TPV TECHNOLOGY CO., LTD.
2023 ANNUAL REPORT (SUMMARY)

Part I Important Notes

This summary is based on the full text of the Annual Report of TPV Technology Co., Ltd. In order to gain a full understanding of the Company's operating results, financial position and future development plans, investors are advised to peruse the full text of the Annual Report, which has been disclosed on the media designated by the China Securities Regulatory Commission (the "CSRC").

All directors of the Company attended the Board meeting for the review of the Annual Report.

Modified audit opinion:

□ Applicable √ Not applicable

Dividend distribution plan or plan for converting capital reserves into share capital for this reporting period reviewed by the Board of Directors:

□ Applicable √ Not applicable

The Company has no plan for dividend distribution either in the form of cash or bonus shares, or plan for converting capital reserves into share capital.

Dividend distribution plan of preferred shares for this reporting period approved by the Board of Directors:

□ Applicable √ Not applicable

Note: This is a summary in English of the Annual Report originally published in Chinese. Should there be any discrepancies or misunderstandings between this summary and the complete report, the latter shall prevail.

Part II Key Corporate Information

1. Corporate Information

Stock Abbreviation	TPV Technology	Stock Code	000727
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Contact Information	Board Secretary	Securities Representatives	
Name	Guo Zhen	Xu Xin, Deng Wentao	
Tel.	0755-36358633	025-66852685	
Office Address	No. 77 Tianyou Road, Qixia District, Nanjing		
Email Address	stock@tpv-tech.com		
Fax	025-66852680		

2. Main Business or Products of the Company during the Reporting Period

The Company focuses on the smart display business, mainly encompassing the research and development, manufacturing, sales, and service of smart display products, such as monitors, TVs, and audio-visual products.

(1) Main Categories of Products

Monitor: Maintaining the top global market share for 20 consecutive years, the Company engages in the research, manufacture, and sales of various monitors, including traditional PC monitors, gaming monitors, and large-format professional displays. Catering to both individual consumers and commercial enterprises, the Company aims to provide comprehensive display solutions across all industries, scenarios, and sizes. Our AOC brand has remained the top-selling brand in the monitor market in China for 14 consecutive years and has secured 5 years of global leadership in the gaming monitor market.

TV: Adapting to market trends and consumer preferences, the Company innovates and develops advanced next-generation smart TV technologies independently. We also collaborate with other renowned companies across industries to create smart TV products with unique styles, meeting consumers' needs for premium audio-visual experience. In 2023, our TV market share ranked sixth worldwide.

AVA: The Company distributes Philips-branded audio-visual products globally, including headphones, speakers, and other consumer goods, to create an integrated audio-visual ecosystem.

(2) Business Model

The Company pursues a dual-track OBM/ODM business model - not only designing and manufacturing products for numerous well-known TV and PC brands but also distributing products of our own brands including AOC, AGON, Envision, in many parts of the world as well as manufacturing and selling Philips' monitors, TVs (except in the US, Canada, Mexico and some South American countries) and audio-visual products globally under exclusive license agreement.

(3)Industry Status

In 2023, on the panel supply side, panel manufacturers continued to regulate inventory and control capacity utilization rates, effectively curbing the sharp decline in panel prices and improved the supply-demand relationship, resulting in relatively moderate change in prices. On the demand side, global economic growth was sluggish and uneven, with insufficient market recovery due to the slow easing of inflation. This was reflected in the cautious procurement strategies by brand customers, their active clear-out of inventory, and reduced orders. The purchasing power of end consumers also declined, leading to postponement in the consumption of durable goods. As a mature market, the display industry faced challenges from external environments and weak internal demand, resulting in an overall reduction in scale for the year. Coupled with intensified competition from new entrants, the competitive landscape remained fierce. In 2024, influenced by macroeconomic conditions, the market outlook is still uncertain to some extent. However, with global inflation easing, consumer confidence rebounding, and purchasing power increasing in emerging markets, market demand is expected to recover gradually. The Company's key performance drivers and the change in performance results are in line with industry development trends.

(4) Industry Position

The Company has cultivated the monitor industry deeply and maintained leadership in the global market, driving industry trends through a focus on the research and development of advanced technology and the enhancement of manufacturing capacity. At the same time, utilizing our monitor business's extensive market resources, research and innovation, and business expansion, our TV business also continues to grow steadily, securing leading positions in multiple emerging markets worldwide. As the world's largest monitor manufacturer and a leading LCD TV manufacturer, our products enjoy widespread recognition among clients and customers around the globe. With robust research and development capabilities, solid quality management system, and excellent after-sales service, the Company has established strong brand awareness and market influence within the industry.

In March 2023, the Company was honored with the most prestigious award in the Chinese industrial sector—the 7th China Industry Award. In July 2023, the Company ranked 217th on the Fortune China 500 list, marking our third consecutive year on the list.

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

Whether the Company needs to adjust retrospectively or restate the accounting data of its previous year?

□ Yes √ No

Unit: RMB

	End of 2023	End of 2022	YoY Change (%)	End of 2021
Total assets	33,727,685,680.19	35,195,137,672.02	-4.17%	41,393,665,897.76
Net assets attributable to the listed company's shareholders	2,918,940,064.99	2,653,490,848.80	10.00%	2,023,267,727.73
	2023	2022	YoY Change (%)	2021
Operating revenue	54,596,943,941.82	61,882,896,665.87	-11.77%	70,574,309,324.32
Net profit attributable to the listed company's shareholders	277,587,525.89	86,693,636.93	220.19%	532,193,272.85
Net profit attributable to the listed company's shareholders after deducting non-recurring gains and losses	324,798,671.58	37,344,491.77	769.74%	142,869,724.98
Net cash flow from operating activities	2,786,820,136.81	4,562,931,058.35	-38.92%	-4,073,525,347.36
Basic earnings per share (RMB/share)	0.0613	0.0191	220.94%	0.1175
Diluted earnings per share (RMB/share)	0.0613	0.0191	220.94%	0.1175
Weighted average return on net assets (%)	9.96%	3.67%	6.29%	30.13%

(2) Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	11,974,735,448.53	13,065,282,398.34	14,495,239,021.92	15,061,687,073.03
Net profit attributable to the listed company's shareholders	-34,293,988.99	78,339,462.57	29,949,847.28	203,592,205.03
Net profit attributable to the listed company's shareholders after deducting non-recurring gains and losses	-3,965,896.92	155,779,214.94	-6,958,472.37	179,943,825.93
Net cash flow from operating activities	1,123,084,988.50	11,834,659.35	-134,725,436.44	1,786,625,925.40

Does the above financial information or their sums differ significantly from what have been disclosed in the Company's quarterly or half-year reports?

□ Yes √ No

4. Share Capital and Shareholder Information

(1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Shareholdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the end of the reporting period	147,271	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	127,042	Number of preferred Shareholders with resumed voting rights at the end of the reporting period	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report	0

Top 10 Shareholders (excluding shares lent in refinancing)						
Name of Shareholder	Nature of Shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged, marked or frozen shares	
					Status	Number
Nanjing CEC Panda Information Industry Group Co., Ltd.	State-owned legal person	24.51%	1,110,344,828	1,110,344,828	Pledged	555,172,414
Nanjing New Industry Investment Group Co., Ltd.	State-owned legal person	9.54%	432,336,244	0	N/A	0
Nanjing Machinery & Electronics Industrial (Group) Co., Ltd.	State-owned legal person	9.53%	431,607,970	0	N/A	0
Nanjing Huadong Electronics Group Co., Ltd.	State-owned legal person	3.62%	163,832,956	0	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	3.23%	146,161,333	0	N/A	0
Fuanda Fund - Nanjing New Industry Investment Group Co., Ltd. - Fuanda Ruixuan No. 5 Equity Single Asset Management Scheme	Domestic non-state-owned legal person	0.83%	37,730,000	0	N/A	0
Wu Deru	Domestic natural person	0.31%	14,232,700	0	N/A	0
Hu Dacheng	Domestic natural person	0.25%	11,103,200	0	N/A	0
Xie Fulin	Domestic natural person	0.23%	10,550,000	0	N/A	0
Zheng Yonggui	Domestic natural person	0.23%	10,262,000	0	N/A	0
Related or acting-in-concert parties among the shareholders above	Nanjing CEC Panda Information Industry Group Co., Ltd. and Nanjing Huadong Electronics Group Co., Ltd. are related parties; Nanjing New Industry Investment Group Co., Ltd. and Nanjing Machinery & Electronics Industrial (Group) Co., Ltd. are related parties.					
Shareholders involved in securities margin trading (if any)	None					

Top 10 shareholders involved in refinancing shares lending

□ Applicable √ Not Applicable

Changes in the top 10 shareholders compared to the previous period

√Applicable □ Not Applicable

Unit: share

Changes in the Top 10 Shareholders Compared to the Previous Period					
Full name of shareholder	Addition/Withdrawal during the reporting period	Shares lent in refinancing and not yet returned at the period-end		Shares in the common accounts and credit accounts and shares lent in refinancing and not yet returned at the period-end	
		Total Number	% of total share capital	Total Number	% of total share capital
Xie Fulin	Addition	0	0.00%	10,550,000	0.23%
Zheng Yonggui	Addition	0	0.00%	10,262,000	0.23%
Bank of Ningbo Co., Ltd - Wanjia CSI 300 Index Enhanced Securities Investment Fund	Addition	0	0.00%	8,852,600	0.20%
Xu Kaidong	Withdrawal	0	0.00%	Note	Note
Bank of China Limited - China Merchants Quantitative Selection Equity Initiated Securities Investment Fund	Withdrawal	0	0.00%	2,679,500	0.06%
China International Capital Corporation Limited	Withdrawal	0	0.00%	Note	Note

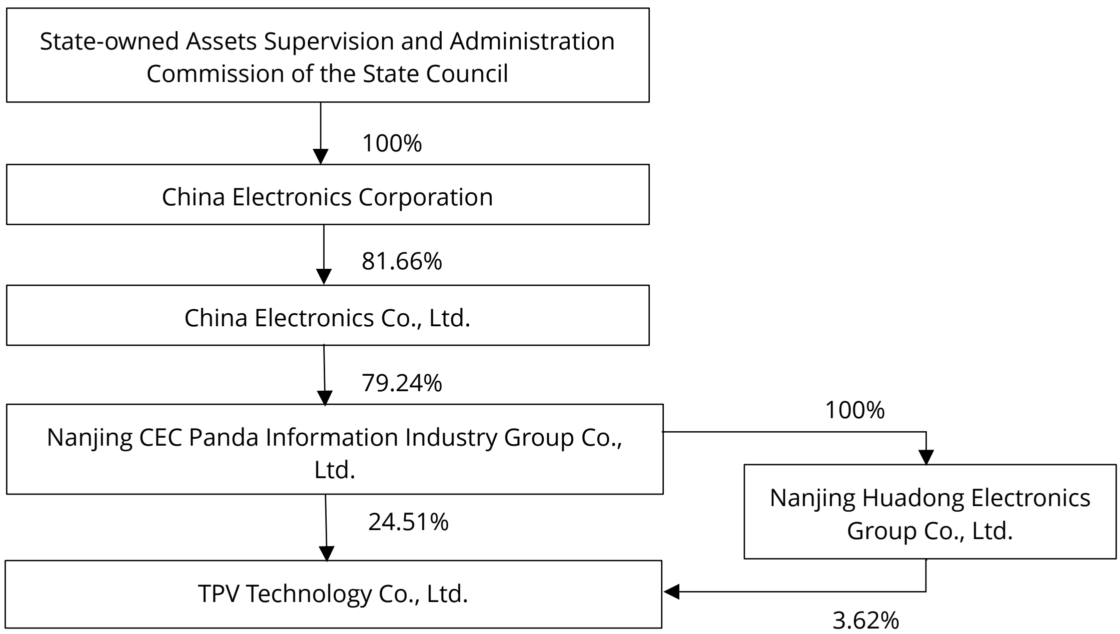
Note: As "Xu Kaidong" and "China International Capital Corporation Limited" were not in the list of top 200 shareholders issued by China Securities Depository and Clearing Corporation Limited before the end of the reporting period, the Company does not have such data.

(2) Total Number of Preferred Shareholders of the Company and the Shareholdings of the Top 10 Preferred Shareholders

□ Applicable √ Not Applicable

The Company had no preferred shareholders during the reporting period.

(3) Ownership and Control Relations between the Actual Controller and the Company



Part III Management Discussion and Analysis

1. Analysis of the Main Business

During the reporting period, the global economic growth remained sluggish, with geopolitical risks and trade tensions posing adverse effects and challenges for businesses worldwide. With inflation easing slowly, the subdued demand for consumer electronics persisted, intensifying market competition and consequently reducing the Company's product shipments. The prices of the main raw material, panels, stayed low, which led to a reduction in the Company’s inventory impairment losses, as well as a drop in the unit price of display products, resulting in a year-on-year decrease in the Company's annual operating revenue. Affected by the interest rate hikes in the US and EU, the Company's financing costs rose slightly. Heightened global exchange rate volatility raised hedging costs, resulting in unfavorable year-on-year net foreign exchange losses

In the face of challenging external environment, the Company proactively responded, sought strength in transformation, and adhered to the path of internationalized high-quality development. Through continually innovating and reforming both products and business models, enhancing internal management to bolster operational efficiency, adjusting product pricing strategies, optimizing supply chain management, the Company maintained its leadership position in smart display manufacturing, achieving a steady increase in comprehensive gross profit margin, and a notable year-on-year improvement in profitability.

The Company achieved an operating revenue of RMB 54.597 billion for the year, representing a year-on-year decrease of 11.77%. The net profit attributable to the Company’s shareholders reached RMB 278 million, marking a year-on-year increase of 220.19%. The comprehensive gross profit margin was 13.12%, up by 3.10% compared to the same period last year.

(1) Monitors

During the reporting period, the global monitor market experienced an overall decline in shipment volume of approximately 5.5% year-on-year. By region, the impact of geopolitical tensions and high interest rates continued to be felt, with the recovery of demand in the European and American markets falling short of expectations and leading to a marked decline. Meanwhile, China and the Asia-Pacific markets saw slow but sustained economic recovery. Through measures such as optimization of product portfolios and expansion and innovation of marketing channels, the Company's OBM business performed well, achieving growth in shipments against the general trend and further increasing market penetration. By adjusting the balance between volume and price, improving product structure, and reducing low-margin orders, the Company’s ODM business provided stability and support to the overall performance. Despite a 2.87% year-on-year drop in monitor sales to 37.10 million units due to the global decline in shipment volumes, the Company increased its market share, maintaining its leading position with a clear advantage. Affected by the drop in the prices of core raw material, panels, and corresponding fall in average selling prices of products, revenue from the Company's monitor business declined by 13.50% year-on-year to RMB 30.757 billion. However, the gross profit margin of monitors increased by 3.28% year-on-year to 12.92%.

(2) TVs

The global TV market continued to experience a downward trend in total shipment volume due to weak demand and persistent competition from cross-category substitutes, leading to a dynamic and fiercely competitive market landscape. Additionally, panel manufacturers' production control to increase efficiency and a surge in large-size TV panel prices further squeezed profits from TV manufacturers. Throughout the reporting period, the Company's TV business continued to benchmark against high-end brands, gradually moving away from lower-priced competition to seek a balance between stabilizing market share and profitability. Due to subdued demand in major sales regions like Western Europe, intense price competition in Latin American markets (with some countries experiencing black swan events), and adjustments in some ODM customers' outsourcing strategies to cut orders, the TV business recorded a loss for the year. Sales volume decreased by 14.14% year-on-year to 11.08 million units, and revenue decreased by 11.99% year-on-year to RMB 19.464 billion. Nevertheless, the Company's efforts in cost control and supply chain management paid off, with the gross profit margin for TVs increasing by 2.70% year-on-year to 11.91%, and the loss narrowing significantly.

Unit: RMB

Composition of Operating Revenue					
	2023		2022		YoY Change (%)
	Amount	% of operating revenue	Amount	% of operating revenue	
By Product					
Monitors	30,757,480,210.08	56.34%	35,559,749,392.35	57.46%	-13.50%
TVs	19,464,187,863.48	35.65%	22,116,889,256.10	35.74%	-11.99%
Other products	4,086,994,683.67	7.49%	3,867,015,709.20	6.25%	5.69%
Other business	288,281,184.59	0.53%	339,242,308.22	0.55%	-15.02%
By Region					
Domestic	12,738,942,896.75	23.33%	14,916,701,538.05	24.10%	-14.60%
Overseas	41,858,001,045.07	76.67%	46,966,195,127.82	75.90%	-10.88%

Products and Regions that Account for More Than 10% of the Company's Operating Revenue or Operating Profit						
	Operating Revenue	Operating Cost	Gross Profit Margin	Operating Revenue YoY Change (%)	Operating Cost YoY Change (%)	Gross Profit Margin YoY Change (%)
By Product						
Monitors	30,757,480,210.08	26,782,524,282.98	12.92%	-13.50%	-16.64%	3.28%
TVs	19,464,187,863.48	17,145,699,067.11	11.91%	-11.99%	-14.61%	2.70%
Other products	4,086,994,683.67	3,382,544,490.66	17.24%	5.69%	2.21%	2.82%
By Region						
Domestic	12,468,285,641.35	11,308,735,076.70	9.30%	-14.57%	-14.83%	0.27%
Overseas	41,840,377,115.88	36,002,032,764.05	13.95%	-10.88%	-14.77%	3.93%

2. Core Competency Analysis

(1) Manufacturing Strength and Leading Technology

The Company seamlessly integrates new-generation information technology with manufacturing processes, continuously enhancing and refining our production techniques to solidify and deepen our expertise in the realm of smart display manufacturing. The Company's robust manufacturing capabilities are supported by cutting-edge automated production equipment and seasoned technical personnel, ensuring our consistent dominance in the world's display shipment volume. Additionally, the Company is actively driving the transformation towards smart factory systems to further improve production efficiency and product quality.

Adhering to product and technological innovation as the driving force for development, the Company stays abreast of industry trends and continuously rolls out new products that meet evolving market demands, with the goal of improving lives with the help of technology. Currently, the Company has established research and development centers in Taipei, Fuqing, Xiamen, Shenzhen, Singapore, Manaus (Brazil), Ghent (Belgium), and Bangalore (India), with about 3,000 dedicated research and development engineers across various fields such as software, power supply, mechanisms, electrical engineering, components, safety regulations, and testing, holding over 1,000 patents. During the reporting period, the Company invested RMB 1.323 billion in research and development.

The Company's products continue to receive high recognition in the industry. During the reporting period, several monitors, TVs, and headphones won prestigious international industrial design awards such as the Red Dot Design Award, iF Design Award, and EISA Awards. These include but not limited to the TPV ET270 video conferencing monitor; Philips Evnia 8000 gaming monitor, OLED 908 TV, PUS8808 TV, Fidelio L4 headphones, Fidelio T2 true wireless headphones; AOC PD49 curved gaming monitor, AG276 gaming monitor, 34U3 monitor, and

16G3 portable gaming monitor.

(2) Global Network

The Company's business spans the globe, with 12 production bases and over 3,500 sales and service centers, building a comprehensive system for production, sales, distribution, and after-sales service. We have established sales channels across China and in regions including Europe, North America, South America, and Southeast Asia, enabling our products to reach a broader market and meet the diverse needs of consumers in different parts of the world. Through the acquisition of Philips' monitor and flat-panel TV business, the Company has leveraged Philips' mature channels to strengthen our presence in the markets and increased shipment, consistently ranking among the top global manufacturers of monitors and flat-panel TVs for years.

The Company’s global competitiveness is reflected in our global production and supply chain layouts, serving as support points to cope with fluctuation in business cycles. Despite the growing complexity of international trade, our global presence enables us to anticipate regional demands and market trends relatively accurately and enjoy advantages such as low cost and preferential policies provided by local governments. Our extensive scale of operations brings economies of scale that facilitate resource allocation, enhance production efficiency, reduce costs, strengthen technological capabilities, and increase market responsiveness.

(3) Business Cooperation and Brand Advantage

Drawing upon years of manufacturing experience and technological prowess, the Company has forged long-term and trusting relationship with leading IT brands and major panel suppliers. Our reliable panel procurement methods and adept channel management ensure a stable supply of panels and other raw materials. As upstream panel supply increasingly gravitates towards Chinese manufacturers, the benefits of manufacturing in China become more evident. Simultaneously, in the realm of smart manufacturing, the Company has earned a positive reputation among leading downstream IT brands and built a diverse customer base characterized by a balanced structure that bolsters our resilience and helps sustain our leading position in terms of shipment volume.

At the same time, the Company is steadfastly enhancing the influence and market penetration of our own brands including Philips, AOC, AGON, and Envision, catering to diverse market segments, product mix, and geographical regions, and forming a highly competitive brand portfolio. Among them, Philips is an internationally renowned century-old brand, and AOC is recognized as one of the “Well-Known Trademarks in China".

3. Company Outlook for Future Development

(1) Accelerating Transition towards Industry 4.0 and Digitalization in Manufacturing

In response to the Fourth Industrial Revolution, the Company is expediting its transformation from traditional manufacturing to "smart manufacturing", systematically introducing digitalization initiatives across research and development, manufacturing, quality control, services, finance, human resources, supply chain management, and corporate social responsibility. This strategic move propels us steadily towards our goal of establishing a fully digitalized factory and achieving digitalization of our operations by 2025.

The digitalized factory will harness cutting-edge technologies including big data, AI, and 5G networks. These innovations will be applied extensively across every facet of our operations, from research and development to production, supply chain management, quality risk forecasting, and after-sales services. Through digital means, we aim to reform and optimize our current organizational structure and operations, establishing cloud-based datasets for key operational metrics for each department. With seamless communication between front-end sales and back-end supply achieved by the utilization of consistent, accurate, and timely digital data, we anticipate a significant enhancement in overall automation rates. This will position the Company as a leading example of smart factories, driving long-term growth in business performance and profitability.

(2) Fostering Diverse Growth Opportunities to Promote New Drivers of Growth

For the monitor business, the Company will continue to increase investment and deepen its layout to consolidate its position as a global leader in monitors and the No.1 brand in gaming monitors, while strengthening the brand influence of Philips in high-end segments and expanding share in the B2B market. Furthermore, by utilizing the distinct market positioning and product portfolio of our two major monitor brands, AOC and Philips, the Company aims to cater to the diverse needs of users across all aspects of their lives, including work, daily activities, and entertainment.

For the professional display business, the Company implements a smart full-screen strategy. By covering products such as interactive whiteboard, digital signage, videowalls, large-screen public displays, small-pitch LED displays, and e-ink displays, the Company is expanding its presence into smart application scenarios in various industries such as smart offices, smart healthcare, smart education, smart transportation, and smart retail. The Company is open to collaboration with a variety of software and hardware developers, as well as system integrators, to jointly provide a richer selection of customized professional displays and display solutions. At the same time, the Company will strengthen strategic cooperation with government and enterprises to contribute to the construction of smart cities, building a new ecosystem for our professional displays, and deeply integrating ourselves into the new global landscape of industrial digitalization.

For the TV business, the Company focuses on enhancing brand image and value, expanding the application of AI technology, adding new product features, and providing a more intelligent and convenient user interaction experience. We continue to launch smart TV products that meet different market demands with exceptional audio-visual performance and immersive viewing experiences that cannot be replaced by alternatives.

For the AVA business, the Company seeks to provide users with a comprehensive audio-visual experience. Sound serves as the ideal complement to picture, collectively enhancing the overall effect. The AVA market holds immense potential - drawing from Philips' strength in innovative design and professional sound, the Company aims to provide professional audio-visual system integration and create opportunities for business growth.

Additionally, the Company views ESG as a vital metric for assessing green transformation and high-quality development. We actively align with the national carbon emissions peak and carbon neutrality goals and implement various United Nations Sustainable Development Goals, fulfilling our corporate social responsibilities, and collaborating with all stakeholders to create sustainable value.

TPV Technology Co., Ltd.

Board of Directors

30 April 2024