock Exchange (stock code: 002129.SZ)
t9	Refers to	The generation 8.6 (or G8.6) new oxide production line at Guangzhou CSOT
G12	Refers to	12-inch ultra-large DW-cut solar monocrystalline silicon square wafer, size: 44,096mm ² , diagonal line: 295mm, side length: 210mm, with its size 80.5% larger than the conventional M2
RMB	Refers to	Renminbi

Section II Key Financial Information

(I) Key accounting data and financial indicators

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

Yes No

Reason for retrospective adjustment or restatement

Change of accounting policies Correction of accounting errors Business combination under common control

Others

	Q1 2024	Q1 2023		Change (%)
		Before adjustment	After adjustment	After adjustment
Revenue (RMB)	39,908,458,083	39,443,242,439	39,443,242,439	1.18%
Net profit attributable to the company's shareholders (RMB)	239,970,389	-548,999,154	-548,999,154	143.71%
Net profits attributable to the company's shareholders after non-recurring gains and losses (RMB)	70,716,493	-729,931,586	-729,931,586	109.69%
Net cash generated from operating activities (RMB)	6,596,505,932	4,495,356,538	4,495,356,538	46.74%
Basic earnings per share (RMB/share)	0.0129	-0.0326	-0.0297	143.43%
Diluted earnings per share (RMB/share)	0.0128	-0.0322	-0.0292	143.84%
Weighted average return on equity (%)	0.45%	-1.09%	-1.09%	Increase by 1.54 percentage points YoY
	March 31, 2024	December 31, 2023		Change (%)
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	391,746,725,368	382,859,086,727	382,859,086,727	2.32%
Owner's equity attributable to the company's shareholders (RMB)	53,682,079,210	52,921,867,086	52,921,867,086	1.44%

Note 1: The Company converted its capital reserve into share capital in May 2023, at a rate of 1 share for every 10 shares to all shareholders. The Company recalculated the basic earnings per share and diluted earnings per share for the first quarter of 2023 in accordance with accounting standards and other regulations.

Note 2: According to the relevant provisions of the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-Recurring Profits and Losses (2023 Revision), any public subsidies that are closely related to the Company's daily operations, comply with national policies, are granted based on determined standards, and have a continuous impact on the Company's profits or losses, should be included into recurring profits or losses. Public grants presented as non-recurring profits or losses in the first quarter of 2023 comprise of the public grants related to assets amounting to RMB75.12 million, which should be classified as recurring profits or losses in accordance with the relevant provisions of the 2023 Explanatory Announcement No. 1. The change did not have any material impact on the Company's financial position and operation results.

(II) Non-recurring profit and loss items and amounts

Applicable Not applicable

Unit: RMB

Item	Amount in the reporting period
Gains and losses on disposal of non-current assets (inclusive of impairment allowance write-offs)	64,227,059
Public subsidies charged to current profits and loss (except for public subsidies which are closely related to the Company's daily operations, comply with national policies, are granted based on determined standards, and have a continuous impact on the Company's profits or losses)	249,918,328
Gains and losses on change in fair value of financial assets and financial liabilities held by the non-financial companies, other than those valid hedging activities related to the normal operating business, as well as gains and losses from the disposal of financial assets and financial liabilities	-1,977,888
Reversal of provision for impairment of receivables that have been individually tested for impairment	26,500,000
Non-operating income and expenses other than the above	61,038,599
Less: Corporate income tax	49,297,817
Non-controlling interests (net of tax)	181,154,385
Total	169,253,896

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

(III) Changes of key accounting data and financial indicators and reasons therefor

Applicable Not applicable

Unit: RMB

Balance Sheet items	Ending balance	Beginning balance	Increase / decrease ratio (%)	Reason for change
Receivables financing	1,943,020,838	954,409,558	103.6	Mainly due to an increase of bank acceptance notes
Income Statement Item	Current balance	Prior balance	Increase / decrease ratio (%)	Reason for change
Asset impairment losses (losses are indicated by "-")	-702,391,301	-338,223,994	107.7	Due to an increase in falling price of inventory accrual in line with the market
Cash Flow Statement items	Current balance	Prior balance	Increase / decrease ratio (%)	Reason for change

Net cash generated from operating activities	6,596,505,932	4,495,356,538	46.7	Mainly due to an increase in cash from sale of commodities and rendering of services
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Section III Management Discussion and Analysis

Beginning this year, global geopolitical risks have increased, leading to an intensive restructuring of industrial and supply chains. Developed economies worldwide have maintained tight monetary policy, and the global economy faces increasing uncertainties. In response to these challenges, the Company has focused on the development of displays and new energy photovoltaics, and enhanced the resilience of its business and optimized its competitive edge in pursuit of high-quality sustainable development. During the Reporting Period, TCL TECH. achieved a revenue of RMB39.908 billion, which is a year-on-year increase of 1.18%; a net profit of RMB240 million attributable to the shareholders of listed companies, which is an increase of RMB789 million year-on-year; and a net operating cash flow of RMB6.597 billion.

Driven by supply-side optimization, the display industry has returned to an orderly development stage with reasonable commercial returns, and the supply-demand relationship remains stable and healthy. Despite the seasonal off-season in Q1 2024, the price of mainstream products grew steadily. The Company actively optimized its business strategies and improved its operation structure, which resulted in a remarkable improvement in year-on-year performance. With the acceleration of the energy transition, latent capacity was unleashed centrally from the investment peak period, leading to a phased imbalance between supply and demand in the industry and a decline in industry chain profitability. The Company's new energy photovoltaic business strengthened its operational resilience to cope with challenges, but its performance declined year-on-year due to product price reduction.

Display business

During Q1 2024, the end-user demand for displays was still that of a traditional "off-season". However, driven by favorable supply-side fundamentals and an on-demand production strategy, the industry's supply-demand dynamics and inventory levels remained healthy. Restocking demand after the Chinese New Year pushed up the prices of large-sized panels, while the prices of small- and medium-sized panels remained relatively stable, with some products experiencing structured price hikes.

By virtue of the gradual recovery of profitability in key products and the Company's edge in

operational excellence, the display business surged in profitability year-on-year. During the Reporting Period, the display business achieved an operating revenue of RMB23.376 billion, with a year-on-year increase of 54.58%, and a net profit of RMB539 million, with a year-on-year increase of RMB3.337 billion.

In the large-sized products segment, TCL CSOT, on the basis of on-demand production, was well-poised to lead the upgrade of large-sized TV panels, impelling the healthy and sound development of the industry. During the Reporting Period, the Company's overall utilization rate remained relatively low. However, in March, restocking demand drove a significant rebound in utilization rates. The Company maintained its leadership position in the large-sized panels segment and ranked within the top two globally in terms of its TV panel market share. In the medium-sized products segment, the T9 production line ramped up as scheduled and continuously bolstered the Company's market share in IT products. The Company remained No. 3 in the display market, among which, e-sports displays ranked No. 1 in terms of market share globally. In the small-sized display segment, the Company's flexible OLED products maintained a high demand. During the Reporting Period, the Company ascended to No. 3 globally in terms of shipments of flexible OLED mobile phone panels, while also further optimizing its product and customer structure, which resulted in continuous improvements in operating performance.

Looking forward to the remainder of the year, global display terminal sales are expected to remain stable. The size growth trend of large-sized products will drive the robust growth of display areas. At the same time, catalyzed by innovation in AI hardware and other factors, the display industry is expecting structural growth. The improving supply-side structure will push the industry to pivot back on reasonable commercial returns, and the display industry's cyclical fluctuation will gradually weaken. As the global leader in large-sized display panels, TCL CSOT will continuously drive the healthy and stable development of the industry, while enhancing both corporate profitability and value.

New energy photovoltaics and other silicon materials business

In Q1 2024, global demand for new PV installed capacity continued to grow rapidly, but the trend of localized PV manufacturing and anti-globalization trade remains unchanged as countries

seek energy self-sufficiency and control. As domestic photovoltaic capacity is released across all segments of industry chain, intensified competition further impacts product price reductions, putting pressure on industry profitability. However, rapid iteration of new technologies, such as N-type, is further restructuring the industry's capacity, and laggard capacity will be ruled out in a faster sense. During the Reporting Period, TZE achieved a revenue of RMB9.933 billion, a year-on-year decrease of 43.62%, and a net profit of negative RMB951 million, due to falling prices for major products across the industry chain.

In response to external environmental challenges, TZE has further improved its quality and efficiency through technological innovation, process improvement and management enhancement. It has promoted the optimization of operating indicators, e.g., utilization of silicon materials, furnace costs and number of output wafers per kilogram, and cemented the Company's competitive advantage. The Company further consolidated its technological and market leadership in G12 large silicon wafers and N-type products. The proportion of shipments of N-type and large-sized (210 series) products accounted for 88%, among which the external sales market share of N-type 210 exceeded 90%, maintaining its leading position. The Company is continuously promoting the transformation to Industry 4.0, enabling factories for silicon wafers, batteries and components to achieve international leading quality in terms of digitization and intelligentization.

Looking to the future, with the continuous optimization of supply-side structure and the stable growth of demand area, the display industry is expected to improve its prosperity, and the operating return of the Company's display business will further improve. The photovoltaic industry is currently at the bottom of the cycle, and downstream demand continues its rapid growth. The long-term positive outlook for the industry remains unchanged. The Company's new energy photovoltaic business will strengthen its operational resilience, allowing it to smoothly navigate industry cycles with a competitive edge. By upholding the spirit of "Venturing Midstream and Striving to Win", the Company will firmly grasp the opportunities brought by transformations in the technology manufacturing industry and global energy structure, and continue to implement the business strategies of "improving operational quality and efficiency, enhancing strengths to shore up weaknesses, innovation-driven development as well as accelerating global expansion" in order to achieve sustainable, high-quality development and take on a leading role in the global market.

Section IV Shareholder Information

(I) Table of the total number of ordinary shareholders and the number of preferred shareholders with resumed voting rights as well as the shareholdings of the top 10 shareholders

Unit: Share

Total number of ordinary shareholders by the end of the reporting period		578,652	Total number of preferred shareholders with resumed voting rights by the end of the reporting period		0	
Shareholdings of top 10 shareholders of ordinary shares (excluding the lending of shares under refinancing)						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Shares in pledge, marked or frozen	
					Status	Number
Li Dongsheng	Domestic individual/Domestic general legal entity	6.73	1,264,053,189	672,868,840	Pledge	293,668,015
Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership)						
Huizhou Investment Holding Co., Ltd.	Public legal entity	4.35	817,453,824			
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	4.05	761,222,897			
Wuhan Optics Valley Industrial Investment Co., Ltd.	Public legal entity	2.64	495,390,330		Pledge	246,780,000
China Securities Finance Corporation Limited	Domestic general legal entity	2.19	410,554,710			
Perseverance Asset Management Partnership (Limited Partnership) - Gaoyi Xiaofeng No. 2 Zhixin Fund	Fund, wealth management product, etc.	1.19	223,736,600			
Industrial and Commercial Bank of China - Huatai-Pinebridge CSI 300 ETF	Fund, wealth management product, etc.	1.08	202,917,730			
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	Fund, wealth management product, etc.	1.03	192,656,860			
CITIC Securities Co., Ltd.	Financial Institution	0.98	184,127,136			
Shareholdings of top 10 non-restricted ordinary shareholders						
Name of shareholder	Number of non-restricted ordinary shares held at the end of reporting period			Share type and quantity		
				Type	Quantity	
Huizhou Investment Holding Co., Ltd.	817,453,824			RMB-denominated ordinary shares	817,453,824	
Hong Kong Securities Clearing Company Ltd.	761,222,897			RMB-denominated ordinary shares	761,222,897	
Li Dongsheng	591,184,349			RMB-denominated ordinary shares	591,184,349	
Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership)						
Wuhan Optics Valley Industrial Investment Co., Ltd.	495,390,330			RMB-denominated ordinary shares	495,390,330	
China Securities Finance Corporation Limited	410,554,710			RMB-denominated ordinary shares	410,554,710	
Perseverance Asset Management Partnership (Limited Partnership) - Gaoyi Xiaofeng No. 2 Zhixin Fund	223,736,600			RMB-denominated ordinary shares	223,736,600	
Industrial and Commercial Bank of China - Huatai-Pinebridge CSI 300 ETF	202,917,730			RMB-denominated ordinary shares	202,917,730	
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	192,656,860			RMB-denominated ordinary shares	192,656,860	

CITIC Securities Co., Ltd.	184,127,136	RMB-denominated ordinary shares	184,127,136
Note on the above shareholders' associations or concerted actions	Among the top 10 shareholders, Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the Agreement on Concerted Action. Mr. Li Dongsheng holds 897,158,453 shares and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) holds 366,894,736 shares, representing 1,264,053,189 shares in total and becoming the largest shareholder of the Company.		
Explanation on the top 10 ordinary shareholders participating in securities margin trading	At the end of the Reporting Period, Wuhan Optics Valley Industrial Investment Co., Ltd., among the shareholders above, held certain shares in the Company through a credit security account.		

5% or greater shareholders, top 10 shareholders and top 10 unrestricted shareholders participating in the lending of shares under the refinancing business

Applicable Not applicable

Unit: Share

5% or greater shareholders, top 10 shareholders and top 10 unrestricted shareholders participating in the lending of shares under the refinancing business								
Name of shareholder (full name)	Shares in the ordinary account and credit account at the beginning of the period		Shares lent under refinancing at the beginning of the period that have not been returned		Shares in the ordinary account and credit account at the end of the period		Shares lent under refinancing at the end of the period that have not been returned	
	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital
Industrial and Commercial Bank of China - Huatai-Pinebridge CSI 300 ETF	140,037,730	0.75%	136,900	0.001%	202,917,730	1.08%	0	0%
Bank of China Limited - Huatai-Pinebridge CSI Photovoltaic Industry ETF	204,079,760	1.09%	1,602,800	0.01%	192,656,860	1.03%	418,800	0.002%

Change in the top 10 shareholders and top 10 unrestricted shareholders due to the lending of shares under the refinancing business compared with the previous period

Applicable Not Applicable

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

Applicable Not Applicable

Section V Other Significant Events

Applicable Not applicable

1. Derivative investment for hedging purposes during the reporting period

Unit: RMB'0,000

Type of contract	Beginning amount		Ending amount		Gain/loss status in the Reporting Period	Ending contractual amount as % of the Company's ending net asset	
	Contractual amount	Transaction limit	Contractual amount	Transaction limit		Contractual amount	Transaction limit
1. Forward forex contracts	3,039,040	114,095	3,440,748	131,003	9,269	23.67%	0.90%
2. Interest rate swaps	40,686	12,231	340,100	10,203		2.34%	0.07%
Total	3,446,726	126,326	3,780,848	141,206	9,269	26.01%	0.97%
Accounting policies and specific accounting principles for hedging business during the Reporting Period and a description of whether there have been significant changes from those of the previous reporting period	No significant change.						
Description of actual profits and losses during the Reporting Period	During the Reporting Period, profit from changes in the fair value of hedged items amounted to RMB55.19 million; losses from the delivery of due forward exchange contracts amounted to negative RMB7.31 million; and profit from the valuation of outstanding forward exchange contracts amounted to RMB44.81 million.						
Description of the hedging effect	During the Reporting Period, the Company's main foreign exchange risk exposures included foreign currency asset and liability exposures arising from business activities such as outbound sales, raw materials procurement, and financing. The uncertain risks arising from the exchange rate fluctuations were effectively hedged by derivative contracts with the same purchase amounts and terms in the opposite direction.						
Approval date of the Board of Directors and the General Meeting for Derivative investment for hedging purposes during the Reporting Period	The proposal was approved by the 29th meeting of the 7th Session of the Board of Directors held on March 30, 2023, and the 2022 Annual General Meeting held on April 21, 2023.						

2. Other Significant Events During the Reporting Period

Title of announcement	Date of disclosure	Website for disclosure
Announcement on the Certain Quota Allocation Adjustment among Expected Continuing Related-Party Transactions for 2023	January 27, 2024	http://www.cninfo.com.cn
Announcement on Public Offering of Sci-Tech Innovation Corporate Bonds (Digital Economy) (Phase 1) for Professional Investors in 2024	January 29, 2024	

Section VI Quarterly Financial Statements

(I) Financial statements

1. Consolidated Balance Sheet

Prepared by: TCL Technology Group Corporation

Unit: RMB

Item	Ending balance	Balance at the beginning of the period
Current assets:		
Monetary assets	24,944,029,733	21,924,270,872
Settlement reserves		
Funds on loan		
Held-for-trading financial assets	24,227,149,499	23,184,116,975
Derivative financial assets	110,218,202	108,007,603
Notes receivable	369,068,163	615,391,820
Accounts receivable	23,886,721,056	22,003,651,259
Receivables financing	1,943,020,838	954,409,558
Prepayments	3,376,980,570	2,946,288,443
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract provisions receivable		
Other receivables	4,704,724,701	5,706,855,391
Of which: Interests receivable	-	-
Dividends receivable	1,381,297,611	1,381,489,936
Financial assets purchased under sale-back agreement	-	-
Inventories	19,304,750,766	18,481,754,865
Including: Data resources		
Contract assets	350,323,417	343,907,118
Held-for-sale assets	-	162,415,745
Non-current assets due within one year	593,040,352	580,694,984
Other current assets	7,330,962,553	5,286,533,753
Total current assets	111,140,989,850	102,298,298,386
Non-current assets:		
Loans and advances to customers	-	-
Debt investments	113,675,101	122,348,768
Other debt investments	-	-
Long-term receivables	713,436,215	720,281,051
Long-term equity investments	25,385,336,134	25,431,271,193
Investments in other equity instruments	383,375,780	386,648,418
Other non-current financial assets	3,465,290,957	2,971,566,228
Investment property	893,614,356	911,679,154
Fixed assets	172,335,934,669	176,422,620,794
Construction in progress	19,433,344,116	17,000,052,457
Productive biological assets		
Oil and gas assets		
Right-of-use assets	6,264,937,218	6,386,446,373
Intangible assets	18,387,779,542	18,419,544,291
Including: Data resources		

Development costs	2,506,826,415	2,541,492,504
Including: Data resources		
Goodwill	10,527,004,047	10,516,741,724
Long-term deferred expenses	3,294,567,956	3,402,689,489
Deferred income tax assets	2,636,794,377	2,246,221,719
Other non-current assets	14,263,818,635	13,081,184,178
Total non-current assets	280,605,735,518	280,560,788,341
Total assets	391,746,725,368	382,859,086,727
Current liabilities:		
Short-term borrowings	10,685,553,579	8,473,582,304
Borrowings from the Central Bank	1,193,509,342	995,009,514
Borrowed funds	-	-
Held-for-trading financial liabilities	328,127,731	251,451,420
Derivative financial liabilities	43,275,218	58,590,840
Notes payable	6,755,509,159	5,610,802,064
Accounts payable	29,328,388,152	29,402,493,015
Advances from customers	677,665	677,665
Contract liabilities	1,882,128,359	1,899,468,140
Financial assets sold under repurchase agreements	-	-
Customer deposits and deposits from other banks and financial institutions	475,445,310	270,928,810
Funds for brokering securities transaction		
Funds for brokering securities underwriting		
Employee salaries payable	2,988,086,266	3,034,496,680
Taxes and levies payable	1,041,097,792	861,342,467
Other payables	21,983,250,582	22,171,403,238
Of which: Interests payable	-	-
Dividends payable	54,250,777	54,250,777
Service charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities	-	-
Non-current liabilities due within one year	25,789,723,337	24,631,658,876
Other current liabilities	1,596,875,014	1,563,244,949
Total current liabilities	104,091,647,506	99,225,149,982
Non-current liabilities:		
Insurance contract provisions		
Long-term borrowings	121,600,706,725	117,662,208,623
Bonds payable	8,618,969,988	9,113,847,771
Of which: Preferred shares		
Perpetual bonds		
Lease liabilities	5,734,875,694	5,737,287,693
Long-term payables	2,640,183,515	2,739,444,094
Long-term employee compensation payable	29,570,539	29,645,007
Estimated liabilities	121,583,401	117,394,992
Deferred income	2,117,319,016	1,540,647,642
Deferred income tax liabilities	1,446,582,227	1,427,487,042
Other non-current liabilities		
Total non-current liabilities	142,309,791,105	138,367,962,864
Total liabilities	246,401,438,611	237,593,112,846
Owner's equity (or shareholders' equity)		
Share capital	18,779,080,767	18,779,080,767

Other equity instruments	-	-
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	10,835,973,616	10,752,055,217
Less: Treasury share	718,236,786	1,094,943,423
Other comprehensive income	-888,982,900	-945,797,878
Specific reserves	14,144,671	11,342,949
Surplus reserves	3,874,005,579	3,874,005,579
General risk reserve	8,933,515	8,933,515
Retained earnings	21,777,160,748	21,537,190,360
Total equity attributable to the owners of the parent company	53,682,079,210	52,921,867,086
Non-controlling interests	91,663,207,547	92,344,106,795
Total owner's equity	145,345,286,757	145,265,973,881
Total liabilities and owner's equity	391,746,725,368	382,859,086,727

Legal representative:

Person-in-charge of Financial affairs:

Person-in-charge of the Financial Department:

Li DongshengLi JianJing Chunmei

2. Consolidated Income Statement

Unit: RMB

Item	Current balance	Prior balance
I. Total revenue	39,946,382,780	39,465,731,391
Including: Operating revenue	39,908,458,083	39,443,242,439
Interest income	37,924,697	22,488,952
Earned premiums		
Service charge and commission income	-	
II. Total costs	40,367,085,554	40,491,139,667
Of which: Operating cost	35,307,482,997	35,357,669,407
Interest expenditures	5,895,581	5,205,619
Service charge and commission expenditures	-	
Surrender value		
Net claims payment		
Net insurance contract provisions accrued		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and levies	198,854,235	171,412,685
Sales expenses	562,546,199	520,726,236
Administrative expenses	984,278,694	937,229,625
R&D expenses	2,207,454,463	2,593,998,005
Financial expenses	1,100,573,385	904,898,090
Including: Interest expenses	1,336,824,794	1,145,570,837
Interest income	208,100,403	213,027,337
Plus: Other income	332,434,076	531,668,577
Return on investment (losses are indicated by "-")	111,069,433	765,964,042
Including: Share of profit or loss of joint ventures and associates	-20,350,516	633,769,440
Income from derecognition of financial assets measured at amortised costs		
Exchange gains (losses are indicated by "-")	7,789	-2,828,841
Gain on net exposure hedging (losses are indicated by "-")	-	-
Gain on changes in fair value (losses are indicated by "-")	173,603,977	151,543,005
Credit impairment losses (losses are indicated by "-")	-35,961,488	-23,968,551

Asset impairment losses (losses are indicated by "-")	-702,391,301	-338,223,994
Income from asset disposal (losses are indicated by "-")	76,453,230	-15,124,996
III. Operating profit (losses are indicated by "-")	-465,487,058	43,620,966
Add: Non-operating income	23,528,519	10,152,922
Less: Non-operating expenses	24,312,896	3,266,785
IV. Gross profit (gross loss is indicated by "-")	-466,271,435	50,507,103
Less: Income tax expenses	-132,665,572	-60,849,759
V. Net profits (net losses are indicated by "-")	-333,605,863	111,356,862
(I) Classification by business continuity		
1. Net profits from continuing operations (net losses are indicated by "-")	-333,605,863	111,356,862
2. Net profits from discontinued operations (net losses are indicated by "-")	-	-
(II) Classification by ownership		
1. Net profits attributable to the shareholders of the parent company	239,970,389	-548,999,154
2. Net profit attributable to non-controlling interests	-573,576,252	660,356,016
VI. Other comprehensive income, net of tax	60,681,004	25,847,967
Other comprehensive income attributable to the owners of the parent company, net of tax	50,576,585	48,006,773
(I) Other comprehensive income that will not be reclassified to profit or loss	-3,386,503	-19,294,731
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be subsequently reclassified into profits and losses under the equity method	-	682,618
3. Changes in fair value of investments in other equity instruments	-3,386,503	-19,977,349
4. Changes in fair value of the enterprise's own credit risks		-
5. Others		-
(II) Other comprehensive income that may subsequently reclassified into profit and losses	53,963,088	67,301,504
1. Other comprehensive income that can be transferred to profits and losses under the equity method	14,828	-670,638
2. Changes in fair value of other debt investments	-	-
3. Amount of financial assets reclassified into other comprehensive income		-
4. Provisions for credit impairment of other debt investments		-
5. Reserves for cash flow hedging	7,722,180	32,625,420
6. Conversion differences in foreign currency financial statements	46,226,080	35,346,722
7. Others		-
Other net comprehensive income attributable to minority interests, net of tax	10,104,419	-22,158,806
VII. Total comprehensive income	-272,924,859	137,204,829
Total comprehensive income attributable to the shareholders of the parent company	290,546,973	-500,992,380
Total comprehensive income attributable to non-controlling interests	-563,471,832	638,197,209
VIII. Earnings per share:		
(I) Basic earnings per share	0.0129	-0.0297
(II) Diluted earnings per share	0.0128	-0.0292

Legal representative:

Li Dongsheng

Person-in-charge of Financial affairs:

Li Jian

Person-in-charge of the Financial Department:

Jing Chunmei

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Current balance	Prior balance
I. Net cash generated from operating activities:		
Proceeds from sale of commodities and rendering of services	34,317,092,852	28,874,162,646
Net increase of deposits from customers, banks and other financial institutions	204,352,893	-414,994,865
Net increase of borrowings from the Central Bank	197,084,045	134,144,024
Net increase of borrowings from other financial institutions	-	500,112,500
Cash received from collecting premiums for original insurance contracts		
Net cash received for reinsurance business		
Net increase of deposits and investments of policyholders		
Cash received from interest, service charges and commissions	32,922,547	22,488,952
Net increase of borrowed funds from banks and other financial institutions	-	-
Net increase of repurchase business funds		
Net cash received from brokering securities transaction		
Tax and levy rebates	1,232,745,372	1,661,519,549
Cash generated from other operating activities	2,995,096,129	3,130,400,647
Sub-total of cash generated from operating activities	38,979,293,838	33,907,833,453
Payments for commodities and services	25,276,065,192	23,587,210,982
Net increase of loans and advances to customers	95,339,843	-558,602,998
Net increase of deposits with the Central Bank, banks and other financial institutions	-102,445,135	105,682,459
Cash paid for claims for original insurance contracts		
Net increase of funds on loan		
Cash paid for interest, service charges and commissions	-	-
Cash paid for policy dividends		
Cash paid to and for employees	3,385,466,209	2,733,093,133
Taxes and levies paid	1,142,639,741	915,275,257
Cash used in other operating activities	2,585,722,056	2,629,818,082
Sub-total of cash used in operating activities	32,382,787,906	29,412,476,915
Net cash generated from operating activities	6,596,505,932	4,495,356,538
II. Cash flow generated from investing activities:		
Proceeds from disinvestments	16,290,600,367	15,215,716,206
Proceeds from return on investments	575,956,542	380,580,542
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	253,835,051	38,716,274
Net proceeds from disposal of subsidiaries and other business units	-	-
Cash generated from other investing activities	23,533,065	1,451,281,370
Sub-total of cash generated from investment activities	17,143,925,025	17,086,294,392
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	6,604,971,676	8,748,893,383
Payments for investments	19,201,612,912	13,350,111,306
Net increase of pledged loans	-	-
Net payments for acquiring subsidiaries and other business units	15,805,873	-
Cash used in other investing activities	286,841,021	187,762,364
Subtotal of cash used in investing activities	26,109,231,482	22,286,767,053
Net cash used in investing activities	-8,965,306,457	-5,200,472,661
III. Net cash generated from financing activities:		
Capital contributions received	2,000,000	46,449,000
Including: Capital contributions by non-controlling interests to subsidiaries	2,000,000	46,449,000
Borrowings raised	19,205,366,600	27,287,574,742

Cash generated from other financing activities	994,839,843	36,193,437
Sub-total of cash generated from financing activities	20,202,206,443	27,370,217,179
Cash paid for debt repayment	12,362,132,985	18,392,118,214
Cash paid for distribution of dividends and profits or the repayment of interest	1,462,312,501	1,429,360,583
Of which: Dividends and profits distributed by subsidiaries to minority shareholders	13,294,747	16,524,493
Cash used in other financing activities	652,112,281	4,287,733,637
Subtotal of cash used in financing activities	14,476,557,767	24,109,212,434
Net cash generated from financing activities	5,725,648,676	3,261,004,745
IV. Effect of exchange rate changes on cash and cash equivalents	52,422,141	-124,222,607
V. Net increase in cash and cash equivalents	3,409,270,292	2,431,666,015
Plus: Beginning balance of cash and cash equivalents	19,996,815,160	33,675,624,291
VI. Ending balance of cash and cash equivalents	23,406,085,452	36,107,290,306

Legal representative:

Li Dongsheng

Person-in-charge of Financial affairs:

Li Jian

Person-in-charge of the Financial Department:

Jing Chunmei

(II) Adjustments to financial statement items at the beginning of the year of the first implementation of the new accounting standards which have been implemented since 2024

Applicable Not Applicable

(III) Auditor's Report

Whether the First Quarter Report has been audited or not?

Yes No

The Company's First Quarter Report has not yet been audited.

TCL Technology Group Corporation

Board of Directors

April 28, 2024