

Stock Code: 000100

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Announcement No.: 2022-106

TCL 科技集团股份有限公司

TCL Technology Group Corporation

The logo consists of the letters 'TCL' in a bold, red, sans-serif font. The 'T' and 'L' are solid red, while the 'C' has a white circular cutout in the center.

Third Quarter 2022 Report

October 21, 2022

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Section I Important Notice

The Company and all members of the Board of Directors hereby guarantee the authenticity, accuracy, and completeness of the information disclosed, and warrant that there are no false records, misleading statements, or material omissions therein.

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 person-in-charge of the Company, Ms. Li Jian, the person-in-charge of financial affairs (Chief Financial Officer), and Mr. Xi Wenbo, the person-in-charge of the financial department (Chief Accountant), hereby guarantee that the financial statements carried in this Quarterly Report are factual, accurate, and complete.

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.

Section II Key Financial Information

I. Key accounting data and financial indicators

Does the Company need to retroactively adjust or restate the accounting data of previous years?

Yes No

Reasons for retroactive adjustment or restatement

Change of accounting policy

	Q3 2022	Q3 2021		Change	From the beginning of the year to the end of the current reporting period	Q3 2021		Change
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Revenue (RMB)	41,992,680,714	46,629,888,432	46,633,918,068	-9.95%	126,514,861,842	120,928,535,190	121,039,767,107	4.52%
Net profit attributable to the company's shareholders (RMB)	-382,858,737	2,318,085,363	2,308,401,225	-116.59%	280,664,134	9,101,970,170	9,110,619,712	-96.92%
Net profits attributable to the company's shareholders before non-recurring gains and losses (RMB)	-1,259,772,878	3,060,177,204	3,050,493,066	-141.30%	-1,886,642,263	8,557,995,151	8,566,644,693	-122.02%
Net cash generated from operating activities (RMB)	—	—	—	—	12,661,888,660	23,959,709,061	23,959,709,061	-47.15%
Basic earnings per share (RMB/share)	-0.0282	0.1730	0.1722	-116.38%	0.0207	0.6756	0.6762	-96.94%
Diluted earnings per share (RMB/share)	-0.0280	0.1652	0.1645	-117.02%	0.0205	0.6487	0.6493	-96.84%
Weighted average return on equity (%)	-0.99%	6.20%	6.18%	Decrease of 7.17 percentage points	0.72%	25.16%	25.18%	Decrease of 24.46 percentage points
	At the end of the reporting period	31 December 2021			Change			
		Before adjustment	After adjustment		After adjustment			
Total assets (RMB)		347,011,613,569	308,733,133,305		308,987,970,915			12.31%
Owner's equity attributable to the company's shareholders (RMB)		38,874,222,766	43,034,234,611		43,103,580,799			-9.81%

Reasons for changes in accounting policies:

In December 2021, the Ministry of Finance issued the Notice on the Issuance of "Interpretation of Accounting Standards for Business Enterprises No. 15" (CK [2021] No. 35) (hereinafter referred to as "Interpretation No. 15"), which defines the accounting treatment of the external sales of products or by-products produced before the fixed assets reach the expected serviceable state or during the R&D process. In accordance with the requirements of Interpretation No. 15, the Company has adopted new accounting standards as of January 1, 2022, and retroactively adjusted the profit and loss realized from the external sales of prototype products produced in previous periods.

Total share capital at the end of the last trading session before the disclosure of this report:

Total share capital at the end of the last trading session before the disclosure of this report (share):	14,030,642,421
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Fully diluted earnings per share based on the latest total share capital above:

Fully diluted earnings per share based on the latest total share capital above (RMB/share)	0.0200
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II. Non-recurring profit and loss items and amount

Applicable Not applicable

Unit: RMB

Item	Amount in the reporting period	Amount from the beginning of the year to the end of the reporting period
Gains and losses on disposal of non-current assets (inclusive of impairment allowance write-offs)	753,350,768	1,217,618,772
Government subsidies charged to current profits and loss (except for the government subsidies which are closely related to the normal operation of the Company, and are subject to national policies and certain standard quota or quantifiable eligibility on an ongoing basis)	288,063,771	717,987,147
Gains and losses from changes in fair value of held-for-trading financial assets, held-for-trading financial liabilities, and gains from disposal of financial assets and liabilities held-for-trading and available-for-sale financial assets, except for effective hedging in connection with the day-to-day operation of the Company	-1,899,748	-13,063,641
Reversal of provision for impairment of receivables that have been individually tested for impairment	6,000,000	16,179,957
Non-operating income and expenses other than the above items	-96,425,107	442,159,453
Less: Corporate income tax	33,156,348	80,921,899
Effect on minority interest (after tax)	39,019,195	132,653,392
Total	876,914,141	2,167,306,397

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.

Note on 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* defined as 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	September 30, 2022	January 1, 2022	Increase / decrease ratio (%)	Reason for change
Held-for-trading financial assets	12,458,309,755	7,601,255,964	63.9	Mainly due to the increase of wealth management products
Prepayments	5,101,393,247	2,306,325,116	121.2	Mainly due to an expansion of production and increase in material prepayment
Construction-in-progress	59,707,708,868	37,029,504,222	61.2	Mainly due to the increase of investment in the t9 Line
Other non-current assets	9,767,708,008	7,449,008,656	31.1	Mainly due to an expansion of investment and an increase in construction and equipment prepayment
Notes payable	5,722,709,973	3,275,295,915	74.7	Mainly due to an increase of note settlement
Contract liabilities	4,866,154,983	2,593,882,004	87.6	Mainly due to an increase of advance receipt for goods
Income Statement items	Amount of the current period	Amount of the previous period	Increase / decrease ratio (%)	Reason for change
R&D expenses	6,862,053,578	5,232,711,515	31.1	Mainly due to the increase of R&D investment
Asset impairment losses (losses are indicated by "-")	-2,147,817,307	-1,556,201,649	38.0	Mainly due to an increase of inventory write-downs based on market conditions
Income tax expenses	-339,091,631	2,105,311,185	-116.1	Primarily due to the decrease in tax payments as the semiconductor display business affected by the industry cycle
Cash Flow Statement items	Amount of the current period	Amount of the previous period	Increase / decrease ratio (%)	Reason for change
Net cash generated from operating activities	12,661,888,660	23,959,709,061	-47.2	Primarily due to the decrease in operating cash flows as the semiconductor display business affected by the industry cycle
Net cash used in investing activities	-39,343,781,309	-29,918,789,880	-31.5	Mainly due to an increase of project investment
Net cash generated from financing activities	24,068,689,896	8,683,436,043	177.2	Mainly due to growth of financing scale

Section III Management Discussion and Analysis

During the reporting period, the global economy was constrained by a series of factors, including the escalating Russia-Ukraine conflict, intensified inflation expectation, and repeatedly surging COVID-19 cases. In the face of complicated external environment, the Company dedicated itself to development in pan-semiconductor industry with a focus on semiconductor displays, new energy photovoltaics, and semiconductor materials. The Company strengthened risk controls, enhanced its competitive edges, and realized sustainable development in accordance with the principle of "improving operating quality and profitability, consolidating advantages and correcting disadvantages, promoting innovation-driven development and accelerating global layout".

During the reporting period, the Company achieved revenue of RMB126.51 billion, net profit of RMB1.95 billion, net profit attributable to the listed company's shareholders of RMB281 million and net cash flow from operation of RMB12.66 billion. The semiconductor display business saw delayed recovery due to changes in the macro-situation. The average product price for the first three quarters of the year were markedly lower than that of the same period of the last year, and the profit margin of the industry dropped to the cyclical bottom. This round of cyclical adjustment may help further integration and reshuffle of the industry, increasing the concentration of the industry, under which the industry is expected to return to normal profitability level. At the same time, the market demand in some region is gradually recovering, and the prices of major products have begun to stabilize and recover. In the wake of the historic opportunities brought by the structural transformation of global energy and the mushrooming demands for semiconductors across China, the Company has continued to shore up its leading technological position in new energy photovoltaics and semiconductor materials, improving the capacity and market share of differentiated products, achieving a rapid growth in both revenue and performance.

Semi-conductor display business

During the reporting period, the Company accelerated the implementation of mid-size strategy, optimized business and product structures, transforming from a large-size displays leader to full-size display leader. The Company committed to upholding the operational bottom line by reducing costs

and enhancing efficiency, balancing product structures and implementing lean management throughout the entire industry cycle. During the reporting period, TCL CSOT sold 32.67 million square meters of display panel, with an increase of 15% year-on-year, and bolstered its revenue from display segment to RMB52.1 billion.

With respect to large-size displays, the Company continued to consolidate its leading position of TV panel with high-end product strategy, occupying the world's largest share in the 8K and 120HZ markets, along with the second largest share in the 65 inch and 75 inch markets. The Company became a major supplier for leading clients in the commercial market in areas such as interactive boards, digital signage and splicing screen. The Company ranked 1st in the world in mid-and-large-size interactive board and digital signage, along with 3rd in splicing screen. With respect to mid-and-small-sized displays, the Company continued to improve its product series and customer structure. The Company's delivery of LTPS tablet ranked 1st in the world, while its delivery of LTPS notebook products ranked 2nd. The Company also registered a significant growth in the shipment of LTPS vehicle-mounted devices, and expanded its market share in AR/VR products. With the successful launch of the t9 production line positioned for mid-sized IT and vehicle-mounted devices and the progress made in the sixth generation of its LTPS production line, the mid-size business will make greater contributions to the sustainable growth of the Company.

At present, the price of major products are rebounding as profit margins hit a historical low in the industry and demand increase in certain regional markets. In the long run, leading enterprises will further strengthen their advantages of technology and scale, and semiconductor display industry will consolidate to a degree of concentration. With the increasing order of market competition, the return on investment will also rise. The Company is optimistic about the development and value of the display industry as a key information device and interactive interface.

New energy photovoltaic and semiconductor material business

During the reporting period, TCL Zhonghuan, a subsidiary controlled by the Company, recorded a revenue of RMB49.84 billion, up by 71.35% year-on-year, and net profit of RMB5.49 billion, up by 68.94% year-on-year.

TCL Zhonghuan's new energy photovoltaic segment seized the opportunity in industry development, continued to promote manufacturing upgrading and industry 4.0 transformation,

accelerated the production of advanced and leading capacity, steadily improved processing capability, and continuously strengthened its core product competitiveness. The overall capacity of monocrystals has been scaled up to 128GW, keeping the competitiveness of G12 silicon wafers and N--type silicon wafers in both production and sales. Monthly single-furnace output recorded another new high, while the number of photovoltaic silicon wafers produced per unit material was significantly ahead of the industry. The Company insisted on differential technologies and product roadmaps under the “imbrication + G12” dual platform, continued to increase the market share of photovoltaic module products and further advanced its globalization strategy for marketing and manufacturing.

During the reporting period, the Company joined with its partners to invest and develop the 100,000-ton granular silicon and silicon-based material project and the 10,000-ton electronic-grade polycrystalline silicon project to promote the stability and optimization of industrial chain and supply chain.

Amid the complicated and ever-changing business environment, the Company insisted on its strategy, and continued to develop in pan-semiconductor industry with a focus on semiconductor displays, new energy photovoltaics, and semiconductor materials. In doing so, the Company aimed to build up core competitive edges based on product and technology innovation, and accelerated its development into a global leader in the science and technology industry.

Section IV Shareholder Information

I. Table of the total number of ordinary shareholders and the number of preferential shareholders with resumed voting rights, and the shareholdings of the top 10 shareholders

Unit: Share

Total number of ordinary shareholders by the end of the reporting period		734,320	Total number of preference shareholders with resumed voting rights by the end of the reporting period (if any)		0	
Top 10 shareholders of ordinary shares						
Name of shareholder	Nature of shareholder	Percentage of Shareholding (%)	Number of shares held at the period-end	Number of restricted ordinary shares held	Shares in pledge, marked or frozen	
					Status	Number
Li Dongsheng and his acting-in-concert party	Domestic individual /Domestic general legal entity	8.26%	1,159,085,019	610,545,821	Pledge by Li Dongsheng	195,038,000
					Put in pledge by Jiutian Liancheng	238,620,000
Huizhou Investment Holding Co., Ltd.	State-owned legal entity	5.30%	743,139,840			
Wuhan Optics Valley Industrial Investment Co., Ltd.	State-owned legal entity	3.87%	543,255,796		In pledge	255,754,475
China Securities Finance Corporation Limited	Domestic general legal entity	2.66%	373,231,553			
Hong Kong Securities Clearing Company Limited	Foreign legal entity	2.51%	352,294,169			
Tibet Tianfeng Enterprise Management Co., Ltd.	Domestic general legal entity	1.12%	157,552,113			
TCL Technology Group Corporation - 2021 to 2023 Employee Stock Ownership Plan (Phase I)	Funds, wealth management products, etc.	0.81%	113,143,154			
Sinatay Life Insurance Co., Ltd. - Conventional Product	Funds, wealth management products, etc.	0.74%	104,190,172			
ICBC Credit Suisse Fund - Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	Funds, wealth management products, etc.	0.53%	74,761,500			
Southern Asset Management—Agricultural Bank of China—Southern China Securities Financial Asset Management Plan	Funds, wealth management products, etc.	0.53%	74,761,500			

Top 10 non-restricted ordinary shareholders			
Name of shareholder	Number of non-restricted ordinary shares held at the end of reporting period	Type of shares	
		Type	Number
Huizhou Investment Holding Co., Ltd.	743,139,840	RMB-denominated ordinary shares	743,139,840
Li Dongsheng and his acting-in-concert party	548,539,198	RMB-denominated ordinary shares	548,539,198
Wuhan Optics Valley Industrial Investment Co., Ltd.	543,255,796	RMB-denominated ordinary shares	543,255,796
China Securities Finance Corporation Limited	373,231,553	RMB-denominated ordinary shares	373,231,553
Hong Kong Securities Clearing Company Limited	352,294,169	RMB-denominated ordinary shares	352,294,169
Tibet Tianfeng Enterprise Management Co., Ltd.	157,552,113	RMB-denominated ordinary shares	157,552,113
TCL Technology Group Corporation - 2021 to 2023 Employee Stock Ownership Plan (Phase I)	113,143,154	RMB-denominated ordinary shares	113,143,154
Sinatay Life Insurance Co., Ltd. - Conventional Product	104,190,172	RMB-denominated ordinary shares	104,190,172
ICBC Credit Suisse Fund - Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	74,761,500	RMB-denominated ordinary shares	74,761,500
Southern Asset Management—Agricultural Bank of China—Southern China Securities Financial Asset Management Plan	74,761,500	RMB-denominated ordinary shares	74,761,500
Explanation on the above shareholders' associations or concerted actions	Mr. Li Dongsheng and Ningbo Jiutian Liancheng Equity Investment Partnership (Limited Partnership) became persons acting in concert by signing the <i>Agreement on Concerted Action</i> , holding 1,159,085,019 shares in total and becoming the largest shareholder of the Company.		
Explanation on the top 10 ordinary shareholders participating in securities margin trading (if any)	1. Wuhan Optics Valley Industrial Investment Co., Ltd., the Company's shareholder, loaned out "TCL TECH." shares for financing. At the end of the reporting period, 15,296,600 shares were loaned out. 2. Tibet Tianfeng Enterprise Management Co., Ltd., a shareholder of the Company, holds 59,313,521 shares through the general securities account, and holds 98,238,592 shares through the credit securities account, with a total of 157,552,113 shares actually held.		

Note: There is a special repurchase account "TCL Technology Group Corporation's special securities account for repurchase" among the top 10 shareholders, which are not outlined in the top 10 shareholders above. As of the end of the Reporting period, this repurchase account held 399,778,241 shares.

II. Total number of preferential shareholders and shareholdings of the top 10 preferential shareholders

Applicable Not applicable

Section V Other Significant Events

Applicable Not applicable

Section VI Quarterly Financial Statements

I. Financial statements

1. Consolidated Balance Sheet

Prepared by: TCL Technology Group Corporation

Unit: RMB

Item	September 30, 2022	January 1, 2022
Current assets:		
Monetary assets	31,670,495,301	31,393,692,485
Settlement reserves	-	-
Funds on loan	-	-
Held-for-trading financial assets	12,458,309,755	7,601,255,964
Derivative financial assets	932,497,714	70,928,566
Notes receivable	615,657,549	776,201,686
Accounts receivable	16,549,169,862	18,238,782,247
Receivables financing	1,716,054,649	2,217,638,736
Prepayments	5,101,393,247	2,306,325,116
Premiums receivable	-	-
Reinsurance accounts receivable	-	-
Reinsurance contract provisions receivable	-	-
Other receivables	4,428,226,031	4,458,621,235
Of which: Interests receivable	-	-
Dividends receivable	-	-
Financial assets purchased under sale-back agreement	-	-
Inventories	15,225,747,424	14,083,356,918
Contract assets	295,223,261	233,528,786
Held-for-sale assets	-	-
Non-current assets maturing within one year	-	-
Other current assets	4,589,118,185	5,802,960,362
Total current assets	93,581,892,978	87,183,292,101
Non-current assets:		
Loans and advances to customers	-	-
Debt investments	737,160,393	-
Other debt investments	-	-
Long-term receivables	635,189,040	651,117,971
Long-term equity investments	28,864,974,738	25,640,578,245
Investments in other equity instruments	909,642,430	927,319,447
Other non-current financial assets	2,761,224,608	2,704,037,825
Investment property	877,787,417	761,902,236
Fixed assets	114,485,025,927	113,723,758,876
Construction-in-progress	59,707,708,868	37,029,504,222
Productive biological assets	-	-
Oil and gas assets	-	-
Right-of-use assets	2,064,309,218	2,426,911,208
Intangible assets	16,521,704,622	14,000,546,363
Development costs	2,800,521,340	2,540,199,289

Goodwill	9,173,261,286	9,158,841,295
Long-term deferred expenses	2,685,605,604	2,640,530,156
Deferred income tax assets	1,437,897,092	2,150,423,025
Other non-current assets	9,767,708,008	7,449,008,656
Total non-current assets	253,429,720,591	221,804,678,814
Total assets	347,011,613,569	308,987,970,915
Current liabilities:		
Short-term borrowings	11,943,712,273	9,341,426,543
Borrowings from the Central Bank	821,867,213	1,437,062,154
Borrowed funds	-	-
Held-for-trading financial liabilities	735,727,968	925,035,483
Derivative financial liabilities	618,264,838	22,204,824
Notes payable	5,722,709,973	3,275,295,915
Accounts payable	24,703,170,622	24,297,859,803
Advances from customers	318,776	5,794,242
Contract liabilities	4,866,154,983	2,593,882,004
Financial assets sold under repurchase agreements	-	-
Customer deposits and deposits from other banks and financial institutions	755,311,447	666,056,133
Funds for brokering securities transaction	-	-
Funds for brokering securities underwriting	-	-
Remunerations payable	2,663,385,762	3,311,933,217
Taxes and levies payable	1,140,789,267	1,238,849,334
Other payables	21,715,882,528	19,386,888,623
Of which: Interests payable	-	-
Dividends payable	52,035,174	34,607,012
Service charges and commissions payable	-	-
Reinsurance accounts payable	-	-
Held-for-sale liabilities	-	-
Non-current liabilities maturing within one year	12,422,474,799	13,006,764,842
Other current liabilities	1,450,271,208	1,269,886,904
Total current liabilities	89,560,041,657	80,778,940,021
Non-current liabilities:		
Insurance contract provisions	-	-
Long-term borrowings	112,656,893,802	87,279,081,955
Bonds payable	13,605,712,404	13,066,281,402
Of which: Preferred stocks	-	-
Perpetual bonds	-	-
Lease liabilities	1,324,661,521	1,102,071,813
Long-term payables	765,617,792	671,344,466
Long-term remunerations payable	920,204,520	669,931,395
Estimated liabilities	-	-
Deferred income	4,759,331,282	2,361,205,043
Deferred tax liabilities	1,628,315,877	3,158,985,929
Other non-current liabilities	-	-
Total non-current liabilities	135,660,737,198	108,308,902,003
Total liabilities	225,220,778,855	189,087,842,024
Owner's equity:		
Capital stock	14,030,642,421	14,030,642,421
Other equity instruments	194,362,554	200,334,057
Of which: Preferred stocks	-	-
Perpetual bonds	-	-

Capital reserves	4,719,031,728	6,079,267,240
Less: Treasury stocks	2,311,249,047	1,885,556,526
Other comprehensive income	-1,067,242,029	-409,447,681
Specific reserves	5,397,446	1,549,125
Surplus reserves	2,550,172,644	2,550,172,644
General risk provisions	8,933,515	8,933,515
Retained earnings	20,744,173,534	22,527,686,004
Total equity attributable to the owners of the parent company	38,874,222,766	43,103,580,799
Minority interests	82,916,611,948	76,796,548,092
Total owner's equity	121,790,834,714	119,900,128,891
Total liabilities and owner's equity	347,011,613,569	308,987,970,915

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Li Jian

Person-in-charge of the financial department: Xi Wenbo

2. Consolidated Income Statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	126,575,669,585	121,153,162,502
Of which: Operating revenue	126,514,861,842	121,039,767,107
Interest income	60,807,743	113,395,395
Earned premiums	-	-
Service charge and commission income	-	-
II. Total operating costs	128,949,175,733	108,753,137,235
Of which: Cost of sales	114,950,650,732	95,588,724,342
Interest expenditures	18,341,537	24,985,728
Service charge and commission expenditures	-	-
Surrender value	-	-
Net claims payment	-	-
Net insurance liability provisions accrued	-	-
Policy dividend expenditures	-	-
Reinsurance expenses	-	-
Taxes and levies	450,506,832	517,656,005
Sales expenses	1,456,590,197	1,552,806,398
Administrative expenses	2,739,873,088	3,008,738,778
R&D expenses	6,862,053,578	5,232,711,515
Financial expenses	2,471,159,769	2,827,514,469
Of which: Interest expenses	3,156,169,091	3,143,032,709
Interest income	574,239,059	304,396,859
Plus: Other income	2,527,046,371	1,236,157,521
Return on investment (losses are indicated by "-")	2,945,923,073	2,884,044,180
Of which: Share of profit or loss of joint ventures and associates	2,162,708,733	2,115,987,323
Income from derecognition of financial assets measured at amortized costs	-	-

Exchange gains (losses are indicated by "-")	17,243,641	1,496,097
Gain on net exposure hedging (losses are indicated by "-")	-	-
Gain on changes in fair value (losses are indicated by "-")	174,313,519	38,035,283
Credit impairment losses (losses are indicated by "-")	-21,497,079	-14,189,833
Asset impairment losses (losses are indicated by "-")	-2,147,817,307	-1,556,201,649
Income from asset disposal (losses are indicated by "-")	-24,703,658	24,654,877
III. Operating profit (losses are indicated by "-")	1,097,002,412	15,014,021,743
Plus: Non-operating income	613,528,624	284,672,695
Less: Non-operating expenditures	97,681,058	42,141,653
IV. Gross profits (total losses are indicated by "-")	1,612,849,978	15,256,552,785
Less: Income tax expenses	-339,091,631	2,105,311,185
V. Net profits (net losses are indicated by "-")	1,951,941,609	13,151,241,600
(1) Classification by business continuity		
1. Net profits from continuing operations (net losses are indicated by "-")	1,951,941,609	13,092,944,856
2. Net profits from discontinued operations (net losses are indicated by "-")	-	58,296,744
(2) Classification by ownership		
1. Net profit attributable to shareholders of parent company (net loss indicated with "-")	280,664,134	9,110,619,712
2. Net profit attributable to non-controlling interests (net loss indicated with "-")	1,671,277,475	4,040,621,888
VI. Other comprehensive income, net of tax	-600,216,587	-160,804,149
Other comprehensive income attributable to the owners of the parent company, net of tax	-657,794,348	-174,268,754
(1) Other comprehensive income that will not be reclassified to profit or loss	-38,664,611	-214,495,965
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	387,914	14,869,672
3. Changes in fair value of investments in other equity instruments	-39,052,525	-229,365,637
4. Changes in fair value of the enterprise's own credit risks	-	-
5. Others	-	-
(2) Other comprehensive income that may subsequently reclassified into profit and losses	-619,129,737	40,227,211
1. Other comprehensive income that can be transferred to profits and losses under the equity method	4,527,850	-141,659,959
2. Changes in fair value of other debt investments	-	118,211
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	-178,024,905	-10,473,743
6. Conversion differences in foreign currency	-445,632,682	192,242,702

financial statements		
7. Others	-	-
Other net comprehensive income attributable to minority interests, net of tax	57,577,761	13,464,605
VII. Total comprehensive income	1,351,725,022	12,990,437,451
(1) Total comprehensive income attributable to owners of the parent company	-377,130,214	8,936,350,958
(2) Total comprehensive income attributable to non-controlling interests	1,728,855,236	4,054,086,493
VIII. Earnings per share:		
(1) Basic earnings per share	0.0207	0.6762
(2) Diluted earnings per share	0.0205	0.6493

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Li Jian

Person-in-charge of the financial department: Xi Wenbo

3. Consolidated Cash Flow Statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Net cash generated from operating activities:		
Proceeds from sale of commodities and rendering of services	100,750,626,818	102,830,329,814
Net increase of deposits from customers, banks and other financial institutions	89,255,314	-1,082,987,202
Net increase of borrowings from the Central Bank	-615,194,941	819,320,811
Net increase of borrowings from other financial institutions	-	500,100,000
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	60,807,743	113,395,395
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	9,008,513,808	3,993,901,692
Cash generated from other operating activities	6,499,913,125	5,956,428,024
Sub-total of cash generated from operating activities	115,793,921,867	113,130,488,534
Payments for commodities and services	83,453,908,540	73,019,566,104

Net increase of loans and advances to customers	40,873,048	324,408,575
Net increase of deposits with the Central Bank, banks and other financial institutions	55,082,779	299,437,969
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	8,563,502,480	5,891,150,448
Taxes and levies paid	2,472,457,316	3,198,245,274
Cash used in other operating activities	8,546,209,044	6,437,971,103
Sub-total of cash used in operating activities	103,132,033,207	89,170,779,473
Net cash generated from operating activities	12,661,888,660	23,959,709,061
II. Net cash used in investing activities:		
Proceeds from disinvestments	36,317,483,105	18,761,531,372
Proceeds from return on investments	1,015,752,094	1,486,814,462
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	82,138,786	170,993,357
Net proceeds from disposal of subsidiaries and other business units	-	1,167,218,777
Cash generated from other investing activities	107,866,294	5,589,112
Sub-total of cash generated from investment activities	37,523,240,279	21,592,147,080
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	31,453,416,391	20,703,364,427
Payments for investments	44,706,020,240	26,563,389,197
Net increase of pledged loans	-	-
Net payments for acquiring subsidiaries and other business units	50,133,077	4,139,504,958
Cash used in other investing activities	657,451,880	104,678,378
Subtotal of cash used in investing activities	76,867,021,588	51,510,936,960
Net cash used in investing activities	-39,343,781,309	-29,918,789,880
III. Net cash generated from financing activities:		
Capital contributions received	8,440,501,173	10,064,658,519
Of which: Capital contributions by non-controlling interests to subsidiaries	8,440,501,173	10,064,658,519
Borrowings raised	73,945,824,297	48,844,261,186
Cash generated from other financing activities	46,000,000	858,099,886
Sub-total of cash generated from financing activities	82,432,325,470	59,767,019,591
Cash paid for debt repayment	46,000,724,997	39,176,083,445
Cash paid for distribution of dividends and profits or payment of interests	7,638,841,951	5,851,178,360

Of which: Dividends and profits paid by subsidiaries to minority shareholders	1,667,403,525	412,425,974
Cash used in other financing activities	4,724,068,626	6,056,321,743
Subtotal of cash used in financing activities	58,363,635,574	51,083,583,548
Net cash generated from financing activities	24,068,689,896	8,683,436,043
IV. Effect of exchange rate changes on cash and cash equivalents	616,824,475	3,648,815
V. Net increase of cash and cash equivalents	-1,996,378,278	2,728,004,039
Plus: Beginning balance of cash and cash equivalents	30,081,704,864	18,208,416,780
VI. Ending balance of cash and cash equivalents	28,085,326,586	20,936,420,819

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Li Jian

Person-in-charge of the financial department: Xi Wenbo

II. Auditor's Report

Whether the Third Quarter 2022 Report has been audited or not?

Yes No

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

TCL Technology Group Corporation

Board of Directors

October 21, 2022