

**Konka Group Co., Ltd.**

# **FINANCIAL REPORT**

For the Six Months Ended 30 June 2021

(Un-audited)

## **Contents**

Auditor's Report

Balance Sheet

Income Statement

Cash Flow Statement

Statement of Changes in Owners' Equity

Notes to Accounting Statements

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Legal representative: Zhou Bin

Head of the accounting work: Li Chunlei

Head of the accounting department: Guo Zhihuag

*English Translation for Reference Only. Should there be any discrepancy between the two versions, the Chinese version shall prevail.*

## I Independent Auditor's Report

Are these interim financial statements audited by an independent auditor?

☐ Yes ☒ No

The interim financial statements of the Company have not been audited by an independent auditor.

## II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

### 1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

30 June 2021

Unit: RMB

Item	30 June 2021	31 December 2020
Current assets:		
Monetary assets	5,808,945,725.97	5,431,530,180.90
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		618,249,541.66
Derivative financial assets		
Notes receivable	1,517,173,391.11	2,358,180,193.96
Accounts receivable	4,549,591,026.59	3,900,897,623.59
Accounts receivable financing	111,375,140.87	84,057,197.44
Prepayments	1,245,612,713.12	1,183,270,543.41
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	2,002,670,932.02	2,145,736,640.60
Including: Interest receivable	54,484,552.15	45,109,425.85
Dividends receivable	547,848.62	4,947,848.62
Financial assets purchased under resale agreements		
Inventories	5,159,261,206.91	4,521,300,677.41
Contract assets	3,278,002,380.34	2,870,006,710.39
Assets held for sale		
Current portion of non-current assets	69,003,761.31	112,310,158.82

Other current assets	2,245,900,952.01	1,913,146,483.39
Total current assets	25,987,537,230.25	25,138,685,951.57
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	390,636,999.59	399,497,204.03
Long-term equity investments	4,465,804,131.62	4,375,833,584.65
Investments in other equity instruments	25,343,293.16	25,343,293.16
Other non-current financial assets	2,041,635,385.92	1,878,154,796.76
Investment property	517,599,145.62	538,585,668.29
Fixed assets	3,355,378,019.70	3,178,642,017.84
Construction in progress	10,099,450,528.06	9,236,643,931.68
Productive living assets		
Oil and gas assets		
Right-of-use assets	91,722,023.03	
Intangible assets	1,169,991,792.70	1,189,191,001.51
Development costs	57,745.03	
Goodwill	675,795,873.17	675,795,873.17
Long-term prepaid expense	212,945,657.99	153,198,562.82
Deferred income tax assets	1,368,257,105.54	1,265,916,437.39
Other non-current assets	1,246,223,596.72	1,820,779,170.74
Total non-current assets	25,660,841,297.85	24,737,581,542.04
Total assets	51,648,378,528.10	49,876,267,493.61
Current liabilities:		
Short-term borrowings	10,660,328,520.00	10,990,550,475.78
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,084,027,559.56	1,335,987,026.21
Accounts payable	9,842,554,742.32	9,632,366,325.76

Advances from customers		
Contract liabilities	809,414,528.15	1,217,367,735.94
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	231,185,917.73	476,616,244.45
Taxes payable	339,046,643.99	508,214,059.16
Other payables	1,646,751,352.19	1,999,430,899.69
Including: Interest payable	214,023,683.45	220,837,380.17
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	4,327,184,538.69	376,896,566.29
Other current liabilities	212,650,019.72	441,774,317.23
Total current liabilities	29,153,143,822.35	26,979,203,650.51
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	7,881,025,148.48	5,964,748,997.54
Bonds payable	2,992,708,333.32	4,993,212,788.32
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	68,784,148.21	
Long-term payables	471,934,338.20	481,409,849.96
Long-term employee benefits payable	5,178,477.38	5,248,309.14
Provisions	106,675,570.03	102,353,567.91
Deferred income	221,156,075.12	446,900,524.64

Deferred income tax liabilities	70,203,372.45	75,819,231.93
Other non-current liabilities	83,705,786.99	106,475,449.02
Total non-current liabilities	11,901,371,250.18	12,176,168,718.46
Total liabilities	41,054,515,072.53	39,155,372,368.97
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	234,215,703.91	230,185,310.09
Less: Treasury stock		
Other comprehensive income	-17,166,086.08	-16,583,042.42
Specific reserve		
Surplus reserves	1,211,721,109.67	1,211,721,109.67
General reserve		
Retained earnings	4,440,026,770.40	4,595,371,391.63
Total equity attributable to owners of the Company as the parent	8,276,742,905.90	8,428,640,176.97
Non-controlling interests	2,317,120,549.67	2,292,254,947.67
Total owners' equity	10,593,863,455.57	10,720,895,124.64
Total liabilities and owners' equity	51,648,378,528.10	49,876,267,493.61

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2021	31 December 2020
Current assets:		
Monetary assets	3,267,327,229.79	3,481,445,560.17
Held-for-trading financial assets		298,497,458.33
Derivative financial assets		
Notes receivable	791,122,441.73	879,589,355.91
Accounts receivable	7,116,649,107.58	4,473,251,691.85
Accounts receivable financing		5,659,400.00
Prepayments	857,806,880.32	1,021,218,285.46
Other receivables	11,189,761,973.66	10,034,869,353.07

Including: Interest receivable	53,913,996.27	41,138,869.97
Dividends receivable	746,582,755.50	749,431,635.50
Inventories	283,635,455.44	202,406,456.36
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,194,303,609.77	1,020,031,186.39
Total current assets	24,700,606,698.29	21,416,968,747.54
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	9,030,712,765.79	8,806,166,599.56
Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	203,000,000.00	250,230,000.00
Investment property	399,312,419.35	406,237,236.91
Fixed assets	468,176,972.04	431,762,044.14
Construction in progress	164,703,458.80	132,464,938.18
Productive living assets		
Oil and gas assets		
Right-of-use assets	5,057,474.73	
Intangible assets	56,983,456.40	59,506,272.63
Development costs		
Goodwill		
Long-term prepaid expense	14,736,111.41	16,532,521.69
Deferred income tax assets	1,037,414,801.42	980,095,292.53
Other non-current assets	11,225,866.61	10,867,888.84
Total non-current assets	11,409,263,541.91	11,111,803,009.84
Total assets	36,109,870,240.20	32,528,771,757.38
Current liabilities:		
Short-term borrowings	4,949,529,416.45	5,052,990,048.93
Held-for-trading financial		

liabilities		
Derivative financial liabilities		
Notes payable	853,626,661.37	1,344,958,738.50
Accounts payable	7,374,735,672.62	6,811,467,585.39
Advances from customers		
Contract liabilities	1,005,663,444.32	723,022,740.95
Employee benefits payable	58,059,951.87	147,391,317.06
Taxes payable	6,030,867.92	4,094,133.23
Other payables	5,693,492,635.27	4,275,347,622.57
Including: Interest payable	207,030,892.91	215,828,625.04
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	4,002,494,735.07	5,867,425.49
Other current liabilities	1,271,479.50	6,108,675.36
Total current liabilities	23,944,904,864.39	18,371,248,287.48
Non-current liabilities:		
Long-term borrowings	3,432,907,132.95	2,930,034,612.32
Bonds payable	2,992,708,333.32	4,993,212,788.32
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,851,542.40	
Long-term payables		17,633,249.67
Long-term employee benefits payable		
Provisions	912,275.65	832,465.72
Deferred income	40,832,761.33	61,530,557.55
Deferred income tax liabilities		2,334,364.58
Other non-current liabilities	10,433,597.66	54,162,098.05
Total non-current liabilities	6,480,645,643.31	8,059,740,136.21
Total liabilities	30,425,550,507.70	26,430,988,423.69
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		

Including: Preferred shares		
Perpetual bonds		
Capital reserves	109,898,727.37	112,570,352.72
Less: Treasury stock		
Other comprehensive income	-1,500,000.00	-2,682,217.31
Specific reserve		
Surplus reserves	1,227,564,785.19	1,227,564,785.19
Retained earnings	1,940,410,811.94	2,352,385,005.09
Total owners' equity	5,684,319,732.50	6,097,783,333.69
Total liabilities and owners' equity	36,109,870,240.20	32,528,771,757.38

### 3. Consolidated Income Statement

Unit: RMB

Item	H1 2021	H1 2020
1. Revenue	21,810,161,873.08	17,524,183,896.74
Including: Operating revenue	21,810,161,873.08	17,524,183,896.74
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	22,632,427,029.23	18,353,408,488.70
Including: Cost of sales	20,817,175,713.78	16,268,993,432.88
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	44,456,361.94	29,184,440.36
Selling expense	667,662,036.47	969,224,381.98
Administrative expense	359,053,667.07	440,915,780.44
R&D expense	284,663,467.26	258,049,586.29
Finance costs	459,415,782.71	387,040,866.75
Including: Interest expense	488,330,464.76	532,953,584.28
Interest income	78,303,181.42	124,261,830.72



Add: Other income	720,696,356.02	318,094,852.34
Return on investment (“-” for loss)	322,244,312.89	598,693,576.59
Including: Share of profit or loss of joint ventures and associates	19,335,816.88	44,717,625.76
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	40,362,513.73	
Credit impairment loss (“-” for loss)	-71,392,178.06	-39,887,507.18
Asset impairment loss (“-” for loss)	-29,538,732.82	-1,985,659.95
Asset disposal income (“-” for loss)	88,668.35	98,454,282.86
3. Operating profit (“-” for loss)	160,195,783.96	144,144,952.70
Add: Non-operating income	21,618,277.79	8,661,773.48
Less: Non-operating expense	6,793,873.14	7,136,875.35
4. Profit before tax (“-” for loss)	175,020,188.61	145,669,850.83
Less: Income tax expense	84,263,268.37	73,425,522.47
5. Net profit (“-” for net loss)	90,756,920.24	72,244,328.36
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	90,756,920.24	72,244,328.36
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	85,449,919.57	94,701,792.63
5.2.1 Net profit attributable to non-controlling interests	5,307,000.67	-22,457,464.27
6. Other comprehensive income, net of tax	-1,547,270.99	1,158,124.63
Attributable to owners of the Company as the parent	-583,043.66	-316,704.47
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		

6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-583,043.66	-316,704.47
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	1,486,086.18	
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-2,069,129.84	-316,704.47
6.2.7 Other		
Attributable to non-controlling interests	-964,227.33	1,474,829.10
7. Total comprehensive income	89,209,649.25	73,402,452.99
Attributable to owners of the Company as the parent	84,866,875.91	94,385,088.16
Attributable to non-controlling interests	4,342,773.34	-20,982,635.17
8. Earnings per share		
8.1 Basic earnings per share	0.0355	0.0393
8.2 Diluted earnings per share	0.0355	0.0393

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2021	H1 2020
1. Operating revenue	1,201,381,406.70	3,375,446,030.89
Less: Cost of sales	1,079,261,558.34	2,951,099,830.85
Taxes and surcharges	2,722,585.37	2,456,004.49
Selling expense	153,803,101.46	346,758,543.10
Administrative expense	129,288,020.36	159,850,052.74
R&D expense	21,919,059.86	25,536,247.49
Finance costs	185,312,072.03	174,356,605.73
Including: Interest expense	395,636,089.83	430,353,727.41

Interest income	249,552,400.35	242,970,045.01
Add: Other income	31,506,992.96	60,280,939.33
Return on investment (“-” for loss)	196,794,318.43	508,865,061.70
Including: Share of profit or loss of joint ventures and associates	6,396,453.37	-699,839.38
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	1,656,645.84	
Credit impairment loss (“-” for loss)	-86,149,702.67	-10,198,271.78
Asset impairment loss (“-” for loss)	-2,818,595.77	5,726,253.37
Asset disposal income (“-” for loss)		98,600,000.00
2. Operating profit (“-” for loss)	-229,935,331.93	378,662,729.11
Add: Non-operating income	4,699,664.41	315,565.50
Less: Non-operating expense	5,616,310.83	225,566.38
3. Profit before tax (“-” for loss)	-230,851,978.35	378,752,728.23
Less: Income tax expense	-59,671,308.58	84,301,541.05
4. Net profit (“-” for net loss)	-171,180,669.77	294,451,187.18
4.1 Net profit from continuing operations (“-” for net loss)	-171,180,669.77	294,451,187.18
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	1,182,217.31	
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss	1,182,217.31	
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	1,486,086.18	

5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-303,868.87	
5.2.7 Other		
6. Total comprehensive income	-169,998,452.46	294,451,187.18
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2021	H1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	20,963,019,142.28	17,398,919,184.79
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	259,574,846.93	108,772,128.38
Cash generated from other operating activities	984,633,539.35	2,067,915,221.82
Subtotal of cash generated from operating activities	22,207,227,528.56	19,575,606,534.99
Payments for commodities and services	20,801,856,591.59	17,115,676,821.64
Net increase in loans and advances to customers		

Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	1,040,180,023.02	917,713,468.04
Taxes paid	571,610,951.43	628,428,831.21
Cash used in other operating activities	1,078,341,184.55	1,990,154,341.58
Subtotal of cash used in operating activities	23,491,988,750.59	20,651,973,462.47
Net cash generated from/used in operating activities	-1,284,761,222.03	-1,076,366,927.48
2. Cash flows from investing activities:		
Proceeds from disinvestment	242,490,592.58	387,119,277.60
Return on investment	79,850,437.97	80,623,751.66
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	233,374,028.57	40,444,106.56
Net proceeds from the disposal of subsidiaries and other business units	133,143,680.12	3,287,293.86
Cash generated from other investing activities	726,997,513.51	1,208,757,541.14
Subtotal of cash generated from investing activities	1,415,856,252.75	1,720,231,970.82
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	2,434,111,266.54	1,701,324,660.79
Payments for investments	334,832,168.49	8,670,001.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	96,500,000.00	
Cash used in other investing activities	335,799,856.00	152,930,416.99
Subtotal of cash used in investing activities	3,201,243,291.03	1,862,925,078.78
Net cash generated from/used in investing activities	-1,785,387,038.28	-142,693,107.96
3. Cash flows from financing activities:		
Capital contributions received	82,672,396.60	94,836,439.00
Including: Capital contributions by non-controlling interests to subsidiaries	82,672,396.60	94,836,439.00
Borrowings raised	11,408,374,380.36	10,423,573,485.62
Cash generated from other financing activities	595,358,784.49	945,876,029.73
Subtotal of cash generated from financing activities	12,086,405,561.45	11,464,285,954.35

Repayment of borrowings	7,054,124,522.30	8,790,985,658.27
Interest and dividends paid	612,510,498.19	383,175,132.72
Including: Dividends paid by subsidiaries to non-controlling interests	7,497,000.00	10,513,500.00
Cash used in other financing activities	480,205,100.51	1,033,904,254.73
Subtotal of cash used in financing activities	8,146,840,121.00	10,208,065,045.72
Net cash generated from/used in financing activities	3,939,565,440.45	1,256,220,908.63
4. Effect of foreign exchange rates changes on cash and cash equivalents	-7,488,067.32	7,043,028.89
5. Net increase in cash and cash equivalents	861,929,112.82	44,203,902.08
Add: Cash and cash equivalents, beginning of the period	4,298,056,113.24	4,493,701,917.22
6. Cash and cash equivalents, end of the period	5,159,985,226.06	4,537,905,819.30

## 6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2021	H1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,579,711,912.72	3,385,079,007.56
Tax rebates	125,466,130.99	35,643,807.10
Cash generated from other operating activities	253,268,585.04	6,304,828,904.25
Subtotal of cash generated from operating activities	1,958,446,628.75	9,725,551,718.91
Payments for commodities and services	2,203,917,150.41	2,037,612,946.86
Cash paid to and for employees	186,615,478.74	193,201,951.98
Taxes paid	5,362,665.96	7,317,308.11
Cash used in other operating activities	315,831,641.28	7,103,806,174.57
Subtotal of cash used in operating activities	2,711,726,936.39	9,341,938,381.52
Net cash generated from/used in operating activities	-753,280,307.64	383,613,337.39
2. Cash flows from investing activities:		
Proceeds from disinvestment	336,545,500.00	395,943,265.00
Return on investment	7,738,365.75	15,939,575.07
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	208,313.77	53,456.56
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	3,061,287,812.44	1,129,057,041.14

Subtotal of cash generated from investing activities	3,405,779,991.96	1,540,993,337.77
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	100,219,361.16	44,012,965.74
Payments for investments	416,340,000.00	966,864,001.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	3,653,620,787.61	112,930,416.99
Subtotal of cash used in investing activities	4,170,180,148.77	1,123,807,383.73
Net cash generated from/used in investing activities	-764,400,156.81	417,185,954.04
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	7,831,733,994.04	7,094,864,642.27
Cash generated from other financing activities	4,872,687,703.97	132,563,907.20
Subtotal of cash generated from financing activities	12,704,421,698.01	7,227,428,549.47
Repayment of borrowings	5,460,556,762.28	6,842,198,610.76
Interest and dividends paid	555,580,595.63	322,326,562.77
Cash used in other financing activities	5,048,804,238.24	381,866,448.33
Subtotal of cash used in financing activities	11,064,941,596.15	7,546,391,621.86
Net cash generated from/used in financing activities	1,639,480,101.86	-318,963,072.39
4. Effect of foreign exchange rates changes on cash and cash equivalents	-524,306.83	3,386,774.26
5. Net increase in cash and cash equivalents	121,275,330.58	485,222,993.30
Add: Cash and cash equivalents, beginning of the period	2,910,762,592.99	1,337,342,186.92
6. Cash and cash equivalents, end of the period	3,032,037,923.57	1,822,565,180.22

## 7. Consolidated Statements of Changes in Owners' Equity

H1 2021

Unit: RMB

Item	H1 2021														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
		Preferred shares	Perpetual bonds	Other											
1. Balance as at the end of the period of prior year	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64
Add: Adjustment for change in accounting policy															
Adjustment for correction of															



previous error															
Adjustment for business combination under common control															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64
3. Increase/ decrease in the period (“-” for decrease)					4,030,393.82		-583,043.66				-155,344,621.23		-151,897,271.07	24,865,602.00	-127,031,669.07
3.1 Total comprehensive income							-583,043.66				85,449,919.57		84,866,875.91	4,342,773.34	89,209,649.25
3.2 Capital increased and reduced by owners					4,030,393.82								4,030,393.82	20,522,828.66	24,553,222.48
3.2.1 Ordinary shares increased by owners														12,701,396.58	12,701,396.58
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners’ equity															
3.2.4 Other					4,030,393.82								4,030,393.82	7,821,432.08	11,851,825.90
3.3 Profit distribution											-240,794,540.80		-240,794,540.80		-240,794,540.80
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to											-240,794,540.80		-240,794,540.80		-240,794,540.80

owners (or shareholders)															
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balance as at the end of the Reporting Period	2,407,945,408.00				234,215,703.91	-17,166,086.08	1,211,721,109.67		4,440,026,770.40		8,276,742,905.90	2,317,120,549.67	10,593,863,455.57		

H1 2020

Unit: RMB

Item	H1 2020														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Les s: Tre asu ry stoc k	Other comprehensive income	Sp eci fic res erv e	Surplus reserves	Gen eral rese rve	Retained earnings	O th er			Subtotal
		P r e f e r e d s h a r e s	P e r p e t u a l b o n d s	O t h e r											
1. Balance as at the end of the period of prior year	2,407,945,408.00				230,368,577.09		-21,293,103.52		1,211,721,109.67		4,239,763,606.89		8,068,505,598.13	1,858,192,188.67	9,926,697,786.80
Add: Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Adjustment for business combination under common															

control															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				230,368,577.09		-21,293,103.52		1,211,721,109.67		4,239,763,606.89		8,068,505,598.13	1,858,192,188.67	9,926,697,786.80
3. Increase/ decrease in the period (“-” for decrease)							-316,704.47				-25,695,477.77		-26,012,182.24	34,565,695.53	8,553,513.29
3.1 Total comprehensive income							-316,704.47				94,701,792.63		94,385,088.16	-20,982,635.17	73,402,452.99
3.2 Capital increased and reduced by owners														66,061,830.70	66,061,830.70
3.2.1 Ordinary shares increased by owners														86,836,439.00	86,836,439.00
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners’ equity															
3.2.4 Other														-20,774,608.30	-20,774,608.30
3.3 Profit distribution											-120,397,270.40		-120,397,270.40	-10,513,500.00	-130,910,770.40
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-120,397,270.40		-120,397,270.40	-10,513,500.00	-130,910,770.40
3.3.4 Other															

3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balance as at the end of the Reporting Period	2,407,945,408.00				230,368,577.09		-21,609,807.99		1,211,721,109.67		4,214,068,129.12		8,042,493,415.89	1,892,757,884.20	9,935,251,300.09

## 8. Statements of Changes in Owners' Equity of the Company as the Parent

H1 2021

Unit: RMB

Item	H1 2021											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,385,005.09		6,097,783,333.69
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										1,017.42		1,017.42
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,386,022.51		6,097,784,351.11
3. Increase/ decrease in the period ("-" for decrease)					-2,671,625.35		1,182,217.31			-411,975,210.57		-413,464,618.61
3.1 Total comprehensive income							1,182,217.31			-171,180,669.77		-169,998,452.46
3.2 Capital increased and reduced by owners					-2,671,625.35							-2,671,625.35
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other					-2,671,625.35							-2,671,625.35
3.3 Profit distribution										-240,794,540.80		-240,794,540.80
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-240,794,540.80		-240,794,540.80
3.3.3 Other												
3.4 Transfers within owners' equity												

3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				109,898,727.37		-1,500,000.00		1,227,564,785.19	1,940,410,811.94		5,684,319,732.50

H1 2020

Unit: RMB

Item	H1 2020											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				114,018,066.79		-2,682,217.31		1,227,564,785.19	2,245,698,875.22		5,992,544,917.89
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										20,256,240.41		20,256,240.41

2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				114,018,066.79		-2,682,217.31		1,227,564,785.19	2,265,955,115.63		6,012,801,158.30
3. Increase/ decrease in the period (“-” for decrease)										174,053,916.78		174,053,916.78
3.1 Total comprehensive income										294,451,187.18		294,451,187.18
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners’ equity												
3.2.4 Other												
3.3 Profit distribution										-120,397,270.40		-120,397,270.40
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-120,397,270.40		-120,397,270.40
3.3.3 Other												
3.4 Transfers within owners’ equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												



3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				114,018,066.79		-2,682,217.31		1,227,564,785.19	2,440,009,032.41		6,186,855,075.08

# Konka Group Co., Ltd.

## Notes to Financial Statements for H1 2021

(All amounts are expressed, unless otherwise stated, in Renminbi (RMB).)

### 一、 I. Company Profile

#### 1. Establishment

Konka Group Co., Ltd. (hereinafter referred to as “Company” or “the Company”), is a joint-stock limited company reorganized from the former Shenzhen Konka Electronic Co., Ltd. in August 1991 upon approval of the People’s Government of Shenzhen Municipality, and has its ordinary shares (A-share and B-share) listed on Shenzhen Stock Exchange with prior consent from the People’s Bank of China Shenzhen Special Economic Zone Branch. On 29 August 1995, the Company was renamed to “Konka Group Co., Ltd.” (Credibility code: 914403006188155783) with its main business electronic industry. And now the headquarters locates in No. 28 of No. 12 of Keji South Rd., Science & Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province.

#### 2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of 30 June 2021, the Company has issued a total of 2,407,945,408.00 shares (denomination of RMB1 per share) with a registered capital of RMB2,407,945,408.00.

#### 3. The nature of the company's business and main operating activities

The Company and its subsidiaries are mainly engaged in the production and sales of colour TVs, white goods, PCB, etc.; Industry trade business, environmental protection, semi-conductor, etc.

4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 26 August 2021.

### II. Consolidation scope

1. The Company has a total of 150 subsidiaries included in the consolidation scope including Electronics Technology, Anhui Konka, Dongguan Konka. The consolidation scope of the Company for the Reporting Period increased by 13 households including Nantong Hongdin due to incorporation and decreased by 6 households including Shenzhen Kangxin Property due to losing control or cancellation compared to the previous year.

For details, please refer to Note 7 “Changes in the consolidation scope” and Note 8 “Equity in Other Entities”.

#### 2. A check list of corporate names and their abbreviations mentioned in this Report

No.	Corporate name	Abbreviation
1	Anhui Konka Zhilian E-Commerce Co., Ltd.	Anhui Zhilian
2	Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
3	Chengdu Konka Smart Technology Co., Ltd.	Chengdu Konka Smart
4	Chengdu Konka Electronic Co., Ltd.	Chengdu Konka Electronic
5	Nantong Hongdin Smart Technology Co., Ltd.	Nantong Hongdin
6	Shenzhen Youzhihui Technology Co., Ltd.	Youzhihui
7	Shenzhen Xiaojia Technology Co., Ltd.	Xiaojia Technology
8	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun Smart
9	Liaoyang Kangshun Renewable Resources Co., Ltd.	Liaoyang Kangshun Renewable

No.	Corporate name	Abbreviation
10	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka
11	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Chuzhou Konka
12	Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Xi'an Huasheng
13	GuangDong XingDa HongYe Electronic Co., Ltd.	XingDa HongYe
14	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	Shanghai Xinfeng
15	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
16	Suining Konka Soft Electronic Technology Co., Ltd.	Konka Soft Electronic
17	Suining Konka Hongye Electronics Co., Ltd.	Konka Hongye Electronics
18	Boluo Konka Precision Technology Co., Ltd.	Boluo Precision
19	Boluo Konka PCB Co., Ltd.	Boluo Konka
20	Xiamen Dalong Trading Co., Ltd.	Xiamen Dalong
21	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
22	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
23	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
24	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
25	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
26	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
27	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
28	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
29	Shenzhen Konka Investment Holdings Co., Ltd.	Konka Investment
30	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
31	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
32	Shenzhen Konka Industrial Park Development Co., Ltd.	Industrial Park Development
33	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
34	Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.	Kangquan Enterprise
35	Shenzhen Konka Suyuan Investment Industrial Co., Ltd.	Konka Suyuan
36	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
37	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
38	Konka Factoring (Shenzhen) Co., Ltd.	Konka Factoring
39	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
40	Konka Financial Leasing (Tianjin) Co., Ltd.	Konka Leasing
41	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
42	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation
43	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
44	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
45	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.	Mobile Interconnection

No.	Corporate name	Abbreviation
46	Sichuan Konka Smart Terminal Technology Co., Ltd	Sichuan Konka
47	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
48	Shenzhen KONSEMI Co., Ltd.	Shenzhen KONSEMI
49	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
50	Hefei KONSEMI Storage Technology Co., Ltd.	Hefei KONSEMI
51	Hefei Yihe Electronic Co., Ltd.	Yihe Electronic
52	Shenzhen Konka Huiying Technology Co., Ltd.	Shenzhen Huiying Technology
53	Chongqing Konka Huiying Technology Co., Ltd.	Chongqing Huiying Technology
54	Kowin Memory Technology (Shenzhen) Co., Limited	Kowin Memory (Shenzhen)
55	Kowin Memory Technology (Hong Kong) Co., Limited	Kowin Memory (Hong Kong)
56	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
57	Konka Industrial and Trade Technology (Shenzhen) Co., Ltd.	Industrial and Trade Technology
58	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
59	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Huazhong
60	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
61	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
62	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
63	Shenzhen Konka Electrical Appliances Co., Ltd.	Konka Electrical Appliances
64	Shenzhen E2info Network Technology Co., Ltd.	E2info
65	E2info (Hainan) Network Technology Co., Ltd.	E2info (Hainan)
66	Anhui Konka Electronic Co., Ltd.	Anhui Konka
67	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
68	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
69	Konka Mobility Co., Limited	Konka Mobility
70	Dongguan Konka Packing Materials Co., Ltd.	Dongguan Packing
71	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
72	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
73	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
74	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
75	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
76	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Yibin Kangrun Environmental Protection
77	Ningbo Khr Electric Appliance Co., Ltd.	Ningbo Khr Electric Appliance
78	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
79	Jiangxi High Transparent Substrate Material Technology Co., Ltd. (formerly known as “Jiangxi Golden Phoenix Nano-Grystallized Glass Co., Ltd.”)	Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)

No.	Corporate name	Abbreviation
80	Jiangsu Konka Special Material Technology Co., Ltd.	Jiangsu Konka Special Material
81	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline
82	Konka Huanjia Environmental Technology Co., Ltd.	Konka Huanjia
83	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
84	Shandong Econ Technology Co., Ltd.	Econ Technology
85	Econ Environmental Engineering Co., Ltd.	Econ Environmental Engineering
86	Beijing Econ Runfeng Technology Co., Ltd.	Beijing Econ
87	Binzhou Econ Zhongke Environmental Technology Co., Ltd.	Binzhou Econ Zhongke
88	Dayi Kangrun Water Co., Ltd.	Dayi Kangrun Water
89	Tingyuan Environmental Technology (Shanghai) Co., Ltd.	Tingyuan Environmental
90	Shanghai Jiyi Environmental Technology Co., Ltd.	Shanghai Jiyi
91	Kangrunhong Environmental Technology (Yantai) Co., Ltd.	Kangrunhong Environmental
92	Donggang Kangrun Environmental Management Co., Ltd.	Donggang Kangrun
93	Gaoping Kangrun Environmental Protection & Water Co., Ltd.	Gaoping Kangrun
94	Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.	Xi'an Kangrun
95	Changning Kangrun Water Co., Ltd.	Changning Kangrun
96	Lushan Kangrun Environmental Management Co., Ltd.	Lushan Kangrun Environmental
97	Tongchuan Kangrun Honghui Environmental Management Co., Ltd.	Tongchuan Kangrun Honghui
98	Rushan Econ Water Environment Management Co., Ltd.	Rushan Econ
99	Mengcheng Kangrun Anjian Water Co., Ltd.	Mengcheng Kangrun
100	Chongzhou Kangrun Environment Co., Ltd.	Chongzhou Kangrun
101	Suining Pengxi Kangrun Environmental Management Co., Ltd.	Suining Pengxi Kangrun
102	Funan Kangrun Water Co., Ltd.	Funan Kangrun Water
103	Subei Mongol Autonomous County Kangrun Water Co., Ltd.	Subei Kangrun Water
104	Linfen Kangrun Jinze Water Supply Co., Ltd.	Linfen Kangrun
105	Wuhan Runyuan Wastewater Treatment Co., Ltd.	Wuhan Runyuan Wastewater
106	Binzhou Weiyijie Environmental Technology Co., Ltd.	Binzhou Weiyijie
107	Binzhou Beihai Jingmai Industrial Development Co., Ltd.	Binzhou Beihai Jingmai
108	Yantai Chunzhiran Environmental Technology Co., Ltd.	Chunzhiran
109	Laizhou Lairun Holding Co., Ltd.	Lairun Holding
110	Laizhou Binhai Wastewater Treatment Co., Ltd.	Binhai Wastewater
111	Laizhou Lairun Environmental Protection Co., Ltd.	Lairun Environmental Protection
112	Laizhou Lairun Wastewater Treatment Co., Ltd.	Lairun Wastewater
113	Weifang Sihai Kangrun Investment Operation Co., Ltd.	Weifang Sihai Kangrun
114	Xixian Kangrun Xijian Water Environment Development Co., Ltd.	Xixian Kangrun
115	Ankang Kangrun Xinheng Water Environment Co., Ltd.	Ankang Kangrun
116	Bokang Renewable Resources (Yantai) Co., Ltd.	Bokang Renewable

No.	Corporate name	Abbreviation
117	Kangruncheng Environmental Technology (Yantai) Co., Ltd.	Kangruncheng Environmental Technology
118	Shaanxi Konka Intelligent Appliance Co., Ltd.	Shaanxi Konka Intelligent
119	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
120	Jiaxin Technology Co., Ltd.	Jiaxin Technology
121	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
122	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
123	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
124	Chongqing Kanglei Optoelectronic Technology Co., Ltd.	Chongqing Kanglei Optoelectronic
125	Henan Kangxin Property Co., Ltd.	Henan Kangxin Property
126	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
127	Jiali International (Hong Kong) Limited	Jiali International
128	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
129	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
130	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
131	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
132	Yantai Laikang Industrial Development Co., Ltd.	Yantai Laikang
133	Hainan Konka Material Technology Co., Ltd.	Konka Material
134	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
135	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
136	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
137	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
138	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
139	Nanjing Chuanghui Smart Technology Co., Ltd.	Chuanghui Smart
140	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
141	Shenzhen Kangxin Property Co., Ltd.	Shenzhen Kangxin Property
142	Henan Kanghan Property Co., Ltd.	Henan Kanghan Property
143	Konka (Europe) Co., Ltd.	Konka Europe
144	Hong Kong Konka Limited	Hong Kong Konka
145	Kangxin Semiconductor (Yantai) Co., Ltd.	Kangxin Semiconductor
146	Hongdin International Trading Limited	Hongdin Trading
147	Konka North America LLC	Konka North America
148	Kanghao Technology Co., Ltd.	Kanghao Technology
149	Hongdin Invest Development Limited	Hongdin Invest
150	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
151	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited	Chain Kingdom Memory Technologies (Shenzhen)

No.	Corporate name	Abbreviation
152	Hefei Chain Kingdom Memory Technologies Co., Limited	Hefei Chain Kingdom Memory Technologies
153	Konka Smartech Limited	Konka Smartech
154	Hongjet (Hong Kong) Company Limited	Hongjet
155	Yantai Kangyun Industrial Development Co., Ltd.	Yantai Kangyun
156	Yantai Kangyun Property Development Co., Ltd.	Yantai Kangyun Property

### III. Basis for the Preparation of Financial Statements

#### 1. Basic for the preparation

With the going-concern assumption as the basis and based on transactions and other events that actually occurred, the Company prepared financial statements in accordance with The Accounting Standards for Business Enterprises issued by the Ministry of Finance and other regulations as well as the accounting policies and estimations stipulated in the Note IV “Significant Accounting Policies and Estimations”.

#### 2. Going-concern

The Company does not undergo any affair or situation that causes major doubt about the continuous operation capacity within 12 months from the end of the Reporting Period.

### IV. Important Accounting Policies and Estimations

The specific accounting policies and accounting estimates formulated by the company based on the actual production and operation characteristics include the recognition and measurement of bad debt provision for receivables, the measurement of issued inventories, the classification of fixed assets and depreciation methods, amortization of intangible assets, revenue recognition and measurement, etc.

#### 1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in compliance with in compliance with the Accounting Standards for Business Enterprises, which factually and completely present the Company’s financial positions, business results and cash flows, and other relevant information.

#### 2. Fiscal Period

The Company’s fiscal year starts on January 1 and ends on December 31 of every year according to the Gregorian calendar.

#### 3. Operating Cycle

An operating cycle for the Company is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

#### 4. Recording Currency

The Company adopted Renminbi as the bookkeeping base currency.

#### 5. Accounting Treatment Methods for Business Combinations under the Same Control or not under the Same Control

As the combining party, the assets and liabilities obtained by the Company in a business

combination under the same control shall be measured on the basis of their carrying value in the final controlling party on the combining date. As for the balance between the carrying value of the net assets obtained and the carrying value of the consideration paid by it, the capital reserve shall be adjusted. If the capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business combination under different control shall be measured at fair value on the acquisition date. The merger cost is the sum of the fair value of cash or non-cash assets, liabilities issued or assumed, equity securities issued, etc. paid by the Company on the purchase date to gain control over the purchased party and all directly related expenses incurred in the business combination (The merge cost of business combination realized step by step through multiple transactions is the sum of every single transaction's cost). The balance that the combined cost greater than the fair value share of the identifiable net assets of the purchased party obtained in the combination shall be recognized as goodwill; When the merger cost is less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the fair value of all identifiable assets, liabilities and contingent liabilities acquired in the merger, and non-cash assets of the merger consideration or equity securities issued, etc. shall be reviewed first. After review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the difference shall be included in the non-operating income of the merger period.

## 6. Methods for Preparing Consolidated Financial Statements

The scope of consolidation includes the Company and its all subsidiaries.

The financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Group during the preparation of the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Group and subsidiaries.

All significant internal transactions, current balances and unrealized profits within the scope of consolidation shall be offset when preparing the consolidated statement. The shares of the subsidiary's owner's equity that do not belong to the parent company and the shares of minority shareholders' equity in current net profit and loss, other comprehensive income and total comprehensive income shall be respectively listed in the consolidated financial statement "Minority shareholders' equity, minority shareholders' profit and loss, other comprehensive income that belongs to minority shareholders and total comprehensive income that belongs to minority shareholders".

For subsidiaries acquired through merger of enterprises under the same control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the current merger period. When preparing the comparative consolidated financial statements, the relevant items in the financial statements of the previous year shall be adjusted as if the consolidated reporting entity had existed since the final controlling party began to control it.

The treatment method of supplementary disclosure in consolidated financial statement for the Reporting Period when the controlling right is acquired, if the equity of the invested organization under the same control is successively obtained through several transactions and eventually the enterprise merger is conducted. For example: At the occasion of the equity of the investee under the same control is acquired step by step through multiple transactions, and finally form the business combination, when preparing the consolidated statement, it shall be deemed as the adjustment is made in the current state when the final controlling party starts to control. And when compiling the comparative report, the assets and liabilities of the merged party shall be merged into the comparative statement of the consolidated financial statements of the consolidated Company without any earlier than the time when the Company and the merged party



are under the control of the ultimate controlling party, and the combined net increased assets shall be adjusted to the relevant items under owners' equity in the comparative statements. In order to avoid the re-calculation of the net assets value of the merged party, the long-term equity investment held by the Company before the merger, the confirmed relevant profit and loss on the same party with the Company and the merged party on the date of acquisition of the original equity from the final control date to the merger date, and changes of other comprehensive income and other net assets shall offset the beginning retained earnings and current profits and losses of the comparative statement period respectively.

For subsidiaries acquired through business combination under the different control, the operating results and cash flow shall be included in the consolidated financial statements from the date when the Company obtains the control right. When preparing the consolidated financial statements, the financial statements of the subsidiaries shall be adjusted on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

The treatment method of supplementary disclosure in consolidated financial statement for the Reporting Period when the controlling right is acquired, if the equity of the invested organization not under the same control is successively obtained through several transactions and eventually the enterprise merger is conducted. For example: At the occasion of the equity of the investee under different control is acquired step by step through multiple transactions and eventually form the business combination, when preparing the consolidated statement, the equity of the investee held before the purchase date is re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value is included in the current investment income. The equity of the acquiree held before the relevant purchase date involves other comprehensive income under the equity method and other changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution, which are converted into investment profit and loss in the current period of the purchase date, except for other comprehensive income arising from the remeasurement of defined benefit plans's net liabilities or changes in net assets by the investee.

The Company partially disposes of long-term equity investments in subsidiaries without losing control, when preparing the consolidated financial statements, the difference between the disposal price and the share of net assets that the subsidiaries have continuously calculated since the date of purchase or the date of consolidation is corresponding to the disposal of long-term equity investments. The capital premium or equity premium is adjusted. If the capital reserve is insufficient to offset, the retained earnings are adjusted.

If the Company loses control over the investee due to the disposal of some equity investments and other reasons, the remaining equity shall be re-measured at its fair value on the date of loss of control when preparing the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the share of the net assets of the original subsidiary calculated on the basis of the original shareholding ratio and continuously calculated from the date of purchase or merger, is included in the investment profit and loss of the current period when the control right is lost, and goodwill is offset. Other comprehensive income related to the original subsidiary's equity investment, etc., will be transferred to the current investment profit and loss when the control right is lost.

If the Company disposes of the equity investment in a subsidiary company step by step through multiple transactions until the loss of control right, if the transactions of the disposal of the equity investment in a subsidiary company until the loss of control right belong to a package transaction, the transactions shall be treated as transactions of the disposal of the subsidiary company and the loss of control right for accounting. However, the difference between the disposal price and the share of the subsidiary's net assets corresponding to the disposal investment before the loss of control right is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the investment profit and loss of the current period when the control right is lost.

#### 7. Classification of Joint Arrangements and Accounting Treatment of Joint Operations

The Company classifies joint arrangements into joint operations and joint ventures. For a joint operation, the Company, as a joint operator, recognizes the assets and liabilities that it holds and bears in the joint operation, and recognizes the jointly-held assets and jointly-borne liabilities according to the Company's stake in the joint operation; recognizes relevant income and expense according to the Company's stake in the joint operation. When the Company purchases or sells the assets not constituting business with the joint operation, the Company only recognized the share of the other joint operators in the gains and losses arising from the transaction.

#### 8. Cash and Cash Equivalents

In the Company's understanding, the cash in the cash flow statement includes cash on hand and deposits that can be used for cover, the cash equivalents in the cash flow statement include high circulating investments held within three months which are easily convertible into known amount of cash and whose risks in change of value are minimal.

#### 9. Foreign Currency Businesses and Translation of Foreign Currency Financial Statements

##### (1) Foreign currency transaction

As for foreign currency transaction, the Company converted the foreign currency amount into RMB amount at the exchange rate at the beginning of the month of transaction occurrence date (normally referred to as the central parity rate of foreign exchange rate on the same day published by the People's Bank of China, the same below). On the balance sheet date, the monetary items in foreign currency were converted into RMB at the spot exchange rate on balance sheet date. Except the exchange difference arising from special foreign-currency borrowing for the purpose of construction or production of assets meeting capitalization conditions treated in the principle of capitalization, the conversion difference was directly included in the current profits and losses.

##### (2) Translation of foreign currency financial statement

The asset and liability items in foreign currency balance sheet were converted at the spot exchange rate on balance sheet date; except for "undistributed profit", owner's equity items were converted at the sport exchange rate at the time of business occurrence; income and expenditure items in income statement were converted at the average exchange rate for the period (monthly average exchange rate) of the transaction occurrence date. The conversion difference of foreign currency statements arising from the aforementioned conversion was presented in other comprehensive income item. The foreign currency cash flow was converted at the average exchange rate for the period (monthly average exchange rate) of the cash flow occurrence date. The amount of exchange rate change influence on cash was independently presented in cash flow statement.

#### 10. Financial Assets and Financial Liabilities

The Company recognizes a financial asset or liability when it becomes a party of the relevant financial instrument contract.

(1) Financial assets

1) Classification, recognition and measurement of financial assets

The Company classifies the financial assets into financial assets measured at amortized cost, financial assets measured by the fair value and the changes recorded in other comprehensive income and financial assets at fair value through profit or loss based on the business model for financial assets management and characteristics of contractual cash flow of financial assets

The Company classified the financial assets meeting the following conditions at the same time as financial assets at amortized cost: ①The business mode of the Company to manage the financial

assets targets at collecting the contractual cash flow. ②The contract of the financial assets stipulates that the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. These financial assets initially measured at fair value and relevant transaction cost shall be included into the initial recognized amount and subsequently measured at amortized cost. Except for those designated to be hedge items, the difference between the initial recognized amount and the amount due shall be amortized at actual interest rate and their amortization, impairment and exchange gain and loss as well as gains or losses arising from derecognition shall be recorded into the current profit or loss.

The Company classified the financial assets meeting the following conditions at the same time as financial assets at fair value through other comprehensive income: ①The Business mode for managing financial assets of the Company takes contract cash flow collected as target and selling as target. ②The contract of the financial assets stipulates that the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. These financial assets initially measured at fair value and relevant transaction cost shall be included into the initial recognized amount. Except for those designated as hedged items, as for these financial assets, except for gains or losses on credit impairment, exchange gain and loss and interest of financial assets measured at actual interest rate, other gains or losses generated shall be recorded into other comprehensive income. When derecognized, the accumulated gains and losses originally recorded into other comprehensive income shall be transferred out into the current profit or loss.

The Company recognizes interest income according to the effective interest rate method. Interest income is calculated and determined according to the book balance of the financial asset multiplied by the actual interest rate, except for the following circumstances: ① For the financial asset with credit impairment that has been purchased or originated, from the initial recognition, the interest income is calculated and determined according to the amortized cost of the financial asset and the actual interest rate adjusted by credit. ② For financial assets purchased or originated that have not suffered credit impairment but have suffered credit impairment in subsequent periods, the interest income shall be calculated and determined according to the amortized cost and actual interest rate of the financial assets in subsequent periods.

The Company designates non-transactional investment in equity instruments as financial assets at fair value through other comprehensive income. Those designated non-transactional investment in equity instruments by the Company is initially measured at fair value and relevant transaction cost shall be recorded into the initial recognized amount. Except for dividends (excluding those belonging to recovery of investment cost) which shall be recorded into the current profit or loss, other relevant gains and losses (including exchange gains and losses) shall be recorded into other comprehensive income and cannot be transferred into the current profit or loss subsequently. When derecognized, the accumulated gains or losses originally recorded into other

comprehensive income shall be transferred out into retained earnings. Equity instrument investments measured at fair value through other comprehensive income included: Equity investments to be held in the long term as planned by the Company for strategic purpose, with no control, joint control or significance influence, and with no active market quotation.

The Company classifies financial assets not belonging to above two as financial assets at fair value through profit or loss which shall be initially measured at fair value and relevant transaction cost shall be directly recorded into the current profit or loss. Gains or losses arising from these financial assets shall be recorded into the current profit or loss.

The contingent consideration recognized by the Company in the business combination not under the same control which constitutes a financial asset shall be classified as the financial asset at fair value through profit or loss.

## 2) Recognition and measurement of financial assets transfer

The Company derecognizes a financial asset when one of the following conditions is met:

1) the rights to receive cash flows from the asset have expired; 2) the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or 3) the enterprise has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the overall transfer of financial assets fulfills the requirements for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the corresponding derecognition part of the accumulated amount of fair value changes originally directly included in other comprehensive income (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and interest based on the unpaid principal amount) shall be included in the current profits and losses.

If the partial transfer of financial assets satisfies the conditions for termination confirmation, the entire book value of the transferred financial assets will be apportioned between the termination confirmation portion and the non-termination confirmation portion according to their relative fair values, and the consideration received for the transfer And the amount corresponding to the termination of the recognition of the cumulative amount of changes in fair value originally included in other comprehensive income that should be apportioned to the derecognition part And the payment of interest based on the outstanding principal amount), and the difference between the total book value of the aforesaid financial assets allocated is included in the current profit and loss.

## (2) Financial liabilities

### 1) Classification, recognition and measurement of financial liabilities

The Company's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities and financial liabilities designated at the initial recognition to be measured by the fair value and their changes are recorded in the current profit or loss. The subsequent measurement shall be at fair value and gains or losses arising from changes in fair value and the dividends and interest expense related to the financial liability shall be the current profit or loss.

Other financial liabilities shall be subsequently measured at amortized cost with actual interest rate. The Company classifies financial liabilities except for the following items as financial liabilities at amortized cost: ①Financial liabilities at fair value through profit or loss including held-for-trading financial liabilities (including the derivative instruments belonging to financial liabilities) and designated financial liabilities at fair value through profit or loss. ②Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or

continuous involvement in the transferred financial assets. ③Financial guarantee contract not belonging to cases of above ① or ② and loan commitments at interest rate lower than the market rate not belonging to the case in ①.

The Company treats the financial liability arising from contingent consideration recognized as the purchase party in the business combination not under the same control at fair value and changes thereof shall be recorded into the current profit or loss.

## 2) Derecognition of financial liabilities

In case of current obligation of financial liabilities (or partial financial liabilities) being terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company. If the Company (borrower) concludes an agreement with the lender to replace existing financial liabilities with new ones and contract terms of new financial liabilities are different from those of existing financial liabilities, derecognition of existing financial liabilities and recognition of new financial liabilities shall be conducted. In case of material alteration of contract terms of existing financial liabilities (partial financial liabilities) by the Company, derecognition of existing financial liabilities and recognition of new financial liabilities as per modified terms shall be conducted. In case of derecognition of financial liabilities (partial financial liabilities), the Company includes the balance between its carrying value and payment consideration into the current profit or loss.

## (3) Determination of financial assets and liabilities' fair value

The Company measured the fair value of financial assets and financial liabilities according to the price at major market. If major market does not exist, the fair value of financial assets and financial liabilities was measured according to the price at the most advantageous market through applying valuation technique applicable at the time and with sufficient usable data and other information support. The inputs for fair value measurement were classified into three levels. Level 1 is the unadjusted quotation of the same assets or liabilities on active market available on the measurement date. Level 2 is the input of relevant assets or liabilities other than that in level 1 that are observable either directly or indirectly. Level 3 is the unobservable input of relevant assets or liabilities. The Company preferred level 1 input, and applied level 3 input at last. Level 1 input was applicable for listed stock and bond held by the Company, level 2 input for financing of accounts receivable (mainly bank acceptance bill and trade acceptance bill meeting derecognition requirements after transfer), and level 3 input for other non-current financial assets (unlisted equity investment held by the Company) and held-for-trading financial assets (mainly financial products held by the Company). The level attributed to the fair value measurement result was determined according to the lowest level of the input with much significance to fair value measurement in general.

The Company measured the investment of equity instruments at fair value. However, under limited situation, if the recent information for determining the fair value was insufficient, or the potential estimated amount of fair value was in wide range, and the cost represented the optimal estimation of fair value in such range, such cost could represent appropriate estimation of fair value in such range. Such equity instrument investments included: Equity investments held by the Company measured at fair value with changes included in the current profits and losses with no control, joint control or significance influence; non-trading equity instrument investments were designated as financial assets measured at fair value through other comprehensive income.

## (4) Offsetting financial assets and financial liabilities

The Company's financial assets and liabilities shall be separately presented in the balance sheet and not set off each other. But when meeting the following conditions at the same time, the net amount after offset shall be presented in the balance sheet: (1) The Company has the statutory right to set off recognized amount which is currently executable; (2) The Company plans to settle with the net amount or realize the financial asset and pay off the financial liability simultaneously. (5) The distinction between financial liabilities and equity instruments and related treatment methods

The Company distinguishes the financial liabilities and equity instruments according to the following principles: (1) If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liabilities. Although some financial instruments do not explicitly include the terms and conditions of the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. (2) If a financial instrument must be settled with or can be settled with the Company's own equity instrument, it is necessary to consider whether the Company's own equity instrument used to settle the instrument is used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the residual equity in the assets of the issuer after deducting all liabilities. If it belongs to the former condition, the instrument is the financial liability of the issuer; if it belongs to the latter condition, the instrument is the equity instrument of the issuer. In some cases, a financial instrument contract requires the Company to use or use its own equity instrument to settle the financial instrument, in which the amount of contractual rights or contractual obligations is equal to the number of its own equity instruments available or to be delivered multiplied by its fair value at the time of settlement, regardless of whether the amount of contractual rights or obligations is fixed, whether it is entirely or partially based on changes in variables other than the market price of the Company's own equity instruments, the contract shall be classified as a financial liability.

In classifying financial instruments (or their components) in the consolidated statement, the Company has taken into account all terms and conditions reached between the Company members and the holders of financial instruments. If the Company as a whole undertakes the obligation to deliver cash, other financial assets or settle accounts in other ways that cause the instrument to become a financial liability due to the instrument, the instrument shall be classified as a financial liability.

If financial instruments or their components are financial liabilities, the Company will include interest, dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing, etc. in the current profits and losses.

If financial instruments or their components are equity instruments, when they are issued (including refinancing), repurchased, sold or cancelled, the Company will treat them as changes in equity and will not recognize changes in the fair value of equity instruments.

## 11. Impairment of Financial Assets

The Company needs to confirm that the financial assets subject to the impairment loss are the financial assets measured based on the amortized cost, the debt instrument investment measured based on the fair value with its variations included into other comprehensive incomes and the lease outlay receivable, mainly including notes receivable, account receivable, other receivables, investment on creditor's rights, other investments on creditor's rights and long-term receivables etc. Besides, in respect of the contract assets and partial financial guarantee contract, corresponding impairment provisions shall be calculated and withdrawn and corresponding credit impairment losses recognized according to various accounting policies mentioned in this part.

### (1) Methods for the Recognition of Impairment Provisions

For all mentioned items above, the Company shall calculate and withdraw corresponding impairment provisions and recognize corresponding credit impairment losses according to applicable expected credit loss measurement methods (general methods or simplified methods)

with the expected credit loss as the basis.

Credit loss refers to the difference between all receivable contract cash flows and all expected cash flows that are discounted to the present value based on the original actual interest rate -- the present value of all cash shortfall. However, for the purchased or original financial assets subject to the credit impairment, the Company shall realize the discounting based on the actual interest rate subject to the credit adjustment.

General methods applied to measure the expected credit loss can be described as: the Company shall evaluate whether the credit risk of the financial assets (including the contract assets and other applicable items; the same below) increases remarkably after the initial recognition on the balance sheet day; if the credit risk increases remarkably after the initial recognition, the Company shall measure the provision for loss based on the specific expected credit loss amount during the entire period of existence; if not, the Company shall measure the provision for loss based on the specific expected credit loss amount in the following 12 months. While evaluating the expected credit loss, the Company shall take all reasonable and well-founded information into consideration, including the forward-looking information.

For the financial instrument of lower credit risk on the balance sheet day, the Company shall assume that its credit risk does not increase remarkably after the initial recognition, and corresponding provision for loss shall be measured according to the expected credit loss in the following 12 months.

#### (2) Standards for Judging Whether the Credit Risk Increases Remarkably after the Initial Recognition

If any financial assets' probability of default within the expected period of existence determined on the balance sheet day is obviously higher than that within the expected period of existence determined during the initial recognition, it shall indicate the remarkable increase of the financial assets' credit risk. Unless it is under special circumstances, the Company shall adopt various variations in the default risk in the following 12 months as the reasonable basis for estimating corresponding variations in the default risk within the entire period of existence and determining whether the credit risk increases remarkably after the initial recognition.

#### (3) Combined Method for Evaluating the Expected Credit Risk based on Corresponding Combination

For the financial assets with remarkably different credit risk, the Company shall separately evaluate its credit risk, including the receivables from related parties, receivables involved in any dispute with the other party or any lawsuit and arbitration, and receivables with obvious evidence showing that the debtor cannot fulfill the due payment obligation etc.

Except for the financial assets whose credit risk shall be separately evaluated, the Company shall divide these financial assets into different combinations based on the specific risk features, on which basis, corresponding credit risks can be evaluated.

#### (4) Accounting Treatment Methods Applied to the Impairment of Financial Assets

At the end of the period, the Company shall calculate the expected credit losses of various financial assets. If the expected credit loss is higher than the carrying amount of its current impairment provision, the difference shall be recognized as the impairment loss; if lower, the difference shall be recognized as the gain from the impairment.

### 12. Notes Receivable

For notes receivable, the Company shall measure the provision for loss based on the specific expected credit loss during the entire period of existence. According to the credit risk characteristics thereof, except those with separate evaluation of credit risk, notes receivable can be divided into different combinations:

Item	Basis
Bank Acceptance	The Acceptor shall be the bank with high credit level and low risks
Trade Acceptance	Classified by credit risk of acceptors (the same as accounts receivable)

### 13. Accounts Receivable

For account receivable and contract assets excluding significant financing composition, the Company shall measure the provision for loss according to the specific expected credit loss amount within the entire period of existence.

For account receivable, contract assets and lease payment receivable including significant financing composition, the Company shall always measure the provision for loss according to the specific expected credit loss amount within the period of existence.

Except the account receivable and contract assets whose credit risks shall be separately evaluated, the Company shall divide them into different combinations based on the specific credit risks:

Item	Basis
Aging Combination	This portfolio is accounts receivable with aging as the credit risk feature.
Project Funds Combination	This portfolio is the project-related receivables.
Related party combination	The accounts receivable within the scope of consolidation

### 14. Accounts Receivable Financing

The Company's accounts receivable financing is based on expected credit losses, and provision is made for depreciation reserves in accordance with the expected credit loss measurement method for notes receivable.

### 15. Other Receivables

The Company measures the loss reserves on other receivables in accordance with the following circumstances: a) For financial assets whose credit risk has not significantly increased since the initial recognition, the Company measures the loss reserves at the amount of expected credit losses for the next 12 months; b) For financial assets whose credit risk has increased significantly since the initial recognition, the Company measures the loss reserves at an amount equal to the expected credit losses for the entire period of the financial instrument; c) For financial assets purchased or originated from credit impairment, the Company measures the loss reserves at an amount equal to the expected credit losses over the entire period of the financial instrument. Except other receivables whose credit risks shall be separately evaluated, the Company shall divide them into different combinations based on the specific credit risk features:

Item	Basis
Aging Combination	This portfolio is accounts receivable with aging as the credit risk feature.
Low Risk Combination	This combination shall regard other receivables of extremely low risk (including the revolving fund, the cash deposit and the guarantee deposit) as the credit risk feature.
Related party combination	Other receivables within the scope of consolidation.



## 16. Long-term Receivables

By determining whether the credit risk of long-term account receivables increases remarkably after the initial recognition, the Company shall measure the impairment loss based on the specific expected credit loss in the following 12 months or during the entire period of existence. Except long-term account receivables whose credit risks shall be separately evaluated, the Company shall divide them into different combinations based on the specific credit risk features:

Item	Basis
Financing Lease Combination	Regarding the long-term receivables related to the financing lease as the credit risk characteristics
Franchise Combination	Regarding the long-term receivables related to the PPP Project as the credit risk characteristics

## 17. Inventories

The Company's inventories mainly include raw materials, products in process, semi-finished products, and entrusted processing materials.

The perpetual inventory method is used for inventories. Inventories are priced at the actual cost at the time of acquisition; the actual cost of inventories is determined by the weighted average method when inventories are claimed or issued. Low-value consumables and packaging are amortized through the one-off charge-off method.

The net realizable value of inventories of goods that are used directly for sale, such as inventory goods, products in process, and materials for sale, is determined by the estimated selling price of the inventory minus estimated sale expenses, and related taxes; the net realizable value of inventories of materials held for production is determined by the estimated selling price of the finished goods produced minus the estimated costs of completion, estimated sale expenses, and related taxes. The inventories with various numbers and low unit price shall be made provisions for depreciation reserves of inventories according to the category of inventories. For inventories that are produced and sold in the same region with same or similar end use or purposes, and hard to be measured separately from other items, it shall be made merger provisions for falling price of inventories.

The net realizable value refers, in the ordinary course of business, to the account after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of inventories. The net realizable value of inventories shall be fixed on the basis of valid evidence as well as under consideration of purpose of inventories and the effect of events after balance-sheet-date.

After withdrawing the depreciation reserves for inventories, if the factors, which cause any write-down of the inventories, have disappeared, causing the net realizable value of inventories is higher than its carrying amount; the amount of write-down shall be reversed from the original amount of depreciation reserve for inventories. The reversed amount shall be included in the profits and losses of the current period.

## 18. Contract Assets

### (1) Confirmation methods and standards of contract assets

Contract assets refer to the right of the company to receive consideration after transferring goods to customers, and this right depends on factors other than the passage of time. If the company sells two clearly distinguishable products to customers, it has the right to receive payment because one of the products has been delivered, but the payment is also dependent on the delivery of the other product, the company has the right to receive payment as a contract assets.

### (2) Determination method and accounting treatment method of expected credit loss of contract assets

The method of determining the expected credit loss of contract assets, refer to the description of 11. Financial Asset Impairment, 12. Notes Receivable, 13. Accounts Receivable.

The company calculates the expected credit loss of contract assets on the balance sheet date. If the expected credit loss is greater than the book value of the current contract asset impairment provision, the company will recognize the difference as an impairment loss and debit the "asset impairment loss". Credited "Contract asset impairment provision". On the contrary, the company recognizes the difference as an impairment gain and keeps the opposite accounting records.

If the company actually incurs credit losses and determines that the relevant contract assets cannot be recovered, and the written-off is approved, the "contract asset impairment reserve" is debited and the "contracted asset" is credited based on the approved write-off amount. If the written-off amount is greater than the provision for loss that has been withdrawn, the "asset impairment loss" is debited based on the difference.

## 19. Contract Costs

### (1) The method of determining the amount of assets related to contract costs

The company's assets related to contract costs include contract performance costs and contract acquisition costs.

The contract performance cost, that is, the cost incurred by the company for the performance of the contract, does not fall within the scope of other accounting standards and meets the following conditions at the same time, as the contract performance cost is recognized as an asset: the cost and a current or expected contract Directly related, including direct labor, direct materials, manufacturing expenses (or similar expenses), clearly the cost borne by the customer, and other costs incurred only due to the contract; this cost increases the company's future resources for fulfilling its performance obligations; This cost is expected to be recovered.

The contract acquisition cost, that is, the incremental cost incurred by the company to obtain the contract is expected to be recovered, and is recognized as an asset as the contract acquisition cost; if the asset amortization period does not exceed one year, it is included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission, etc.) that the company will not incur without obtaining the contract. The company's expenses incurred in obtaining the contract, other than the expected incremental cost that can be recovered (such as travel expenses incurred regardless of whether the contract is obtained, etc.), are included in the current profit and loss when they are incurred, but it is clearly borne by the customer except.

### (2) Amortization of assets related to contract costs

The company's assets related to contract costs are amortized on the same basis as the commodity revenue recognition related to the asset and included in the current profit and loss.

### (3) Impairment of assets related to contract costs

When the company determines the impairment loss of assets related to contract costs, it first determines the impairment loss of other assets related to the contract that are confirmed in accordance with other relevant business accounting standards; then, based on their book value higher than the company's transfer and If the difference between the remaining consideration that the asset-related commodity is expected to obtain and the estimated cost incurred for the transfer of the relevant commodity, the excess shall be provided for impairment and recognized as an asset impairment loss.

If the depreciation factors of the previous period have changed, and the aforementioned difference is higher than the book value of the asset, the original provision for asset impairment shall be reversed and included in the current profit and loss, but the book value of the asset after the reversal shall not exceed Assuming no provision for impairment is made, the book value of the asset on the date of reversal.

## 20. Long-term Equity Investments

The Company's long-term equity investments mainly consist of investments in subsidiaries, associated enterprises, and joint ventures.

The Company's judgment on joint control is based on the fact that all participants or a combination of participants collectively control the arrangement and that the policies of the activities related to the arrangement shall be unanimously agreed by those participants who

The Company is generally considered to have a significant influence on the investee when it owns, directly or indirectly through a subsidiary, above 20% but below 50% of the voting rights of the investee. If the Company holds less than 20% of the voting rights of the investee, it also needs to judge whether the Company has a significant influence on the investee by taking into account the facts and circumstances such as having representatives on the board of directors or similar authority of the investee, or participating in the process of formulating financial and operating policies of the investee, or having major transactions with the investee, or sending management personnel to the investee, or providing key technical information to the investee.

If control over the investee is formed, it is a subsidiary of the Company. For long-term equity investment acquired through business combination under the same control, the initial investment cost of the long-term equity investments is recorded at the merger date based on the acquisition of the merged party's share of the book value of the net assets of the ultimate controller in the consolidated financial statement. If the book value of the net assets of the merged party on the merger date is negative, the cost of long-term equity investments is determined as zero.

If the equity of the investee under the same control is acquired in stages through multiple transactions to eventually result in a business combination, additional disclosures of the treatment of long-term equity investments in the parent company's financial statements shall be made in the Reporting Period in which control is obtained. For example, if the business combination that is ultimately formed through multiple transactions to acquire the equity of the investee under the same control belongs to a package deal, the Company shall conduct accounting treatment to treat each transaction as a single transaction to acquire control. If the transaction is not a package deal, the initial investment cost of the long-term equity investment is based on the share of the book value of the net assets of the merged party in the consolidated financial statements of the ultimate controller at the merger date. The difference between the initial investment cost and the sum of the book value of the long-term equity investment before the merger plus the book value of the new consideration paid for further acquisition of shares at the merger date shall offset against capital reserve; and where capital reserve is insufficient to be offset, the retained earnings shall be adjusted.

For long-term equity investment acquired through business combination not under the same control, the initial investment cost shall be the consolidation cost.

If the equity of the investee not under the same control is acquired in stages through multiple transactions to eventually result in a business combination, additional disclosures of the cost treatment of long-term equity investments in the parent company's financial statements shall be made in the Reporting Period in which control is obtained. For example, if the business combination that is ultimately formed through multiple transactions to acquire the equity of the investee not under the same control belongs to a package deal, the Company shall conduct accounting treatment to treat each transaction as a single transaction to acquire control. If the transaction is not a package deal, the sum of the book value of the equity investment originally held plus the cost of the new investment shall be the initial investment cost calculated in accordance with the cost method. If the equity held prior to the purchase date is accounted by the equity method, the relevant other comprehensive income accounted by the original equity method shall not be adjusted. The same basis of accounting as that used for the direct disposal of the related assets or liabilities by the investee is used for the disposal of the investment. If the equity held prior to the purchase date is a financial asset designated to be measured at fair value with fluctuations included in other comprehensive income, the cumulative profit or loss on the equity previously recognized in other comprehensive income shall be transferred from other comprehensive income to the retained earnings; if the equity is a financial asset measured at fair value and the changes of which are included in profits and losses of the current period, the equity previously recognized as profits and losses from the changes in fair value shall not be transferred to investment income. If the equity held prior to the purchase date is an investment for other equity instruments, the changes in fair value of the equity investment accumulated in other comprehensive income before the purchase date shall be transferred to the retained earnings.

Except for the long-term equity investments acquired through business combination hereinabove, long-term equity investments acquired by paying cash are recorded as investment cost based on the actual purchase price paid; long-term equity investments acquired by issuing equity securities are recorded as investment cost based on the fair value of the equity securities issued; long-term equity investments invested by investors are recorded as investment cost based on the value agreed in the investment contract or agreement.

The Company calculates its investments in subsidiaries through the cost method and its investments in joint ventures and associate enterprises through the equity method.

For long-term equity investments calculated by the cost method for subsequent measurement, the book value of the cost of long-term equity investments shall be increased by the fair value of the cost amount paid for the additional investment and relevant transaction costs incurred when the additional investment is made. Cash dividends or profits declared by the investee are recognized as investment income for the current period in accordance with the due amount.

In addition to the above-mentioned long-term equity investment obtained through business combination, the long-term equity investment obtained by paying cash shall be regarded as the investment cost according to the purchase price actually paid; the long-term equity investment obtained by issuing equity securities shall be regarded as the investment cost according to the fair value of issuing equity securities; the long-term equity investment invested by investors shall be regarded as the investment cost according to the investment contract or agreement. The value of the company is regarded as the cost of investment.

The company adopts the cost method for investment in subsidiaries and the equity method for investment in joint ventures and associated enterprises.

For the long-term equity investment whose subsequent measurement adopts the cost method, when the additional investment is made, the book value of the long-term equity investment cost is

increased according to the fair value of the cost amount paid by the additional investment and the relevant transaction expenses. The cash dividends or profits declared to be distributed by the investee shall be recognized as the current investment income according to the amount that should be enjoyed.

For the long-term equity investment with equity method for subsequent measurement, the book value of the long-term equity investment will increase or decrease with the change of the owner's equity of the invested entity. When confirming the share of the net profit and loss of the investee, the net profit and loss of the investee shall be calculated based on the fair value of the identifiable assets of the investee at the time of obtaining the investment, in accordance with the accounting policies and accounting period of the company, and offset the internal transaction profit and loss between the joint venture and the joint venture according to the shareholding ratio Profit is recognized after adjustment.

For disposal of long-term equity investment, the difference between the book value and the actual price shall be included in the current investment income. For long-term equity investment accounted by equity method, other comprehensive income accounted by the original equity method shall be accounted on the same basis as the investee's direct disposal of relevant assets or liabilities when the equity method is terminated, and the owner's equity shall be recognized due to other changes in owner's equity of the investee except net profit and loss, other comprehensive income and profit distribution When the equity method is terminated, all of them shall be transferred into the current investment income.

In case of loss of joint control or significant influence on the investee due to the disposal of part of equity investment, the remaining equity after disposal shall be accounted according to the relevant provisions of the recognition and measurement standards of financial instruments, and the difference between the fair value and the book value of the remaining equity on the date of loss of joint control or significant influence shall be included in the current profits and losses. When the equity method is terminated, the other comprehensive income of the original equity investment recognized as a result of its accounting with the equity method shall be handled on the same basis as the investee's direct disposal of the relevant assets or liabilities and carried forward in proportion. The owner's equity recognized as a result of the changes in the owner's equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be carried forward in proportion Transfer to current investment income.

If the control over the investee is lost due to the disposal of part of the long-term equity investment, and the residual equity after disposal can jointly control or exert significant influence on the investee, it shall be accounted according to the equity method, and the difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income, and the residual equity shall be regarded as adjusted by the equity method when it is obtained If the residual equity cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out according to the relevant provisions of the recognition and measurement standards of financial instruments. The difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income, and the difference between the fair value and the book value of the residual equity on the day of losing control shall be included in the current profits and losses.

If the transaction from step-by-step disposal of equity to loss of control right does not belong to package transaction, accounting treatment shall be carried out for each transaction separately. If it is a "package deal", each transaction will be treated as a transaction of disposal of subsidiaries and loss of control. However, before the loss of control, the difference between the disposal price of each transaction and the book value of the long-term equity investment corresponding to the disposed equity will be recognized as other comprehensive income, and when the control is lost, it will be transferred to the current account of loss of control Period profit and loss

## 21. Investment Property

The term “investment property” refers to the real estate held for generating rent and/or capital appreciation. Investment property of the Company include the right to use any land which has already been rented; the right to use any land which is held and prepared for transfer after appreciation; and the right to use any building which has already been rented. In addition, if the board of directors (or similar organizations) makes a written resolution to use the vacant buildings held by the company for operating lease and the holding intention will not change in a short time, they will also be listed as investment real estate.

The initial measurement of the investment property shall be made at its cost. Subsequent expenditures incurred for an investment property is included in the cost of the investment property when it is probable that economic benefits associated with the investment property will flow to the Company and the cost can be reliably measured, otherwise the expenditure is recognized in profit or loss in the period in which they are incurred.

The Company shall make a follow-up measurement to the investment property by employing the cost pattern on the date of the balance sheet. An accrual depreciation or amortization shall be made for the investment property in the light of the accounting policies of the use right of buildings or lands.

For details of impairment test method and withdrawal method of impairment provision of investment property, please refer to Note IV. 26. “Long-term assets impairment”.

The company's investment real estate adopts the average life method for depreciation or amortization. The expected service life, net residual value rate and annual depreciation (amortization) rate of all kinds of investment real estate shall refer to the depreciation policy of buildings in fixed assets and the amortization policy of land use right in intangible assets..When owner-occupied real estate or inventories are changed into investment property or investment property is changed into owner-occupied real estate, of which book value prior to the change shall be the entry value after the change.

When an investment property is changed to an owner-occupied real estate, it would be transferred to fixed assets or intangible assets at the date of such change. When an owner-occupied real estate is changed to be held to earn rental or for capital appreciation, the fixed asset or intangible asset is transferred to investment property at the date of such change. If the fixed asset or intangible asset is changed into investment property measured by adopting the cost pattern, whose book value prior to the change shall be the entry value after the change; if the fixed asset or intangible asset is changed into investment property measured by adopting the fair value pattern, whose fair value on the date of such change shall be the entry value after the change

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The amount of proceeds on sale, transfer, retirement or damage of an investment property less its carrying amount and related taxes and expenses is recognized in profit or loss in the period in which it is incurred.

## 22. Fixed Assets

The Company's fixed assets are tangible assets held for the production of goods, provision of services, rental or operation management and have a useful life of more than one year.

Fixed assets should be recognized when it is probable that the economic benefits associated with them will be incorporated into the Company and their cost can be measured reliably. The Company's fixed assets include buildings and constructions, machinery and equipment, electronic equipment, transportation equipment, and other equipment.

The Company depreciates all fixed assets by straight-line method, except for fully depreciated fixed assets that continue to be used and land that is separately valued. The categorized depreciable lives, estimated net salvage rates and depreciation rates of the Company's fixed assets are as follows.

No.	Category	Method	Depreciation period (year)	Expected net salvage value (%)	Annual depreciation (%)
1	Housing and building	Straight-line depreciation	20-40	5-10.00	2.25-4.75
2	Machinery equipment	Straight-line depreciation	5-10	5-10.00	9.00-19.00
3	Electronic equipment	Straight-line depreciation	3-5	5-10.00	18.00-31.67
4	Transportation vehicle	Straight-line depreciation	3-5	5-10.00	18.00-31.67
5	Other equipment	Straight-line depreciation	5	5-10.00	18.00-19.00

The estimated useful life, estimated net salvage value and depreciation method of fixed assets are reviewed at the end of each year. Accounting estimation methods are used when changes are required.

### 23. Construction in Progress

On the date when the construction in progress reaches its intended useable state, fixed assets are carried forward at the estimated value based on the project budget, cost or actual cost of the project, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures.

### 24. Borrowing Costs

For incurred borrowing costs, which can be directly attributed to fixed assets, investment real estate and inventory that need more than one year of purchasing, construction or production activities to reach the preset usable or sellable status, shall be capitalized when the asset expenditure has occurred, the borrowing costs have occurred, and the purchasing, construction or production activities necessary for the asset to reach the preset usable or sellable status have begun; When the acquisition, construction or production of assets that meet the capitalization conditions reach the intended usable or sellable status, capitalization is stopped, and the borrowing costs incurred thereafter are included in the profits and losses of the current period. If there is an abnormal interruption in the acquisition, construction or production of assets that meet the capitalization conditions and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs will be suspended until the acquisition, construction or production of assets starts again.

The to-be-capitalized amount of interests shall be determined in light of the actual interests incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment; the enterprise shall calculate and determine the to-be-capitalized amount on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

## 25. Intangible Assets

The Company's intangible assets include land use rights, patented technology and non-proprietary technology, which are measured at actual cost at the time of acquisition. Acquired intangible assets are stated at actual cost based on the actual price paid and related other expenses. The actual cost of intangible assets invested by investors is determined at the value agreed in the investment contract or agreement, but if the agreed value in the contract or agreement is not fair, the actual cost is determined at fair value. Intangible assets, such as patents, acquired in a merger not under common control but owned by the acquiree but not recognized in its financial statements, are recognized as intangible assets at fair value at the time of initial recognition of the acquiree's assets.

Land use rights are amortized equally over the years from the commencement date of the grant; intangible assets such as software and patents are amortized equally over the shortest of the estimated useful life, the contractual beneficiary life and the effective life prescribed by law. The amortization amount is charged to the cost of the related assets and current profit or loss according to their beneficiaries. The estimated useful life and amortization method of intangible assets with finite useful lives are reviewed at the end of each year. Accounting estimation methods are used when changes are required.

The main research and development projects of the Company include the performance improvement project of Mini & Micro LED.

(1) Specific criteria for dividing the research phase and development phase

"Research" means an original and planned investigation to acquire and understand new scientific or technical knowledge.

"Development" means the application of research results or other knowledge to one or more plans or designs to produce new or substantially improved materials, devices, products, or to obtain new processes, etc., prior to commercial production or use.

Expenses for the research phase are charged to current profit or loss as incurred.

(2) Specific criteria for capitalization of development stage expenditures

Expenditures in the development stage are capitalized when the following conditions are met.

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally;
- ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- ⑤ The development expenditures of the intangible assets can be reliably measured.

## 26. Impairment of Long-term Assets

For non-current financial Assets of fixed Assets, projects under construction, intangible Assets with limited service life, investing real estate with cost model, long-term equity investment of subsidiaries, cooperative enterprises and joint ventures, the Company should judge whether decrease in value exists on the date of balance sheet. Recoverable amounts should be tested for decrease in value if it exists. Other intangible Assets of reputation and uncertain service life and other non-accessible intangible assets should be tested for decrease in value no matter whether it exists.

If the recoverable amount is less than carrying value in impairment test results, the provision for impairment of differences should include in impairment loss. Recoverable amounts would be the higher of net value of asset fair value deducting disposal charges or present value of predicted cash flow. Asset fair value should be determined according to negotiated sales price of fair trade.



If no sales agreement exists but with asset active market, fair value should be determined according to the Buyer's price of the asset. If no sales agreement or asset active market exists, asset fair value could be acquired on the basis of best information available. Disposal expenses include legal fees, taxes, cartage or other direct expenses of merchantable Assets related to asset disposal. Present value of predicted asset cash flow should be determined by the proper discount rate according to Assets in service and predicted cash flow of final disposal. Asset depreciation reserves should be calculated on the basis of single Assets. If it is difficult to predict the recoverable amounts for single Assets, recoverable amounts should be determined according to the belonging asset group. Asset group is the minimum asset combination producing cash flow independently.

In impairment test, carrying value of the business reputation in financial report should be shared to beneficial asset group and asset group combination in collaboration of business merger. It is shown in the test that if recoverable amounts of shared business reputation asset group or asset group combination are lower than book value, it should determine the impairment loss. Impairment loss amount should firstly be deducted and shared to the carrying value of business reputation of asset group or asset group combination, then deduct carrying value of all assets according to proportions of other carrying value of above assets in asset group or asset group combination except business reputation.

After the asset impairment loss is determined, recoverable value amounts would not be returned in future.

#### 27. Long-term Deferred Expenses

The Long-term deferred expenses of the Company including renovation cost, mold cost and so on shall be amortized evenly during the benefit period. If these long-term deferred expenses cannot benefit the future accounting period, the amortized value of this item that has not been amortized shall be transferred to the current profit and loss.

#### 28. Contract Liabilities

Liabilities of contracts refer to the Company's obligation to transfer goods to customers due to the consideration received or receivable from customers. Before the transfers, if the customer has paid the consideration or if the Company has obtained the right to unconditionally collect the contract consideration, the liabilities of contracts shall be recognized based on the amount received or receivable at the earlier point between the actual payment by the customer and the payment due.

#### 29. Employee Compensation

Salaries of staff of the Company include short-term salary, post-employment benefits, termination compensation, and other long-term benefits.

Short-term salary mainly includes wages, bonuses, allowances and subsidies, as well as employee benefits, medical insurance, maternity insurance, employment injury insurance, housing provident fund, labor union expenses, and staff education expenses, and non-monetary benefits. During the accounting period when the employees provide services, the actual short-term compensation is recognised as a liability that shall be included in the current profit and loss or the cost of related assets according to the beneficiary.

The post-employment benefits mainly include the basic endowment insurance, etc. They are divided into defined contribution plans and defined benefit plans in accordance with the risks and obligations undertaken by the Company. According to the defined contribution plan, the deposit paid to a separate entity in exchange for the services provided by the employees during the accounting period on the balance sheet date is recognized as liabilities, and shall be included in

the current profit and loss or the cost of related assets according to the beneficiary. If the Company has a defined benefit plan, the specific accounting method should be explained.

When terminating labour relations before expiration of contract, or layoffs with compensations, and the Company cannot terminate the labour relations unilaterally or reduce the demission welfare, remuneration and liabilities produced from the demission welfare should be determined and included in current profits and losses when determining the costs of demission welfare and recombination. However, demission welfare not fully paid within 12 months after annual Reporting Period should be handled the same as other long-term employees' payrolls.

The inside employee retirement plan is treated by adopting the same principle with the above dismissal welfare. The Company would record the salary and the social security insurance fees paid and so on from the employee's service termination date to normal retirement date into current profits and losses (dismissal welfare) under the condition that they meet the recognition conditions of estimated liabilities.

The other long-term welfare that the Company offers to the staffs, if met with the setting drawing plan, should be accounting disposed according to the setting drawing plan, while the rest should be disposed according to the setting revenue plan.

### 30. Provisions

The Company should recognize the related obligation as a provision for liability when the obligation meets the following conditions: (1) That obligation is a present obligation of the enterprise; (2) It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation; (3) A reliable estimate can be made of the amount of the obligation.

On the balance sheet date, an enterprise shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies to measure the provisions in accordance with the best estimate of the necessary expenses for the performance of the current obligation.

When all or some of the expenses necessary for the liquidation of an provisions of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. Besides, the amount recognized for the reimbursement should not exceed the carrying value of the estimated liabilities.

### 31. Principles of Revenue Recognition and Measurement Method

The revenue of the Company mainly consists of the income from main business and the income from other businesses.

#### (1) Revenue recognition principle

The company has fulfilled the performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services, revenue is recognized. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of such services and obtain almost all of the economic benefits from it.

On the starting date of the contract, the company evaluates the contract, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point in time.

When one of the following conditions is met, it is a performance obligation within a certain period of time, otherwise, it is a performance obligation at a certain point in time:

①The customer obtains and consumes the economic benefits brought by the company's performance at the same time the company performs the contract.

②The customer can control the products under construction during the performance of the company.

③The goods produced during the performance of the company have irreplaceable uses, and the company has the right to collect payments for the cumulative performance of the contract during the entire contract period.

For performance obligations performed within a certain period of time, the company recognizes revenue according to the performance progress during that period. When the performance progress cannot be reasonably determined, if the cost incurred by the company is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When judging whether a customer has obtained control of goods or services, the company considers the following signs:

①The Company enjoys the current right to receive payment for the goods or services.

②The Company has transferred the legal ownership of the product to the customer.

③The Company has transferred the goods in kind to the customer.

④The Company has transferred the main risks and rewards of the ownership of the product to the customer.

⑤The customer has accepted the goods or services.

The company has transferred goods or services to customers and the right to receive consideration is listed as contract assets, and contract assets are devalued on the basis of expected credit losses. The company's unconditional right to collect consideration from customers is listed as receivables. The company's obligation to transfer goods or services to customers due to the consideration received from customers is listed as contract liabilities.

## (2) Principles of income measurement

① If the contract contains two or more performance obligations, at the beginning of the contract, the company will allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation. Revenue is measured at the transaction price of each individual performance obligation.

②The transaction price is the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments collected on

behalf of third parties and payments expected to be returned to customers. The transaction price confirmed by the company does not exceed the amount at which the accumulated confirmed income will most likely not undergo a significant reversal when the relevant uncertainty is eliminated. It is expected that the money returned to the customer will not be included in the transaction price as a liability.

③If there is variable consideration in the contract, such as cash discounts and price guarantees in part of the contract between the company and its customers, the company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but includes the variable The transaction price of the consideration shall not exceed the amount at which the accumulated confirmed income is unlikely to be reversed significantly when the relevant uncertainty is eliminated.

④For the consideration payable to customers, the company offsets the transaction price from the consideration payable to customers, and offsets the current income at the time when the relevant income is recognized and the payment (or promised to pay) the customer consideration is later, unless the consideration payable is for Obtain other clearly distinguishable products from customers.

⑤For sales with a sales return clause, when the customer obtains control of the relevant product, the company recognizes revenue based on the amount of consideration expected to be received due to the transfer of the product to the customer, and the expected return due to the sales return is recognized as an estimated liability ; At the same time, according to the expected book value of the returned goods at the time of transfer, the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset, that is, the return cost receivable, according to the transferred goods The book value at the time of the transfer, deducting the net carry-over cost of the aforementioned asset cost. On each balance sheet date, the company re-estimates the future sales returns and re-measures the aforementioned assets and liabilities.

⑥ If there is a significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. Using the discount rate that discounts the nominal amount of the contract consideration into the current commodity price, the difference between the determined transaction price and the amount of the consideration promised in the contract is amortized by the actual interest method during the contract period. On the starting date of the contract, the company expects that the time between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year, regardless of the significant financing components in the contract.

⑦According to contractual agreements, legal provisions, etc., the company provides quality assurance for the products sold and the assets built. For guarantee-type quality assurance to assure customers that the goods sold meet the established standards, the company conducts accounting treatment in accordance with "contingent events-estimated liabilities". For the service quality assurance that provides a separate service in order to assure customers that the goods sold meet the established standards, the company regards it as a single performance obligation, based on the stand-alone selling price of the quality assurance of goods and services. In a relative proportion, part of the transaction price is allocated to service quality assurance, and revenue is recognized when the customer obtains control of the service. When assessing whether the quality assurance

provides a separate service in addition to ensuring that the products sold meet the established standards, the company considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the company's commitment to perform the tasks.

- ⑧ When the construction contract between the company and the customer is changed: ①If the contract change adds clearly distinguishable construction services and contract prices, and the new contract price reflects the stand-alone selling price of the new construction services, the company will The contract change shall be treated as a separate contract for accounting treatment;
- ②If the contract change does not fall into the above-mentioned circumstance ①, and there is a clear distinction between the construction services that have been transferred and the construction services that have not been transferred on the date of the contract change, the company Treat it as the termination of the original contract, and at the same time, merge the unfulfilled part of the original contract and the changed part of the contract into a new contract for accounting treatment;
- ③If the contract change does not fall into the above situation ①, and the construction service has been transferred on the date of contract change There is no clear distinction between the construction service and the untransferred construction service. The company accounts for the changed part of the contract as a component of the original contract. The resulting impact on the recognized revenue will be adjusted on the date of contract change.

### (3) Specific methods of revenue recognition

#### ① Revenue recognized on time

The company's sales of household appliances, electronic components, etc., belong to the performance obligation performed at a certain point in time.

Recognition conditions for income from domestic sales of goods and overseas direct sales of goods: The company has delivered the product to the customer in accordance with the contract and the customer has received the product, the payment has been recovered or the receipt of payment has been obtained, and the relevant economic benefits are likely to flow in. The main risks and rewards have been transferred, and the legal ownership of the goods has been transferred.

Conditions for confirming the income of exported goods: The company has declared the products for export according to the contract, obtained the bill of lading, and delivered the goods to the carrier entrusted by the purchaser. The payment has been recovered or the receipt of payment has been obtained and relevant economic benefits are likely to flow in. The main risks and rewards of commodity ownership have been transferred, and the legal ownership of commodities has been transferred.

#### ②Income confirmed according to the performance progress

The company's business contracts with customers for project construction, online advertising, operating leases, etc. are performance obligations performed within a certain period of time, and revenue is recognized according to the progress of the performance.

### 32. Government Grants

The government grants of the Company are divided into asset-based grants related to and income-based grants. Asset-based grants refer to the government grants for long-term assets obtained by the purchase, construction, and other ways. Income-based grants refer to other grants.

If the beneficiaries are not specified in government documents, the Company will make the distinction according to the aforesaid principle. Beneficiaries which are difficult to categorize shall be classified as an income-based government grant as a whole.

Current elements of government grants shall be measured based on the amount actually received. Those shall be measured according to the amount receivable are grants paid according to a fixed quota standard, or funds that meet the relevant conditions stipulated by the financial support policy with conclusive evidence at the end of the year and which are expected as the financial support. Non-monetary elements of the government grants shall be measured at fair value. Those whose fair value cannot be obtained reliably shall be measured at its nominal amount (RMB1).

Asset-based grants shall be used to offset the carrying value of related assets or presented as deferred income, and shall, over the life of the related asset, be included in the current profits and losses by the equal amortization method.

If the related asset is sold, transferred, scrapped, or damaged before the end of its useful life, its deferred income that has not been distributed shall be transferred to the current profit and loss of asset disposal.

Income-based grants that are used to compensate related costs or losses in subsequent periods shall be deemed as deferred income and shall be included in the current profits and losses during the period when the related costs or losses are recognized. Government grants related to routine activities shall be included in other income in accordance with the nature of the transaction. Government grants not related to routine activities shall be included in non-operating income and expenditure.

The Company obtains interest grants on policy-related concessional loans in two different ways: the interest subsidy funds are allocated by the government either to the lending bank or directly to the Company. The respective accounting treatment is carried out as follows:

- (1) Where the government allocates the funds to the lending bank, and the bank provides a loan to the Company at a policy-related preferential interest rate, the actual amount of the loan received is taken as the entry value, and the borrowing costs are calculated based on the loan principal and the policy-related preferential interest rate. (Alternatively, the fair value of the loan is taken as the entry value, and the borrowing costs are calculated using the effective interest rate method. The difference between the actual amount received and the fair value is recognized as deferred income, which is amortized using the effective interest rate method during the loan term to offset borrowing costs);
- (2) Where the government allocates the funds directly to the Company, the grants are offset against borrowing costs.

Where the government grants that the Company has recognized in accounting need to be returned, the accounting treatment in the current period is carried out as follows:

- 1) If the book value of an asset is offset on initial recognition, the book value will be adjusted;
- 2) If there is deferred income, the book balance of the deferred income will be offset, and the excess will be included in profit or loss in the current period;
- 3) Under any other circumstances, the grants will be included in profit or loss in the current period.

### 33. Deferred Income Tax Assets/Deferred Income Tax Liabilities

The Company's deferred tax assets and deferred tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base and book value of the assets and liabilities. In the case of deductible losses that can be deducted from taxable income in

subsequent years in accordance with the provisions of the tax laws, the corresponding deferred income tax assets are recognized. In the case of temporary differences arising from the initial recognition of goodwill, the corresponding deferred income tax liabilities are not recognized. With respect to temporary differences arising from the initial recognition of an asset or liability in a transaction which isn't a business combination and which affects neither accounting profit nor taxable income (or deductible losses), the corresponding deferred income tax assets and deferred income tax liabilities are not recognized. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

二、 The Company recognizes deferred income tax assets to the extent of the taxable income which it is most likely to obtain and which can be deducted from deductible temporary differences, deductible losses and tax credits.

### 34. Leasing

The term "lease" refers to a contract whereby the lessor transfers the right of use regarding the leased asset(s) to the lessee within a specified time in exchange for consideration.

The Company will, on the effectiveness date of a contract, assess whether the contract is a lease or includes any lease. The Company will not reassess whether a contract is a lease or includes any lease, unless there is any alteration of the terms or conditions of the contract.

(1) The Company's recording of the lease business as the lessee

#### 1) Lease splitting

If a contract contains both lease and non-lease parts (one or more parts), the Company will split the lease and non-lease parts, and split contract consideration according to the relative proportion between the sum of the prices of all the lease parts and that of the prices of all the non-lease parts.

#### 2) Right-of-use assets

The Company will recognize lease-related right-of-use assets on the inception date of the lease term, excluding short-term and low-value asset leases. The term "lease inception date" refers to the start date on which the lessor provides the leased asset(s) to make it/them available to the Company. The Company initially measures the right-of-use assets at cost. The cost includes:

- a) Initial measurement amount of lease obligation;
- b) Lease payments made on or before the lease inception date (if a lease incentive exists, deduct the amount related to the lease incentive already taken);
- c) Initial direct expenses incurred by the Company;
- d) Costs expected to be incurred by the Company for dismantling and removing the leased asset(s), restoring the premises where the leased asset(s) is/are located, or restoring the leased asset(s) to the status agreed in the leasing clauses (excluding costs incurred for inventory production)

The Company depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If it is reasonably certain that the ownership of the leased asset(s) will be obtained at the end of the lease term, the Company will depreciate the right-of-use assets over the remaining service life of the leased asset(s). If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

The Company will determine the impairment of the right-of-use assets and conduct accounting treatment of the impairment losses already identified in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

#### 3) Lease obligation

The Company initially measures the lease obligation on the inception date of the lease term at the present value of the lease payments outstanding on the same date, excluding short-term and low-value asset leases. When calculating the present value of the lease payments, the Company

uses the interest rate implicit in lease as the rate of discount. If the Company fails to determine the interest rate implicit in lease, its incremental lending rate will be used as the rate of discount.

The term "lease payments" refers to the payments made by the Company to the lessor in terms of the use of the leased asset(s) within the lease term, including:

- a) Fixed lease payments and substantial fixed lease payments (if a lease incentive exists, deduct the amount related to the lease incentive);
- b) Variable lease payments that depend on indexation or ratio;
- c) Exercise price of the purchase option reasonably determined by the Company to exercise;
- d) Payments required to be made for exercising the option to terminate the lease if the lease term reflects that the Company will exercise such an option;
- e) Payments estimated to be made in line with the secured residual value provided by the Company.

The variable lease payments that depend on indexation or ratio shall, in times of initial measurement, be determined according to the indexation or ratio on the inception date of the lease term. Variable lease payments that are not covered in the measurement of the lease obligations are included in profit or loss for the current period or the cost of relevant assets when actually incurred.

The Group will, after the inception date of the lease term, calculate the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and include them in profit or loss for the current period or the cost of relevant assets.

#### 4) Short-term and low-value asset leases

The Company selects not to recognize the right-of-use assets and lease obligations for the short-term and low-value asset leases of houses, buildings, machinery equipment, transportation tools, office equipment and other equipment. A short-term lease refers to a lease whose lease term does not exceed 12 months from the inception date thereof, typically not involving the purchase option. A low-value asset lease refers to a lease in which the value of a single leased asset is typically lower than other assets if it is a new asset. The Company includes the payments of short-term and low-value asset leases incurred during each period of the lease term in the profit or loss for the current period or the cost of relevant assets by the straight-line method.

#### (2) The Company's recording of the lease business as the lessor

##### 1) The Company's recording of the lease business as the lessor

The Company recognizes the receipts of the operating lease incurred during each period of the lease term as rentals by the straight-line method. The Company capitalizes the initial direct costs related to the operating lease upon incurrence thereof and, within the lease term, apportions and includes such costs in the current profit or loss on the basis same as the recognition of rentals.

##### 2) The Company's recording of the finance lease business as the lessor

On the inception date of the lease term, the Company records the sum of the minimum lease receipts and the initial direct costs as the entry value of the finance lease receivables, while recording the unguaranteed residual value, and it recognizes the difference between the sum of the minimum lease receipts, the initial direct costs and the unguaranteed residual value and that of their present values as unrealized financing income. The balance of the finance lease receivables upon deduction of the unrealized financing income is respectively listed in the long-term claims and long-term claims due within one year.

During the lease term, the unrealized financing income is calculated and recognized as the financing income for the current period by the effective interest rate method. The contingent rentals are included in the profit or loss for the current period upon actual incurrence thereof.

#### 35. Changes in Main Accounting Policies and Estimates

##### (1) Changes of accounting policies

In 2018, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 21-Leases" (referred to as the "New Lease Standards"). The Company starts to implement the above newly revised standards since 1 January 2021. In accordance with the link



up provision, no adjustment was made to information of comparative period, and the Company retroactively adjusted the retained earnings of period-begin and amount of other relevant items in financial statements based on the difference between the current standards and the new standards on the first execution date.

The new lease standards have improved the definition of lease, added such contents as lease identification, separation and combination, canceled the classification of operating lease and finance lease by the lessor, and proposed such a requirement that the right-of-use assets and lease obligations shall, on the lease inception date, be recognized and respectively included in depreciation and interest expenses for all leases (excluding short-term and low-value asset leases); in addition, they have also improved the lessee's subsequent measurement of leases, while adding such contents as accounting treatment in case of option reassessment and lease change as well as relevant disclosure requirements. These new standards have also enriched the contents to be disclosed by the lessor. According to the provisions of the aforesaid new lease standards, for a contract already existing prior to the initial exercise date, the Company will decide not to reassess whether it is a lease or includes any lease on the initial inception date.

For operating leases in which any asset leased by the Company as the lessee prior to the initial exercise date is a low-value asset, and for operating license to be completed within 12 months, the Company will treat them in a simplified way without recognizing the right-of-use assets or lease obligations.

According to the new lease standards, it is unnecessary for the Company as the lessor to adjust leases according to the bridging provisions, and the accounting treatment of leases shall be conducted according to these new standards as of the initial exercise date.

(2) Changes in Accounting Estimates

No such cases in the Reporting Period.

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Leases since 2021

1) Consolidated balance sheet:

Unit: RMB			
Item	31 December 2020	1 January 2021	Adjustment
<b>Current assets:</b>			
Prepayments	1,183,270,543.41	1,182,471,715.24	-798,828.17
Other receivables	2,145,736,640.60	2,145,209,803.70	-526,836.90
<b>Total current assets</b>	<b>25,138,685,951.57</b>	<b>25,137,360,286.50</b>	<b>-1,325,665.07</b>
<b>Non-current assets:</b>			
Right-of-use assets		103,838,847.54	103,838,847.54
<b>Total non-current assets</b>	<b>24,737,581,542.04</b>	<b>24,841,420,389.58</b>	<b>103,838,847.54</b>
<b>Total assets</b>	<b>49,876,267,493.61</b>	<b>49,978,780,676.08</b>	<b>102,513,182.47</b>
<b>Current liabilities:</b>			
Other payables	1,999,430,899.69	1,991,555,887.10	-7,875,012.59
Current portion of non-current liabilities	376,896,566.29	425,552,664.43	48,656,098.14
<b>Total current liabilities</b>	<b>26,979,203,650.51</b>	<b>27,019,984,736.06</b>	<b>40,781,085.55</b>
<b>Non-current liabilities:</b>			
Lease liabilities		61,732,096.92	61,732,096.92

Item	31 December 2020	1 January 2021	Adjustment
<b>Total non-current liabilities</b>	<b>12,176,168,718.46</b>	<b>12,237,900,815.38</b>	<b>61,732,096.92</b>
<b>Total liabilities</b>	<b>39,155,372,368.97</b>	<b>39,257,885,551.44</b>	<b>102,513,182.47</b>
<b>Total liabilities and shareholders' equity</b>	<b>49,876,267,493.61</b>	<b>49,978,780,676.08</b>	<b>102,513,182.47</b>

2) Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
<b>Current assets:</b>			
<b>Total current assets</b>	<b>21,416,968,747.54</b>	<b>21,416,968,747.54</b>	
<b>Non-current assets:</b>			
Right-of-use assets		6,321,843.42	6,321,843.42
<b>Total non-current assets</b>	<b>11,111,803,009.84</b>	<b>11,118,124,853.26</b>	<b>6,321,843.42</b>
<b>Total assets</b>	<b>32,528,771,757.38</b>	<b>32,535,093,600.80</b>	<b>6,321,843.42</b>
<b>Current liabilities:</b>			
Current portion of non-current liabilities	5,867,425.49	8,297,306.42	2,429,880.93
<b>Total current liabilities</b>	<b>18,371,248,287.48</b>	<b>18,373,678,168.41</b>	<b>2,429,880.93</b>
<b>Non-current liabilities:</b>			
Lease liabilities		3,891,962.49	3,891,962.49
<b>Total non-current liabilities</b>	<b>8,059,740,136.21</b>	<b>8,063,632,098.70</b>	<b>3,891,962.49</b>
<b>Total liabilities</b>	<b>26,430,988,423.69</b>	<b>26,437,310,267.11</b>	<b>6,321,843.42</b>
<b>Total liabilities and shareholders' equity</b>	<b>32,528,771,757.38</b>	<b>32,535,093,600.80</b>	<b>6,321,843.42</b>

The following are major changes and influences brought to the Company by the execution of new lease standards:

On 1 January 2021, the Company recognized lease obligations (including those due within one year) amounting to RMB110,388,195.06, and right-of-use assets amounting to RMB103,838,847.54. For operating leases prior to the initial exercise date, the Company now measures the lease obligations thereof according to the present value discounted at the incremental borrowing rate (ranging from 4.35% to 4.90%) on the initial exercise date.

Due to the execution of new lease standards, the Company has the rentals payable in advance that are previously included in the prepayments and other receivables and the unpaid rentals payable that are previously included in other receivables reclassified into the right-of-use assets.

### 三、 V. Taxation

#### 四、 1. Main Taxes and Tax Rate

Category of taxes	Basis	Specific situation of the taxes rate
VAT	Calculated the output tax at the tax rate and paid the VAT by the amount	1%, 3%, 5%, 6%, 9%, 13%

Category of taxes	Basis	Specific situation of the taxes rate
	after deducting the deductible withholding VAT at current period, of which the VAT applicable to easy collection won't belong to the deductible withholding VAT.	
Urban maintenance and construction tax	The circulating tax actually paid	Paid at 5%: Dongguan Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Konka Precision, Boluo Konka, Dongguan Packing, Ningbo Kanghanrui, Jiangsu Konka Smart, Shanghai Konka, Chengdu Anren, Binzhou Beihai Jingmai, Binzhou Econ Zhongke, Suining Pengxi Kangrun, Dayi Kangrun Water, Lushan Kangrun Environmental, Funan Kangrun Water, Subei Kangrun Water, Mengcheng Kangrun, Tingyuan Environmental, Yibin Kangrun, Yibin Kangrun Medical, Yibin Kangrun Environmental Protection. Paid at 7%: Konka Capital. Paid at 1%: Jiangxi Konka, Jiangxi High Transparent Substrate, Jiangkang (Shanghai) Technology. Paid at 7%: other subsidiaries.
Education surtax	The circulating tax actually paid	3%
Local education surtax	The circulating tax actually paid	2%
Enterprise income tax	Taxable income	25%/2.Tax Preference and Approved Documents

The main taxpayers of different corporate income tax rates are explained as follows:

Name of entity	Income tax rate
Electronics Technology, Anhui Konka, Anhui Tongchuang, Econ Technology, Wankaida, Jiangxi Konka, Xinfeng Microcrystalline, Jiangxi High Transparent Substrate, Sichuan Konka, Boluo Konka Precision, Chongqing Kangxingrui	15.00%
Hong Kong Konka, Konka Electrical Appliances International Trading, Jiali International, Kangjietong, Jiabin Technology, Jiabin Technology, Konka Electrical Appliances Investment, Konka SmartTech, Konka Mobility, Kowin Memory (Hong Kong)	16.50%
Chain Kingdom Memory Technologies	8.25%/16.50%
Konka Europe	15.00%
Kanghao Technology	22.50%
Konka North America	21.00%
The Company as the Parent and other subsidiaries	25.00%

Note: According to regulations of Temporary Provisions of Income Tax of Trans-boundary Tax Payment Enterprises by State Administration of Taxation, resident enterprises without business establishment or places of legal persons should be tax payment enterprises with the administrative measures of income tax of “unified computing, level-to-level administration, local prepayment, liquidation summary, and finance transfer”. It came into force from 1 January 2008. According to the above methods, the Company’s sales branch companies in each area will hand in the corporate income taxes in advance from 1 January 2008 and will be final settled uniformly by the Company

at the year-end.

## 2. Tax Preference and Approved Documents

(1) According to Caishui [2019] No. 13: Notice on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises, from 1 January 2019 to 31 December 2021, the annual taxable income of small and profitable enterprises is not The portion exceeding RMB1 million will be reduced to 25% of the taxable income, and the corporate income tax will be paid at the rate of 20%; the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million will be reduced by 50% Include the taxable income and pay corporate income tax at a rate of 20%.

(2) On 9 September 2019, Anhui Konka, the subsidiary of the Company, obtained a certificate of high-tech enterprise jointly issued by Anhui Science and Technology Department, Anhui Provincial Department of Finance and Anhui Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201934000966 and is valid for three years. According to relevant tax regulations, Anhui Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(3) On 16 September 2019, Xinfeng Microcrystalline, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201936000744 and is valid for three years. According to relevant tax regulations, Xinfeng Microcrystalline shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(4) On 20 November 2019, Anhui Tongchuang, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Anhui Science and Technology Department, Anhui Provincial Department of Finance and Anhui Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201934001964 and is valid for three years. According to relevant tax regulations, Anhui Tongchuang shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(5) On 28 November 2019, Sichuan Konka, a subsidiary of the Company, obtained a certificate of high-tech enterprise jointly issued by Sichuan Science and Technology Department, Sichuan Provincial Department of Finance and Sichuan Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201951002096 and is valid for three years. According to relevant tax regulations, Sichuan Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(6) On 2 December 2019, Bokang Precision, a subsidiary of the Company, obtained the high-tech enterprise certificate jointly issued by the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance, the Guangdong State Taxation Bureau, and the Guangdong Local Taxation Bureau. The certificate number is GR201944007820, valid for three years, according to relevant tax regulations, Bokang Precision has enjoyed relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021, and is subject to corporate income tax at a preferential tax rate of 15%.

(7) On 9 December 2019, Electronics Technology, the subsidiary of the Company, obtained a Certificate of High-tech Enterprise jointly issued by Shenzhen Science and Technology Department, Shenzhen Provincial Department of Finance and Shenzhen Provincial Tax Bureau of

the State Administration of Taxation. The certificate number is GR201944204287 and is valid for three years. According to relevant tax regulations, Electronics Technology shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(8) On 17 August 2020, Econ Technology, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (certificate No.: GR202037000258) jointly issued by Department of Science and Technology of Shandong Province, Department of Finance of Shandong Province, Shandong Provincial Office, SAT, Shandong Local Taxation Bureau with a valid period of three years. According to the relevant tax regulations, Econ Technology enjoys related tax incentives for high-tech companies for three consecutive years from 2020 to 2022, and is subject to corporate income tax at a preferential rate of 15%.

(9) On 14 September 2020, Jiangxi Konka, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR202036000802 and is valid for three years. According to relevant tax regulations, Jiangxi Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

(10) On 14 September 2020, Jiangxi High Transparent Substrate (formerly known as "Nano-Grystallized Glass"), the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR202036000568 and is valid for three years. According to relevant tax regulations, Jiangxi High Transparent Substrate shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

(11) On 11 December 2020, Wankaida, the subsidiary of this Company obtained the high-tech enterprise certificate (certificate No.: GR202044201940) jointly issued by Shenzhen Technology Innovation Committee, Finance Committee of Shenzhen Municipality, Shenzhen Taxation Bureau of SAT with a valid period of three years. According to related taxation regulations, Wankaida enjoys related taxation preferential policies as a high-tech enterprise from 2020 to 2022 and pays the enterprise income tax as per the preferential tax rate of 15%.

(12) In accordance with the *Notice on Tax Policy Issues Involved in the Further Implementation of the Western Development Strategy* (C.S. [2011] No. 58) and the *Announcement on Corporate Income Tax Issues Involved in the Further Implementation of the Western Development Strategy* (Announcement [2012] No. 12 by the State Taxation Administration), an enterprise established in the western region who is mainly engaged in an industry specified in the *Catalogue of Encouraged Industries in the Western Region* and whose main business income accounts for over 70% of its gross income in the current year, is entitled to a reduced corporate income tax rate of 15%. Chongqing Kangxingrui, a subsidiary of the Company, is eligible for this preferential tax policy.

(13) According to the Notice on Issues Concerning the Promotion of Energy-Saving Service Industry Development VAT Business Tax and Corporate Income Tax Policy Issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2010] No. 110) For the income, the enterprise enjoys the "three exemptions and three halves" preferential treatment of corporate income tax since the tax year in which the first production and operation income of the project is obtained. Binhai Sewage, Lairun Holdings and Rushan Econ, subsidiaries of the Company, enjoy this tax incentive. Binhai Sewage and Lairun Holdings will be exempt from

corporate income tax from 2017 to 2019, and corporate income tax will be levied at half the 25% legal tax rate from 2020 to 2022. Rushan Econ will be exempt from corporate income tax from 2019 to 2021, and corporate income tax will be levied at half the 25% legal tax rate from 2022 to 2024.

(14) According to the fiscal and taxation document [2011] No. 100 published by the Ministry of Finance and the State Administration of Taxation, for the VAT general taxpayers who sell their self-developed and produced software products, the VAT shall be levied at the rate of 13%, and then the part that the actual tax burden on their VAT exceeds 3 will be implemented with the policy of immediate withdrawal. The Company's subsidiaries, Wankaida Technology, Youzhihui and Electronics Technology all enjoy this preferential policy.

(15) According to the regulations of the Special Catalogue of VAT Concessions for Products and Labors with Comprehensive Utilization of Resources issued by the Ministry of Finance and the State Administration of Taxation (Finance and Taxation [2015] No. 78), the wastewater treatment business operated by Lairun Holdings and Binhai Sewage, subsidiaries of the Company, belongs to the this catalogue. Then after levied the VAT at the statutory tax rate, it currently carries out the tax rate of 6% (SAT Announcement [2020] No. 9, the actual tax burden on the wastewater treatment income tax will be refunded in accordance with the 70% of the actual tax burden, and the actual tax burden on the renewable water income VAT will be refunded immediately at 50%. The wastewater treatment business operated by Rushan Econ, subsidiaries of the Company, belongs to the catalogue. Then after levied the VAT at the statutory tax rate, it currently carries out the tax rate of 6% (SAT Announcement [2020] No. 9, the actual tax burden on the wastewater treatment income tax will be refunded in accordance with the 70% of the actual tax burden, and the actual tax burden on the renewable water income VAT will be refunded immediately at 50%.

(16) According to the *Announcement on the Applicable Policies for the Settlement and Payment of Corporate Income Tax of Integrated Circuit Design Enterprises and Software Enterprises in 2019* (C.S. [2020] No. 29), integrated circuit design enterprises and software enterprises that are legally established within the territory of China and meet certain requirements, are entitled to a period of preferential tax rates starting from the first profitable year before 31 December 2019. They are exempt from corporate income tax in the first and second years, and for the next three years till the expiration of this period, the corporate income tax rate is half of the statutory rate of 25%. The Company's subsidiary Youzhihui enjoys the preferential policies, and a 0% income tax rate is applicable in 2021.

## 五、 VI Notes on Major Items in Consolidated Financial Statements of the Company

Unless otherwise noted, the following annotation project (including the main projects, annotation of the financial statement of the Company), the period-begin refers to 1 January 2021, the period-end refers to 30 June 2021, this period refers to the period from 1 January 2021 to 30 June 2021 and the last period refers to the period from 1 January 2020 to 30 June 2020. The monetary unit is renminbi.

### 1. Monetary Assets

Item	Ending balance	Beginning balance
Cash on hand	9, 534. 97	16, 052. 88
Bank deposits	5, 159, 975, 691. 09	4, 298, 040, 060. 36
Other monetary assets	648, 960, 499. 91	1, 133, 474, 067. 66
<b>Total</b>	<b>5, 808, 945, 725. 97</b>	<b>5, 431, 530, 180. 90</b>
Of which: total amount deposited in overseas	79, 359, 852. 77	202, 052, 024. 94

Note: The ending balance of other currency assets is mainly margin deposits, financial supervision account funds and other deposits subject to usage restrictions. Refer to Note VI-66 Assets with restricted ownership or use right for details.

2. Trading financial assets

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss		618,249,541.66
Of which: debt instrument investment		
Equity instrument investment		
Structural deposits		618,249,541.66
Financial assets assigned to be measured at fair value through profit or loss		
Of which: debt instrument investment		
Hybrid instrument investment		
<b>Total</b>		<b>618,249,541.66</b>

3. Notes receivable

(1) Notes Receivable Listed by Category

Item	Ending balance	Beginning balance
Commercial acceptance bill	484,538,424.18	1,012,776,099.43
Bank's acceptance bill	1,032,634,966.93	1,345,404,094.53
<b>Total</b>	<b>1,517,173,391.11</b>	<b>2,358,180,193.96</b>

(2) Notes Receivable Pledged by the Company at the Period-end

Item	Amount
Bank's acceptance bill	693,159,230.21
<b>Total</b>	<b>693,159,230.21</b>

(3) Notes Receivable which Had Endorsed by the Company or had Discounted and had not Due on the Balance Sheet Date at the Period-end

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank's acceptance bill	701,692,531.30	
Commercial acceptance bill	2,433,471.02	199,491,442.79
<b>Total</b>	<b>704,126,002.32</b>	<b>199,491,442.79</b>

(4) Notes Transferred to Accounts Receivable because Drawer of the Notes Failed to Execute the Contract or Agreement

Item	Amount of the notes transferred to accounts receivable at the period-end
Bank's acceptance bill	200,000,000.00
Commercial acceptance bill	745,878,417.66
<b>Total</b>	<b>945,878,417.66</b>

Note: At the end of the period, the bills transferred to the accounts receivable due to the issuer's failure to perform were the overdue bills of the company's factoring business.

(5) Listed by Withdrawal Methods for Bad Debt Provision

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	1, 527, 263, 819. 71	100. 00	10, 090, 428. 60	0. 66	1, 517, 173, 391. 11
Of which: Bank acceptance bill	1, 032, 634, 966. 93	67. 61			1, 032, 634, 966. 93
Commercial acceptance bill	494, 628, 852. 78	32. 39	10, 090, 428. 60	2. 04	484, 538, 424. 18
<b>Total</b>	<b>1, 527, 263, 819. 71</b>	<b>100. 00</b>	<b>10, 090, 428. 60</b>	<b>0. 66</b>	<b>1, 517, 173, 391. 11</b>

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	2, 387, 417, 262. 59	100. 00	29, 237, 068. 63	1. 22	2, 358, 180, 193. 96
Of which: Bank acceptance bill	1, 345, 404, 094. 53	56. 35			1, 345, 404, 094. 53
Commercial acceptance bill	1, 042, 013, 168. 06	43. 65	29, 237, 068. 63	2. 81	1, 012, 776, 099. 43
<b>Total</b>	<b>2, 387, 417, 262. 59</b>	<b>100. 00</b>	<b>29, 237, 068. 63</b>	<b>1. 22</b>	<b>2, 358, 180, 193. 96</b>

(6) In the group, notes receivable, for which the provision for expected credit loss was made according to trade acceptance

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	494, 628, 852. 78	10, 090, 428. 60	2. 04
<b>Total</b>	<b>494, 628, 852. 78</b>	<b>10, 090, 428. 60</b>	<b>2. 04</b>

(7) Bad debt provision for notes receivable withdrawn, collected or reversed during the Reporting Period

Category	Beginning balance	Changed amount			Ending balance
		Withdrawal	Collected or reversed	Write-off or verified	
Commercial	29, 237, 068. 63		19, 146, 640. 03		10, 090, 428. 60



Category	Beginning balance	Changed amount			Ending balance
		With draw al	Collected or reversed	Write-off or verified	
acceptance bill					
<b>Total</b>	<b>29, 237, 068. 63</b>		<b>19, 146, 640. 03</b>		<b>10, 090, 428. 60</b>

(8) Notes receivable actually written off in the current period

There is no notes receivable actually written off in the current period.

#### 4. Accounts Receivable

(1) Listed by Withdrawal Methods for Expected Credit Loss

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proport ion (%)	Amount	Withdr awal proport ion (%)	
Accounts receivable, for which the independent provision for expected credit losses	1, 398, 702, 013. 10	24. 34	765, 540, 779. 44	54. 73	633, 161, 233. 66
Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups					
Of which: aging group	3, 396, 271, 822. 61	59. 10	308, 692, 123. 69	9. 09	3, 087, 579, 698. 92
Project payment group	952, 005, 539. 60	16. 56	123, 155, 445. 59	12. 94	828, 850, 094. 01
Subtotal of groups	4, 348, 277, 362. 21	75. 66	431, 847, 569. 28	9. 93	3, 916, 429, 792. 93
Total	5, 746, 979, 375. 31	100. 00	1, 197, 388, 348. 72	20. 84	4, 549, 591, 026. 59

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proport ion (%)	Amount	Withdr awal proport ion (%)	
Accounts receivable, for which the independent provision for expected credit losses	1, 384, 462, 893. 38	27. 50	750, 096, 749. 22	54. 18	634, 366, 144. 16
Accounts receivable, for which the provision for expected credit losses was withdrawn					

Category	Beginning balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proport ion (%)	Amount	Withdr awal proport ion (%)	
according to groups					
Of which: aging group	3, 004, 054, 396. 28	59. 66	271, 291, 702. 62	9. 03	2, 732, 762, 693. 66
Project payment group	646, 556, 634. 10	12. 84	112, 787, 848. 33	17. 44	533, 768, 785. 77
Subtotal of groups	3, 650, 611, 030. 38	72. 50	384, 079, 550. 95	10. 52	3, 266, 531, 479. 43
Total	5, 035, 073, 923. 76	100. 00	1, 134, 176, 300. 17	22. 53	3, 900, 897, 623. 59

1) Accounts receivable, for which, the independent provision for expected credit loss is made at the period-end

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Shanghai Huaxin International Group Co., Ltd	300,018,021.01	240,014,416.81	80.00	Debt default
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
Tewoo Finance Company Limited	200,000,000.00	90,000,000.00	45.00	Judicial reorganization
China Nuclear Engineering Construction Group Co., Ltd	72,639,096.65	22,374,785.74	30.80	Increased credit risk
No.1 Engineering Company Limited of CCCC First Harbor Engineering Company Limited	65,221,300.00	58,699,170.00	90.00	Expected to be difficult to recover in full
Tahoe Group Co. Ltd	50,000,000.00	20,000,000.00	40.00	Debt reorganization
China Energy Electric Fuel Co., Ltd	50,000,000.00	40,000,000.00	80.00	Expected to be difficult to recover in full
EmpireElectronicCorp	42,051,136.30	42,051,136.30	100.00	Long-term collection and cannot be recovered
H-BUSTERDOBRASIL	17,767,310.32	17,767,310.32	100.00	The counterparty is bankrupt and is expected to be difficult to

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
				recover
TreeviewBusinessRegistration	11, 533, 071. 11	11, 533, 071. 11	100. 00	Expected to be difficult to recover in full
Others	389, 472, 077. 71	143, 100, 889. 16	36. 74	Increased credit risk
<b>Total</b>	<b>1, 398, 702, 013. 10</b>	<b>765, 540, 779. 44</b>	<b>54. 73</b>	

2) Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups

① In the group, accounts receivable, for which, the provision for expected credit loss was made according to aging groups

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	2, 556, 074, 660. 66	52, 143, 923. 09	2. 04
1 to 2 years	550, 987, 178. 29	55, 208, 915. 26	10. 02
2-3 years	104, 180, 404. 75	23, 638, 533. 82	22. 69
3-4 years	20, 867, 959. 50	13, 539, 132. 11	64. 88
Over 4 years	164, 161, 619. 41	164, 161, 619. 41	100. 00
<b>Total</b>	<b>3, 396, 271, 822. 61</b>	<b>308, 692, 123. 69</b>	<b>9. 09</b>

② In the group, accounts receivable, for which, the provision for expected credit loss was made according to project payment groups

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	579, 801, 611. 63	28, 990, 080. 58	5. 00
1 to 2 years	215, 058, 744. 95	21, 505, 874. 48	10. 00
2-3 years	61, 349, 562. 07	18, 404, 868. 62	30. 00
3-4 years	82, 889, 837. 11	41, 444, 918. 56	50. 00
Over 4 years	12, 905, 783. 84	12, 809, 703. 35	99. 26
<b>Total</b>	<b>952, 005, 539. 60</b>	<b>123, 155, 445. 59</b>	<b>12. 94</b>

(2) Accounts Receivable Listed by Aging

Aging	Ending balance
Within 1 year	3, 137, 254, 613. 66
1 to 2 years	1, 283, 600, 174. 24

<b>Aging</b>	<b>Ending balance</b>
2-3 years	985,861,130.06
3-4 years	118,434,709.06
Over 4 years	221,828,748.29
<b>Subtotal</b>	<b>5,746,979,375.31</b>
Less: provision for bad debts	1,197,388,348.72
<b>Total</b>	<b>4,549,591,026.59</b>

(3) Bad debt provision for accounts receivable during the Reporting Period

<b>Categ ory</b>	<b>Beginning balance</b>	<b>Changed amount</b>				<b>Ending balance</b>
		<b>Withdrawal</b>	<b>Colle cted or rever sed</b>	<b>Writ e-off or verifi ed</b>	<b>Decrease for other reasons</b>	
Bad debt provision of accounts receivable	1,134,176,300.17	64,007,725.46			795,676.91	1,197,388,348.72
<b>Total</b>	<b>1,134,176,300.17</b>	<b>64,007,725.46</b>			<b>795,676.91</b>	<b>1,197,388,348.72</b>

(4) Accounts receivable actually verified during the Reporting Period

There were no accounts receivable actually verified during the Reporting Period

(5) Top 5 of the Ending Balance of the Accounts Receivable Collected according to the Arrears Party

The total amount of top five of account receivable of ending balance collected by arrears party was RMB 1,850,904,230.04, accounting for 32.21% of total closing balance of account receivable, the relevant ending balance of bad debt provision withdrawn was RMB446,133,386.05.

(6) There was no accounts receivable derecognized for transfer of financial assets.

(7) There is no amount of assets and liabilities formed due to the transfer of accounts receivable and continued involvement in this year.

5. Accounts Receivable Financing

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Notes Receivable	111,375,140.87	84,057,197.44
<b>Total</b>	<b>111,375,140.87</b>	<b>84,057,197.44</b>

Note: Accounts receivable financing is the bank acceptances of higher credit rating held by the Company, which aim at both collecting contract cash and selling the financial assets themselves.

6. Prepayments

(1) Age of advances to suppliers

<b>Item</b>	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Amount</b>	<b>Proportion (%)</b>	<b>Amount</b>	<b>Proportion (%)</b>
Within 1 year	1,180,899,468.37	94.80	1,165,964,102.58	98.60

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
1 to 2 years	48,185,527.45	3.87	14,282,024.18	1.21
2-3 years	14,919,139.92	1.20	733,390.33	0.06
Over 3 years	1,608,577.38	0.13	1,492,198.15	0.13
<b>Total</b>	<b>1,245,612,713.12</b>	<b>100.00</b>	<b>1,182,471,715.24</b>	<b>100.00</b>

Note: The amount of prepayments aged over one year at the end of the period is RMB 64,713,244.75, accounting for 5.20% of the total balance of prepayments of the Company, and consists mainly of payments for goods afloat or unsettled payments.

(2) Advances to suppliers from top five prepaid parties classified based on the ending balance  
The sum total of prepayments with top five ending balance collected as per the prepaid party is RMB 666,288,915.38, and the proportion in total ending balance of payments is 53.49%.

#### 7. Other receivables

Item	Ending balance	Beginning balance
Interest receivable	54,484,552.15	45,109,425.85
Dividends receivable	547,848.62	4,947,848.62
Other Receivables	1,947,638,531.25	2,095,152,529.23
<b>Total</b>	<b>2,002,670,932.02</b>	<b>2,145,209,803.70</b>

#### 7.1 Interest receivable

Item	Ending balance	Beginning balance
Fix time deposit	1,324,149.54	10,235,673.76
Entrusted loans	52,589,846.73	34,303,196.21
Factoring income	570,555.88	570,555.88
<b>Total</b>	<b>54,484,552.15</b>	<b>45,109,425.85</b>

#### 7.2 Dividends receivable

Investee	Ending balance	Beginning balance
Chongqing Qingjia Electronic Co., Ltd.	547,848.62	547,848.62
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.		4,400,000.00
<b>Total</b>	<b>547,848.62</b>	<b>4,947,848.62</b>

#### 7.3 Other receivables

##### (1) Classified by Account Nature

Item	Ending balance	Beginning balance
Deposit, Deposit, Deposit	1,680,032,404.13	1,642,180,460.58
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	178,104,342.21	176,427,511.36
Energy-saving subsidies	152,399,342.00	152,399,342.00
Disposal of non-current assets		132,331,700.00
Others	610,032,960.00	638,277,470.76

<b>Total</b>	<b>2,620,569,048.34</b>	<b>2,741,616,484.70</b>
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(2) Withdrawal of Bad Debt Provision

<b>Bad debt provision</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Total</b>
	<b>Expected credit losses over the next 12 months</b>	<b>Expected credit losses for the entire duration (no credit impairment)</b>	<b>Expected credit losses for the entire duration (with credit impairment)</b>	
Balance as at 1 January 2021	22,563,051.40	60,086,857.29	563,814,046.78	646,463,955.47
In the Reporting Period, Carrying amount of other receivables on 1 January 2021:				
——Transferred to the Phase II	-6,491,687.33	6,491,687.33		
——Transferred to the Phase III		-243,220.74	243,220.74	
——Transferred back to the Phase II				
——Transferred back to the Phase I				
Provision made in the current year	-281,860.53	28,935,282.95	-2,122,329.79	26,531,092.63
Amount transferred back in the current year				
Write-off				
Verification				
Other changes	-64,531.01			-64,531.01
Balance as at 30 June 2021	15,724,972.53	95,270,606.83	561,934,937.73	672,930,517.09

Note: The first stage is that credit risk has not increased significantly since initial recognition. For other receivables with an aging portfolio and a low-risk portfolio within 1 year, the loss provision is measured according to the expected credit losses in the next 12 months.

The second stage is that credit risk has increased significantly since initial recognition but credit impairment has not yet occurred. For other receivables with an aging portfolio and a low-risk portfolio that exceed 1 year, the loss provision is measured based on the expected credit losses for the entire duration.

The third stage is the credit impairment after initial confirmation. For other receivables of credit impairment that have occurred, the loss provision is measured according to the credit losses that have occurred throughout the duration.

(3) Withdrawing bad debt provision for other receivables according to group

<b>Category</b>	<b>Ending balance</b>		
	<b>Carrying amount</b>	<b>Bad debt provision</b>	<b>Carrying value</b>

	Amount	Proportion (%)	Amount	With draw al proportion	
Other receivables with significant individual amount and make independent provision for expected credit loss	1, 176, 983, 042. 62	44. 91	561, 934, 937. 73	47. 74	615, 048, 104. 89
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	1, 234, 608, 154. 98	47. 12	103, 359, 395. 49	8. 37	1, 131, 248, 759. 49
Low-risk group	208, 977, 850. 74	7. 97	7, 636, 183. 87	3. 65	201, 341, 666. 87
Subtotal of groups	1, 443, 586, 005. 72	55. 09	110, 995, 579. 36	7. 69	1, 332, 590, 426. 36
<b>Total</b>	<b>2, 620, 569, 048. 34</b>	<b>100. 00</b>	<b>672, 930, 517. 09</b>	<b>25. 68</b>	<b>1, 947, 638, 531. 25</b>

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdr awal proportion	
Other receivables with significant individual amount and make independent provision for expected credit loss	1, 177, 068, 758. 61	42. 93	563, 814, 046. 78	47. 90	613, 254, 711. 83
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	1, 327, 676, 325. 32	48. 43	73, 662, 861. 99	5. 55	1, 254, 013, 463. 33
Low-risk group	236, 871, 400. 77	8. 64	8, 987, 046. 70	3. 79	227, 884, 354. 07
Subtotal of groups	1, 564, 547, 726. 09	57. 07	82, 649, 908. 69	5. 28	1, 481, 897, 817. 40
<b>Total</b>	<b>2, 741, 616, 484. 70</b>	<b>100. 00</b>	<b>646, 463, 955. 47</b>	<b>23. 58</b>	<b>2, 095, 152, 529. 23</b>

(4) Listed by aging

Aging	Ending balance
Within 1 year	830, 239, 625. 35

<b>Aging</b>	<b>Ending balance</b>
1 to 2 years	1, 445, 123, 746. 26
2-3 years	143, 356, 114. 57
3-4 years	6, 173, 200. 66
4-5 years	5, 293, 746. 88
Over 5 years	190, 382, 614. 62
Subtotal	<b>2, 620, 569, 048. 34</b>
Less: bad debt provision	672, 930, 517. 09
<b>Total</b>	<b>1, 947, 638, 531. 25</b>

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision for Reporting Period was RMB26,531,092.63, decreasing RMB64,531.01 which was mainly due to exchange rate changes

(6) Top 5 Other Receivables in Ending Balance Collected according to the Arrears Party

The total amount of top five of account other receivables of ending balance collected by arrears party was RMB1,020,353,281.63, accounting for 38.94% of total closing balance of other receivables, the relevant ending balance of bad debt provision withdrawn was RMB199,693,940.01.

(7) There were no other receivables derecognized due to transfer of financial assets during the Reporting Period.

(8) There were no assets and liabilities formed by transferring other receivables and continuing to be involved in this period.

8. Inventories

(1) Category of Inventory

<b>Item</b>	<b>Ending balance</b>		
	<b>Carrying amount</b>	<b>Inventory falling price reserves / impairment provision of contract performance costs</b>	<b>Carrying value</b>
Raw materials	1, 808, 248, 192. 19	20, 090, 802. 48	1, 788, 157, 389. 71
Semi-finished product	194, 322, 474. 09	13, 226, 031. 20	181, 096, 442. 89
Inventory goods	3, 352, 411, 906. 73	209, 137, 182. 49	3, 143, 274, 724. 24
Contract performance costs	46, 732, 650. 07		46, 732, 650. 07
<b>Total</b>	<b>5, 401, 715, 223. 08</b>	<b>242, 454, 016. 17</b>	<b>5, 159, 261, 206. 91</b>

(Continued)

<b>Item</b>	<b>Beginning balance</b>		
	<b>Carrying amount</b>	<b>Inventory falling price reserves / impairment provision of contract performance costs</b>	<b>Carrying value</b>
Raw materials	1, 246, 721, 423. 97	28, 137, 287. 12	1, 218, 584, 136. 85



Item	Beginning balance		
	Carrying amount	Inventory falling price reserves / impairment provision of contract performance costs	Carrying value
Semi-finished product	158,870,091.24	12,636,819.92	146,233,271.32
Inventory goods	3,389,343,445.93	249,362,200.01	3,139,981,245.92
Contract performance costs	16,502,023.32		16,502,023.32
<b>Total</b>	<b>4,811,436,984.46</b>	<b>290,136,307.05</b>	<b>4,521,300,677.41</b>

(2) Inventory falling price reserves and impairment provision of contract performance costs

Item	Beginning balance	Increased	Decreased		Ending balance
		Withdrawal	Write-off	Decrease by losing controlling right/other reasons	
Raw materials	28,137,287.12	-4,614,719.70	3,431,764.94		20,090,802.48
Semi-finished product	12,636,819.92	589,211.28			13,226,031.20
Inventory goods	249,362,200.01	14,598,745.33	54,823,762.85		209,137,182.49
<b>Total</b>	<b>290,136,307.05</b>	<b>10,573,236.91</b>	<b>58,255,527.79</b>		<b>242,454,016.17</b>

(3) Withdrawal Provision Basis of the Falling Price of the Inventory and the Reasons of the Reversed or Write-off.

Item	Specific basis of withdrawal of falling price reserves of inventory	Reasons for write-off
Raw materials	The realizable net value was lower than the carrying value	Sold or disposed in the current period
Semi-finished product	The realizable net value was lower than the carrying value	Sold or disposed in the current period
Inventory goods	The realizable net value was lower than the carrying value	Sold in the current period

9. Contractual assets

(1) Details of contractual assets

Item	Ending balance		
	Carrying amount	Impairment provision	Carrying value
Accounts receivable from settled but conditional payment projects	3,382,989,961.11	198,514,062.13	3,184,475,898.98

Item	Ending balance		
	Carrying amount	Impairment provision	Carrying value
Unsettled advertising payments	95,474,154.11	1,947,672.75	93,526,481.36
<b>Total</b>	<b>3,478,464,115.22</b>	<b>200,461,734.88</b>	<b>3,278,002,380.34</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Impairment provision	Carrying value
Accounts receivable from settled but conditional payment projects	3,002,127,112.18	180,488,971.89	2,821,638,140.29
Unsettled advertising payments	49,375,837.18	1,007,267.08	48,368,570.10
<b>Total</b>	<b>3,051,502,949.36</b>	<b>181,496,238.97</b>	<b>2,870,006,710.39</b>

(2) Amount and reason of significant change in the book value of the contractual assets in the current year

Item	Amount changed	Causes of the Change
Accounts receivable from settled but conditional payment projects	362,837,758.69	New engineering projects
<b>Total</b>	<b>362,837,758.69</b>	

(3) Making for impairment provision of contractual assets in the current year

Item	Provision made in the current year	Amount transferred back in the current year	Write-off/Verification in the current year	Reasons
Accounts receivable from settled but conditional payment projects	18,025,090.24			The expected credit loss is greater than the book value of the current contract asset impairment provision
Unsettled advertising payments	940,405.67			The expected credit loss is greater than the book value of the current contract asset impairment provision
<b>Total</b>	<b>18,965,495.91</b>			

#### 10. Current Portion of Non-current Assets

Item	Ending balance	Beginning balance	Nature
Current portion of debt investment	40,000,000.00	75,000,000.00	Entrusted loans for associated enterprises
Current portion of long-term receivable	29,003,761.31	37,310,158.82	Finance leasing amount

Item	Ending balance	Beginning balance	Nature
<b>Total</b>	69,003,761.31	112,310,158.82	

(1) Significant debt investment/other debt investment at the year end

Debt investment in	Ending balance			
	Par value	Coupon rate	Actual rate	Expiry Date
Yibin OCT Sanjiang Real estate Co. Ltd.	40,000,000.00	5.70%	5.70%	2021-10-24
<b>Total</b>	<b>40,000,000.00</b>			

(Continued)

Debt investment in	Beginning balance			
	Par value	Coupon rate	Actual rate	Expiry Date
Yibin OCT Sanjiang Real estate Co. Ltd.	35,000,000.00	5.70%	5.70%	2021/4/24
Yibin OCT Sanjiang Real estate Co. Ltd.	40,000,000.00	5.70%	5.70%	2021/10/24
<b>Total</b>	<b>75,000,000.00</b>			

#### 11. Other Current Assets

Item	Ending balance	Beginning balance
Prepayments and deductible taxes, and refund of tax for export receivable	1,003,270,717.12	926,643,711.18
Principal of entrusted loans to joint ventures	1,098,703,380.39	826,684,400.00
Temporary difference of input tax	119,716,769.30	148,183,307.23
Others	24,210,085.20	11,635,064.98
<b>Total</b>	<b>2,245,900,952.01</b>	<b>1,913,146,483.39</b>

#### 12. Long-term Receivables

##### (1) List of Long-term Receivables

Item	Ending balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	27,613,130.76		27,613,130.76
Of which: unrealized financing income	1,169,368.74		1,169,368.74
Cash deposits of long-term receivables	41,090,400.00		41,090,400.00
Long-term receivables of projects with franchise rights	350,937,230.14		350,937,230.14
Less: Current portion of long-term receivable See Note VI. 10 for details)	29,003,761.31		29,003,761.31
<b>Total</b>	<b>390,636,999.59</b>		<b>390,636,999.59</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	44,609,921.40		44,609,921.40
Of which: unrealized financing income	2,526,836.56		2,526,836.56
Cash deposits of long-term receivables	41,090,400.00		41,090,400.00
Long-term receivables of projects with franchise rights	351,107,041.45		351,107,041.45
Less: Current portion of long-term receivable (See Note VI. 10 for details)	37,310,158.82		37,310,158.82
<b>Total</b>	<b>399,497,204.03</b>		<b>399,497,204.03</b>

(2) List of Projects with Franchise Rights

Item	Type	Project scale	Franchise rights	Date of contract	Operation
PPP Project of water supply and sewage Rushan Silver Beach	PPP	452,802,100.00	Right of charge for sewage disposal	July 2016	Partial trial operation

(3) Changes in Long-term Receivables of Projects with Franchise Rights

Item	Initial invested amount	Beginning balance	Decreased		Ending balance
			Principal recover	Other decrease	
PPP Project of water supply and sewage Rushan Silver Beach	351,107,041.45	351,107,041.45		169,811.31	350,937,230.14
<b>Total</b>	<b>351,107,041.45</b>	<b>351,107,041.45</b>		<b>169,811.31</b>	<b>350,937,230.14</b>

### 13. Long-term Equity Investment

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Konka Ventures Development (Shenzhen) Co., Ltd.	2,250,590.00				571,291.00	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,573,831.23				60,003.31	
Feide Technology (Shenzhen) Co., Ltd.	10,671,986.45				-318,372.70	
Shenzhen Kangyue Industrial Co., Ltd.	33,146,954.42				-446,727.83	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.	4,900,000.00				-308,496.41	
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.	19,020.00				-632.96	
Chengdu Konka Incubator Management Co., Ltd.	254,670.00				-74,359.99	
Dongguan Konka Smart Electronic Technology Co., Ltd.	16,172,903.60				-929,500.60	
Puchuang Jiakang Technology Co., Ltd.	1,399,457.69				898,750.07	
Guoguang Ruilian (Shenzhen) Network Technology Co., Ltd.						
Khorgos Yilingfang Information Technology Co., Ltd.	1,795.48				-1,795.48	
Chongqing Qingjia Electronic Co., Ltd.	18,801,653.84				-219,255.91	
Shenzhen Jielunte Technology Co., Ltd.	89,187,905.40				1,975,628.71	

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Panxu Intelligence Co., Ltd.	50,704,696.31				391,349.14	
Beijing Konka Jingyuan Technology Co., Ltd.	766,290.97					
Dongfang Jiahui (Zhuhai) Asset Management Co., Ltd.	3,027,971.50				-307,974.19	
Orient Konka no.1 (zhuhai) private equity investment fund (limited partnership)	336,170,619.84	43,828,800.00	34,171,344.83		-10,322,239.82	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	3,500,000.00					
Shenzhen Xiaorui Technology Co., Ltd.	53,107,714.82				-1,135,930.87	
Weihai Water Environmental Protection Technology Co., Ltd.	2,526,483.15				-1,518.43	
Weihai Yiheng Environmental Technology Co., Ltd.	4,812,630.25				30,224.08	
Huoqiu Kangrun Kaitian Water Environmental Protection Co., Ltd.	52,434,987.50	12,435,012.50			7,497,000.00	
Huarun Environmental Protection Water Treatment Co., Ltd.	17,316,442.28				391,778.04	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	182,666,028.25				17,371,700.00	
Shandong Bishuiyuan Environmental Technology Co., Ltd.	26,390,437.98				102,188.81	
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.	2,809,775.13				-110,373.99	

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Shandong Konka Zhijia Electrical Appliances Co., Ltd.	2, 148, 063. 47				-1, 245, 650. 56	
Henan Konka Zhijia Electrical Appliances Co., Ltd.	1, 059, 137. 34				130, 459. 63	
Anhui Kaikaishijie E-commerce Co., Ltd.	419, 065, 032. 33					
Wanjun Technology (Kunshan) Co., Ltd.	175, 204, 642. 85				-2, 046, 465. 83	
Kunshan Kangsheng Investment Development Co., Ltd.	269, 673, 264. 00				32, 849, 354. 55	
Chutianlong Co., Ltd.	650, 206, 807. 02				4, 824, 758. 43	
Heilongjiang Longkang Zhijia Technology Co., Ltd.	1, 060, 725. 79				-3, 709. 66	
Konka Green, Konka Technology	75, 261, 304. 56		75, 261, 304. 56			
Shaanxi Silu Yunqi Smart Technology Co., Ltd.	17, 649, 295. 81				-1, 596, 222. 64	
Shenzhen Konka Information Network Co., Ltd.						
Shenzhen Zhongbing Konka Technology Co., Ltd.	2, 214, 307. 33				-2, 214, 307. 33	
Shenzhen Konka Smart Electrical Appliance Technology Co., Ltd.	3, 973, 386. 95				-1, 441, 954. 44	
Shenzhen Bosheng New Material Co., Ltd.	58, 400, 000. 00				-2, 064, 227. 96	
Shenzhen Yaode Technology Co., Ltd.	219, 357, 772. 76				-4, 569, 192. 27	

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Wuhan Tianyuan Environmental Protection Co., Ltd.	304,654,243.69				13,222,348.47	
Shenzhen Konka Yishijie Commercial Display Co., Ltd.	81,955,858.27					
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02				-1,172,317.71	
Chuzhou Kangjin Healthcare Industry Development Co., Ltd.	118,122,798.37				-6,410,036.65	
Haimen Kangjian Technology Industrial Park Operation and Management Co., Ltd.	120,729,335.67				-3,070,358.71	
Chuzhou Kangxin Healthcare Industry Development Co., Ltd.	187,180,000.00				-1,310,518.75	
Dongguan Konka Investment Co., Ltd.	563,500,000.00				-12,122,313.26	
Chongqing Konka Real Estate Development Co., Ltd.	49,500,000.00				-7,987,220.86	
Chongqing Chengda Real Estate Co., Ltd.	29,205,000.00				-303,372.41	
Yilifang (Hainan) Technology Co., Ltd.	58,715,678.97				3,310,556.06	
Shenzhen Morsemi Technology Co., Ltd.	2,723,686.36				-217,343.28	
Chongqing Liangshan Enterprise Management Co., Ltd.		50,000.00				
Shenzhen Kangpeng Digital Technology Co., Ltd.		6,000,000.00			-1,063,135.76	
Shenzhen Kangene Technology Innovation		900,000.00			808.91	



Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Development Co., Ltd.						
Dalian Xinguan Technology Co., Ltd.		50,000,000.00			-1,411,462.01	
Yantai Kangyun Industry Development Co., Ltd.				68,185,019.88	-78,596.04	
Chongqing Kangyiqing Technology Co., Ltd.		1,000,000.00				
Sichuan Aimijiakang Technology Co., Ltd.		2,000,000.00				
Guangdong Kangyuan Semiconductor Co., Ltd.		3,214,600.00			213,202.98	
<b>Total</b>	<b>4,375,833,584.65</b>	<b>119,428,412.50</b>	<b>109,432,649.39</b>	<b>68,185,019.88</b>	<b>19,335,816.88</b>	

(Continued)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Konka Ventures Development (Shenzhen) Co., Ltd.					2,821,881.00	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					1,633,834.54	
Feide Technology (Shenzhen) Co., Ltd.					10,353,613.75	
Shenzhen Kangyue Industrial Co., Ltd.					32,700,226.59	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.					4,591,503.59	

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.					18,387.04	
Chengdu Konka Incubator Management Co., Ltd.					180,310.01	
Dongguan Konka Smart Electronic Technology Co., Ltd.					15,243,403.00	
Puchuang Jiakang Technology Co., Ltd.		826,052.90			1,472,154.86	
Guoguang Ruilian (Shenzhen) Network Technology Co., Ltd.						51,964.09
Khorgos Yilingfang Information Technology Co., Ltd.						
Chongqing Qingjia Electronic Co., Ltd.					18,582,397.93	
Shenzhen Jielunte Technology Co., Ltd.					91,163,534.11	
Panxu Intelligence Co., Ltd.					51,096,045.45	
Beijing Konka Jingyuan Technology Co., Ltd.					766,290.97	
Dongfang Jiahui (Zhuhai) Asset Management Co., Ltd.					2,719,997.31	
Orient Konka no.1 (zhuhai) private equity investment fund (limited partnership)					335,505,835.19	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.					3,500,000.00	
Shenzhen Xiaorui Technology Co., Ltd.					51,971,783.95	33,684,243.40
Weihai Water Environmental Protection Technology Co., Ltd.					2,524,964.72	
Weihai Yiheng Environmental Technology					4,842,854.33	

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Co., Ltd.						
Huoqiu Kangrun Kaitian Water Environmental Protection Co., Ltd.					72,367,000.00	
Huarun Environmental Protection Water Treatment Co., Ltd.					17,708,220.32	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.					200,037,728.25	
Shandong Bishuiyuan Environmental Technology Co., Ltd.					26,492,626.79	
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.					2,699,401.14	
Shandong Konka Zhijia Electrical Appliances Co., Ltd.					902,412.91	
Henan Konka Zhijia Electrical Appliances Co., Ltd.					1,189,596.97	
Anhui Kaikaishijie E-commerce Co., Ltd.					419,065,032.33	
Wanjun Technology (Kunshan) Co., Ltd.					173,158,177.02	
Kunshan Kangsheng Investment Development Co., Ltd.					302,522,618.55	
Chutianlong Co., Ltd.		6,720,000.00			648,311,565.45	
Heilongjiang Longkang Zhijia Technology Co., Ltd.					1,057,016.13	2,470,398.03
Konka Green, Konka Technology						
Shaanxi Silu Yunqi Smart Technology Co., Ltd.					16,053,073.17	

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Shenzhen Konka Information Network Co., Ltd.						12,660,222.73
Shenzhen Zhongbing Konka Technology Co., Ltd.						
Shenzhen Konka Smart Electrical Appliance Technology Co., Ltd.					2,531,432.51	
Shenzhen Bosheng New Material Co., Ltd.					56,335,772.04	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.					214,788,580.49	
Wuhan Tianyuan Environmental Protection Co., Ltd.					317,876,592.16	
Shenzhen Konka Yishijie Commercial Display Co., Ltd.					81,955,858.27	
Chuzhou Konka Technology Industry Development Co., Ltd.					48,486,079.31	
Chuzhou Kangjin Healthcare Industry Development Co., Ltd.					111,712,761.72	
Haimen Kangjian Technology Industrial Park Operation and Management Co., Ltd.					117,658,976.96	
Chuzhou Kangxin Healthcare Industry Development Co., Ltd.					185,869,481.25	
Dongguan Konka Investment Co., Ltd.					551,377,686.74	
Chongqing Konka Real Estate Development Co., Ltd.					41,512,779.14	
Chongqing Chengda Real Estate Co., Ltd.					28,901,627.59	
Yilifang (Hainan) Technology Co., Ltd.					62,026,235.03	

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Shenzhen Morsemi Technology Co., Ltd.					2,506,343.08	
Chongqing Liangshan Enterprise Management Co., Ltd.					50,000.00	
Shenzhen Kangpeng Digital Technology Co., Ltd.					4,936,864.24	
Shenzhen Kangene Technology Innovation Development Co., Ltd.					900,808.91	
Dalian Xinguan Technology Co., Ltd.					48,588,537.99	
Yantai Kangyun Industry Development Co., Ltd.					68,106,423.84	
Chongqing Kangyiqing Technology Co., Ltd.					1,000,000.00	
Sichuan Aimijiakang Technology Co., Ltd.					2,000,000.00	
Guangdong Kangyuan Semiconductor Co., Ltd.					3,427,802.98	
<b>Total</b>		7,546,052.90			4,465,804,131.62	67,403,599.32

#### 14. Other Equity Instrument Investment

##### (1) Investment in non-trading equity instruments

Item	Ending balance	Beginning balance
Shenzhen Tianyilian Science & Technology Co., Ltd.		
Shenzhen Adopt Network Co., Ltd.		
AVO	5,901,121.80	5,901,121.80
Shaoyang Haishang Ecological Agricultural Technology Co., Ltd.	1,501,956.00	1,501,956.00
Feihong Electronics Co., Ltd.		
ZAEFI		
Shenzhen Chuangce Investment Development Co., Ltd.		
Shanlian Information Technology Engineering Center	1,860,809.20	1,860,809.20
Shenzhen CIU Science & Technology Co., Ltd.	953,000.00	953,000.00
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.	7,726,405.16	7,726,405.16
Shanghai National Engineering Research Center of Digital TV Co., Ltd.	2,400,000.00	2,400,000.00
Bohu UHD	5,000,001.00	5,000,001.00
<b>Total</b>	<b>25,343,293.16</b>	<b>25,343,293.16</b>

(2) Non-transactional Equity Instrument Investment

Item	Dividend income recognized in the current period	Accumulative gain	Accumulative loss	Amount of retained earnings transferred from other comprehensive income	Reason for being designated to be measured at fair value of which recorded in other comprehensive income	Reason for retained earnings transferred from other comprehensive income
Shenzhen Tianyilian Science & Technology Co., Ltd.			4,800,000.00		Long-term holding based on strategic purpose	
Shenzhen Adopt Network Co., Ltd.			5,750,000.00		Long-term holding based on strategic purpose	
AVO			98,878.20		Long-term holding based on strategic purpose	
Shaoyang Haishang Ecological Agricultural Technology Co., Ltd.					Long-term holding based on strategic purpose	
Feihong Electronics Co., Ltd.			1,300,000.00		Long-term holding based on strategic purpose	
ZAEFI			100,000.00		Long-term holding based on strategic purpose	
Shenzhen Chuangce Investment Development Co., Ltd.			485,000.00		Long-term holding based on strategic purpose	
Shanlian Information Technology Engineering Center			3,139,190.80		Long-term holding based on strategic purpose	
Shenzhen CIU Science & Technology Co., Ltd.			200,000.00		Long-term holding based on strategic purpose	
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.			1,273,594.84		Long-term holding based on strategic purpose	
Shanghai National Engineering Research Center of Digital TV Co., Ltd.					Long-term holding based on strategic purpose	
Bohu UHD					Long-term holding based on	

Item	Dividend income recognize d in the current period	Accum ulative gain	Accumulative loss	Amount of retained earnings transferred from other comprehensiv e income	Reason for being designated to be measured at fair value of which recorded in other comprehensive income	Reason for retained earnings transferred from other comprehensive income
					strategic purpose	
<b>Total</b>			<b>17,146,663.84</b>			



### 15. Other Non-current Financial Assets

Item	Ending balance	Beginning balance
China Asset Management-Jiayi Overseas Designated Plan	203,000,000.00	203,000,000.00
Hunan Wanrong Technology Co., Ltd.		47,230,000.00
Yibin OCT Sanjiang Property Co., Ltd.	200,000,000.00	200,000,000.00
Yili Ecological Restoration Co., Ltd.	90,000,000.00	90,000,000.00
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	43,805,874.28	13,028,268.90
Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	33,559,302.86	17,754,800.00
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	120,000,000.00	40,000,000.00
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	4,000,000.00	4,000,000.00
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	49,200,000.00	49,200,000.00
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	81,167,900.00	1,050,000.00
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	5,000,000.00	
<b>Subtotal of equity investments</b>	<b>829,733,077.14</b>	<b>665,263,068.90</b>
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	1,019,230,815.89	1,049,891,727.86
Ningbo Yuanqing No. 9 Investment Partnership	134,671,492.89	98,000,000.00
Shenzhen Beihu Technology Partnership (Limited Partnership)	58,000,000.00	65,000,000.00
<b>Subtotal of debt investments</b>	<b>1,211,902,308.78</b>	<b>1,212,891,727.86</b>
<b>Total</b>	<b>2,041,635,385.92</b>	<b>1,878,154,796.76</b>

### 16. Investment Property

#### (1) Investment properties measured at cost

Item	Plant & buildings and land use right
I. Original carrying value	
1. Beginning balance	600,562,678.71
2. Increase in the period	46,308,273.16
(1) Outsourcing	
(2) Fixed assets\Construction in progress\Transfer of intangible assets	46,308,273.16
3. Decrease in the period	60,197,571.56
(1) Disposal	
(2) Other transfer out	60,197,571.56
4. Ending balance	<b>586,673,380.31</b>
II. The accumulative depreciation and accumulative amortization	
1. Beginning balance	61,977,010.42
2. Increase in the period	7,097,224.27

Item	Plant & buildings and land use right
(1) Provision or amortization	7,097,224.27
3. Decrease in the period	
(1) Disposal	
(2) Other transfer out	
4. Ending balance	69,074,234.69
III. Depreciation reserves	
1. Beginning balance	
2. Increase in the period	
(1) Withdrawal	
3. Decrease in the period	
(1) Disposal	
4. Ending balance	
IV. Carrying value	
1. Ending carrying value	517,599,145.62
2. Beginning carrying value	538,585,668.29

Note: The increase of investment real estate in the current period is mainly due to the Konka Yibin Industrial Park and Konka Yantai Industrial Park.

(2) Investment properties measured at fair value

There were no investment properties measured at fair value of the Company.

(3) Investment properties in the process of title certificate handling

Item	Carrying value	Reason
Konka Yibin Industrial Park	144,589,955.57	Incorporation and under processing
Konka Yantai Industrial Park	38,753,062.88	Incorporation and under processing
<b>Total</b>	<b>183,343,018.45</b>	

#### 17. Fixed assets

Item	Ending carrying value	Beginning carrying value
Fixed Assets	3,355,378,019.70	3,178,642,017.84
Fixed assets pending for disposal		
<b>Total</b>	<b>3,355,378,019.70</b>	<b>3,178,642,017.84</b>

## (1) List of Fixed Assets

Item	Houses and buildings	Mechanical equipment	Electronic equipment	Transportation equipment	Other equipment	Total
I. Original carrying value						
1. Beginning balance	1, 885, 131, 717. 55	2, 691, 194, 912. 55	206, 926, 929. 73	64, 942, 921. 83	298, 050, 533. 07	5, 146, 247, 014. 73
2. Increased amount of the period	241, 729, 370. 77	176, 521, 453. 22	9, 374, 827. 99	3, 240, 495. 06	16, 111, 111. 36	446, 977, 258. 40
(1) Purchase	3, 750, 493. 22	20, 712, 938. 66	9, 374, 827. 99	3, 240, 495. 06	14, 807, 369. 41	51, 886, 124. 34
(2) Transfer of construction in progress	237, 978, 877. 55	155, 808, 514. 56			1, 303, 741. 95	395, 091, 134. 06
(3) Transfer of investment property						
3. Decreased amount of the period	47, 484, 848. 64	169, 743, 139. 85	1, 401, 154. 46	3, 590, 532. 85	2, 339, 699. 51	224, 559, 375. 31
(1) Disposal or Scrap	2, 203, 045. 83	6, 046, 941. 58	1, 401, 154. 46	3, 590, 532. 85	2, 339, 699. 51	15, 581, 374. 23
(2) Decrease for loss of controlling right						
(3) Transfer to investment property	45, 281, 802. 81					45, 281, 802. 81
(4) Decrease for other reasons		163, 696, 198. 27				163, 696, 198. 27
4. Ending balance	<b>2, 079, 376, 239. 68</b>	<b>2, 697, 973, 225. 92</b>	<b>214, 900, 603. 26</b>	<b>64, 592, 884. 04</b>	<b>311, 821, 944. 92</b>	<b>5, 368, 664, 897. 82</b>
II. Accumulative depreciation						
1. Beginning balance	501, 722, 343. 90	1, 044, 306, 408. 80	148, 018, 198. 44	43, 570, 055. 60	160, 664, 350. 97	1, 898, 281, 357. 71
2. Increased amount of the period	36, 658, 487. 94	108, 910, 156. 14	10, 794, 355. 24	4, 122, 025. 48	15, 348, 947. 22	175, 833, 972. 02
(1) Withdrawal	36, 658, 487. 94	108, 910, 156. 14	10, 794, 355. 24	4, 122, 025. 48	15, 348, 947. 22	175, 833, 972. 02

Item	Houses and buildings	Mechanical equipment	Electronic equipment	Transportation equipment	Other equipment	Total
(2) Transfer of investment property						
3. Decreased amount of the period	1, 169, 586. 01	123, 765, 723. 85	1, 324, 043. 18	2, 777, 160. 80	1, 107, 152. 26	130, 143, 666. 10
(1) Disposal or Scrap	1, 151, 989. 06	3, 287, 743. 04	1, 324, 043. 18	2, 777, 160. 80	1, 107, 152. 26	9, 648, 088. 34
(2) Decrease for loss of controlling right						
(3) Transfer to investment property	17, 596. 95					17, 596. 95
(4) Decrease for other reasons		120, 477, 980. 81				120, 477, 980. 81
4. Ending balance	537, 211, 245. 83	1, 029, 450, 841. 09	157, 488, 510. 50	44, 914, 920. 28	174, 906, 145. 93	1, 943, 971, 663. 63
III. Depreciation reserves						
1. Beginning balance	1, 247, 805. 91	64, 440, 684. 26	1, 221, 230. 02	820, 215. 24	1, 593, 703. 75	69, 323, 639. 18
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period			7, 764. 50		660. 19	8, 424. 69
(1) Disposal or Scrap			7, 764. 50		660. 19	8, 424. 69
4. Ending balance	1, 247, 805. 91	64, 440, 684. 26	1, 213, 465. 52	820, 215. 24	1, 593, 043. 56	69, 315, 214. 49
IV. Carrying value						
1. Ending carrying value	1, 540, 917, 187. 94	1, 604, 081, 700. 57	56, 198, 627. 24	18, 857, 748. 52	135, 322, 755. 43	3, 355, 378, 019. 70
2. Beginning carrying value	1, 382, 161, 567. 74	1, 582, 447, 819. 49	57, 687, 501. 27	20, 552, 650. 99	135, 792, 478. 35	3, 178, 642, 017. 84

## (2) List of Temporarily Idle Fixed Assets

Item	Original carrying value	Accumulative depreciation	Impairment provision	Carrying value
Mechanical equipment	15,727,901.88	4,847,429.03	1,933,845.35	8,946,627.50
Electronic equipment	1,959,751.03	1,574,316.87		385,434.16
Transportation equipment	918,103.44	399,375.00		518,728.44
Other equipment	1,795,007.22	1,593,299.03	26,675.22	175,032.97
<b>Total</b>	<b>20,400,763.57</b>	<b>8,414,419.93</b>	<b>1,960,520.57</b>	<b>10,025,823.07</b>

## (3) Fixed Assets Leased out from Operation Lease

Item	Ending carrying value
Mechanical equipment	16,856,106.31
Transportation vehicles and electronic equipment	147,827.32
<b>Total</b>	<b>17,003,933.63</b>

## (4) Details of Fixed Assets Failed to Accomplish Certification of Property

Item	Original carrying value	Accumulative depreciation	Impairment provision	Net carrying value	Reason
Konka Yibin Industrial Park	78,686,299.55	742,842.69		77,943,456.86	New construction with pending certificate
Yikang Building property	76,610,752.33	37,766,687.72		38,844,064.61	Historical reasons
Jingyuan Building property	20,018,497.00	9,770,559.01		10,247,937.99	Historical reasons
26-1 Longzhimeng, Pangjiang Street Property in Dadong District, Shenyang	6,072,572.34	1,097,627.05		4,974,945.29	Under processing
Purification tank for liquid waste of XingDa HongYe	2,653,000.00	1,542,056.25		1,110,943.75	Under processing
<b>Total</b>	<b>184,041,121.22</b>	<b>50,919,772.72</b>		<b>133,121,348.50</b>	

## (5) Fixed Assets with Restricted Ownership or Use Right

Item	Ending carrying value	Reasons
Housing and buildings of Anhui Tongchuang	152,555,215.06	Mortgage borrowings
Machinery equipment of Jiangxi Konka	125,466,230.01	Finance lease mortgage
Machinery equipment of Xinfeng Microcrystalline	125,505,890.56	Finance lease mortgage
Housing and buildings of Frestec Refrigeration	92,281,884.82	Finance lease mortgage
Buildings of Konka Group	71,008,186.14	Mortgage borrowings
Housing and buildings of XingDa HongYe	39,196,058.38	Mortgage borrowings
Machinery equipment of Xingda Hongye	22,632,718.61	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	11,917,835.51	Finance lease mortgage
Factories of Boluo Konka	1,292,009.75	Mortgage borrowings
Buildings of Jiangxi Konka	3,470,635.83	As collateral for former shareholder's guarantee
Smart machinery equipment and other equipment of Jiangsu Konka	42,136,390.95	Mortgage borrowings
<b>Total</b>	<b>687,463,055.62</b>	

## 18. Construction in Progress

Item	Ending balance	Beginning balance
Construction in Progress	10,099,450,528.06	9,236,643,931.68
<b>Total</b>	<b>10,099,450,528.06</b>	<b>9,236,643,931.68</b>

18.1 Construction in progress

(1) List of Construction in Progress

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Comprehensive improvement engineering project of drainage basins in the city of Donggang	992,181,212.43		992,181,212.43	878,298,840.85		878,298,840.85
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	1,053,704,078.58		1,053,704,078.58	854,403,424.70		854,403,424.70
Sewage treatment and water environment project in Ankang County	737,489,434.58		737,489,434.58	736,291,181.05		736,291,181.05
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	717,639,485.24		717,639,485.24	712,003,094.27		712,003,094.27
PPP Project of Funan Sewage Treatment	742,364,507.22		742,364,507.22	698,546,462.73		698,546,462.73
Comprehensive water environment improvement project in Mengcheng County, Anhui Province	703,684,828.74		703,684,828.74	693,071,428.99		693,071,428.99
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	715,921,467.23		715,921,467.23	651,327,229.42		651,327,229.42
Integrated PPP Project of Huangpi Sewage Treatment	582,540,387.79		582,540,387.79	566,856,746.38		566,856,746.38
Ankang Smart Plant	384,553,302.39		384,553,302.39	549,848,298.86		549,848,298.86
The second line of Jiangxi Nano Crystallized Glass	330,813,294.31		330,813,294.31	317,578,212.72		317,578,212.72
Dayi Project	448,416,794.95		448,416,794.95	315,363,263.81		315,363,263.81
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City	352,496,648.43		352,496,648.43	294,709,246.41		294,709,246.41

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Water environment improvement project in downtown Chongzhou	267,527,695.92		267,527,695.92	265,143,141.30		265,143,141.30
Tongchuan Project	198,130,237.44		198,130,237.44	188,185,801.03		188,185,801.03
The second sewage plant of Laizhou	204,264,290.24		204,264,290.24	185,205,457.46		185,205,457.46
Construction of Suining Electronic Industrial Park Workshops	225,609,993.83		225,609,993.83	170,314,313.43		170,314,313.43
Franchise project of disposal of kitchen waste in Gaoling, Xi'an	215,967,649.86		215,967,649.86	159,947,876.21		159,947,876.21
Water supply and water resources development project in Changning	45,443,426.54		45,443,426.54	129,766,743.81		129,766,743.81
R&D equipment construction project of Chongqing Optoelectronic Research Institute	170,072,455.78		170,072,455.78	129,657,635.39		129,657,635.39
Phase II of Rural Residential Environment Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town	140,329,311.33		140,329,311.33	122,764,816.91		122,764,816.91
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	95,823,834.96		95,823,834.96	63,294,064.44		63,294,064.44
Other projects	774,476,190.27		774,476,190.27	554,066,651.51		554,066,651.51
<b>Total</b>	<b>10,099,450,528.06</b>		<b>10,099,450,528.06</b>	<b>9,236,643,931.68</b>		<b>9,236,643,931.68</b>

(2) Changes of Significant Construction in Progress

Name of item	Beginning balance	Increased	Decreased	Ending balance
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			Transferred to long-term assets	Other decrease	
Comprehensive improvement engineering project of drainage basins in the city of Donggang	878,298,840.85	113,882,371.58			992,181,212.43
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	854,403,424.70	199,300,653.88			1,053,704,078.58
Sewage treatment and water environment project in Ankang County	736,291,181.05	1,198,253.53			737,489,434.58
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	712,003,094.27	5,636,390.97			717,639,485.24
PPP Project of Funan Sewage Treatment	698,546,462.73	43,818,044.49			742,364,507.22
Comprehensive water environment improvement project in Mengcheng County, Anhui Province	693,071,428.99	10,613,399.75			703,684,828.74
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	651,327,229.42	64,594,237.81			715,921,467.23
Integrated PPP Project of Huangpi Sewage Treatment	566,856,746.38	15,683,641.41			582,540,387.79
Ankang Smart Plant	549,848,298.86	31,599,406.73	196,894,403.20		384,553,302.39
The second line of Jiangxi Nano Crystallized Glass	317,578,212.72	13,235,081.59			330,813,294.31
Dayi Project	315,363,263.81	133,053,531.14			448,416,794.95
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City	294,709,246.41	57,787,402.02			352,496,648.43
Water environment improvement project in downtown Chongzhou	265,143,141.30	2,384,554.62			267,527,695.92
Tongchuan Project	188,185,801.03	9,944,436.41			198,130,237.44
The second sewage plant of Laizhou	185,205,457.46	19,058,832.78			204,264,290.24

Name of item	Beginning balance	Increased	Decreased		Ending balance
			Transferred to long-term assets	Other decrease	
Construction of Suining Electronic Industrial Park Workshops	170,314,313.43	55,295,680.40			225,609,993.83
Franchise project of disposal of kitchen waste in Gaoling, Xi'an	159,947,876.21	56,019,773.65			215,967,649.86
Water supply and water resources development project in Changning	129,766,743.81	2,840,412.98	87,163,730.25		45,443,426.54
R&D equipment construction project of Chongqing Optoelectronic Research Institute	129,657,635.39	40,414,820.39			170,072,455.78
Phase II of Rural Residential Environment Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town	122,764,816.91	17,564,494.42			140,329,311.33
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	63,294,064.44	32,529,770.52			95,823,834.96
Other projects	554,066,651.51	270,809,514.32	50,399,975.56		774,476,190.27
<b>Total</b>	<b>9,236,643,931.68</b>	<b>1,197,264,705.39</b>	<b>334,458,109.01</b>		<b>10,099,450,528.06</b>

(Continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Comprehensive improvement engineering project of drainage basins in the city of Donggang	12.99	76.38	76.38	87,331,493.01	17,873,302.21	4.90	Self-owned fund and bank financing

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	16.50	63.86	63.86	38,509,281.25	16,433,639.59	4.95	Self-owned fund and bank financing
Sewage treatment and water environment project in Ankang County	22.41	32.91	32.91				Self-owned fund
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	12.68	56.61	56.61	2,015,000.00	2,015,000.00	4.65	Self-owned fund and bank financing
PPP Project of Funan Sewage Treatment	9.72	76.35	76.35	36,934,940.97	11,073,562.50	4.80	Self-owned fund and bank financing
Comprehensive water environment improvement project in Mengcheng County, Anhui Province	15.93	44.16	44.16	2,757,333.33	2,757,333.33	4.70	Self-owned fund and bank financing
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	9.70	73.80	73.80	38,777,592.79	18,148,861.54	5.24	Self-owned fund and bank financing
Integrated PPP Project of Huangpi Sewage Treatment	7.38	78.89	78.89	24,202,231.56	9,770,644.06	4.34	Self-owned fund and bank financing
Ankang Smart Plant	9.56	60.82	60.82	5,944,374.97	5,944,374.97	4.85	Self-owned fund and bank financing
The second line of Jiangxi Nano Crystallized Glass	3.92	84.36	84.36	11,751,563.31	5,676,528.03	4.90	Self-owned fund and bank financing

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Dayi Project	8.93	50.23	50.23				Self-owned fund
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City	8.82	39.95	39.95				Self-owned fund
Water environment improvement project in downtown Chongzhou	3.93	68.07	68.07				Self-owned fund
Tongchuan Project	2.56	77.29	77.29	9,181,614.95	3,893,221.38	5.07	Self-owned fund and bank financing
The second sewage plant of Laizhou	6.90	29.98	29.98				Self-owned fund
Construction of Suining Electronic Industrial Park Workshops	2.46	91.82	91.82	3,696,036.17	3,696,036.17	4.45	Self-owned fund and bank financing
Franchise project of disposal of kitchen waste in Gaoling, Xi'an	5.57	38.76	38.76				Self-owned fund
Water supply and water resources development project in Changning	7.08	77.23	77.23				Self-owned fund
R&D equipment construction project of Chongqing Optoelectronic Research Institute	7.99	21.29	21.29				Self-owned fund
Phase II of Rural Residential Environment Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town	5.32	26.54	26.54	1,382,180.32	63,583.18	7.90	Self-owned fund and project financing

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	4.86	19.73	19.73				Self-owned fund
Other projects				71,479,797.02			Self-owned fund and finance lease
<b>Total</b>				<b>333,963,439.65</b>	<b>97,346,086.96</b>		

#### 19. Right-of-Use Assets

Item	Houses and buildings	Equipment	Total
I. Original carrying value			
1. Beginning balance	103,006,581.18	832,266.36	103,838,847.54
2. Increased amount of the period	10,321,403.56		10,321,403.56
(1) Increased leases	10,321,403.56		10,321,403.56
3. Decreased amount of the period	41,026.46		41,026.46
(1) Other	41,026.46		41,026.46
4. Ending balance	<b>113,286,958.28</b>	<b>832,266.36</b>	<b>114,119,224.64</b>
II. Accumulated depreciation			
1. Beginning balance			
2. Increased amount of the period	22,114,939.47	282,262.14	22,397,201.61
(1) Withdrawal	22,114,939.47	282,262.14	22,397,201.61

Item	Houses and buildings	Equipment	Total
3. Decreased amount of the period			
(1) Disposal			
4. Ending balance	22, 114, 939. 47	282, 262. 14	22, 397, 201. 61
III. Depreciation reserves			
1. Beginning balance			
2. Increased amount of the period			
3. Decreased amount of the period			
4. Ending balance			
IV. Carrying value			
1. Ending carrying value	91, 172, 018. 81	550, 004. 22	91, 722, 023. 03
2. Beginning carrying value	103, 006, 581. 18	832, 266. 36	103, 838, 847. 54

## 20. Intangible Assets

### (1) List of intangible assets

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
I. Original carrying value							
1. Beginning balance	1, 046, 826, 764. 13	75, 487, 617. 43	102, 532, 417. 78	106, 571, 344. 10	118, 345, 808. 42	402, 937, 187. 73	1, 449, 763, 951. 86
2. Increased amount of the period	53, 170, 488. 73				5, 496, 855. 24	5, 496, 855. 24	58, 667, 343. 97
(1) Purchase	35, 677, 288. 49				3, 811, 038. 58	3, 811, 038. 58	39, 488, 327. 07

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
(2) Transfer of construction in progress	17,493,200.24				1,685,816.66	1,685,816.66	19,179,016.90
(3) Internal R&D							
(4) Transfer from investment property							
3. Decreased amount of the period	39,701,907.35						39,701,907.35
(1) Disposal							
(2) Decrease for loss of controlling right	28,704,000.00						28,704,000.00
(3) Decrease in transfer-in of investment real estate	10,997,907.35						10,997,907.35
4. Ending balance	1,060,295,345.51	75,487,617.43	102,532,417.78	106,571,344.10	123,842,663.66	408,434,042.97	1,468,729,388.48
II. Accumulated amortization						—	—
1. Beginning balance	98,643,099.35	5,272,452.95	82,831,515.87	15,547,087.50	55,377,712.07	159,028,768.39	257,671,867.74
2. Increased amount of the period	15,375,782.10	277.78	13,151,025.27	2,221,012.50	7,958,889.76	23,331,205.31	38,706,987.41
(1) Withdrawal	15,375,782.10	277.78	13,151,025.27	2,221,012.50	7,958,889.76	23,331,205.31	38,706,987.41
(2) Other increases							
3. Decreased amount of the period	542,341.98						542,341.98

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
(1) Disposal							
(2) Decrease for loss of controlling right							
(3) Decrease in transfer-in of investment real estate	542,341.98						542,341.98
4. Ending balance	113,476,539.47	5,272,730.73	95,982,541.14	17,768,100.00	63,336,601.83	182,359,973.70	295,836,513.17
III. Depreciation reserves							
1. Beginning balance			2,901,082.61			2,901,082.61	2,901,082.61
2. Increased amount of the period							
(1) Withdrawal							
(2) Increase for business combination							
3. Decreased amount of the period							
(1) Disposal							
(2) Decrease for loss of controlling right							
4. Ending balance			2,901,082.61			2,901,082.61	2,901,082.61
IV. Carrying value							
1. Ending carrying value	946,818,806.04	70,214,886.70	3,648,794.03	88,803,244.10	60,506,061.83	223,172,986.66	1,169,991,792.70



Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
2. Beginning carrying value	948,183,664.78	70,215,164.48	16,799,819.30	91,024,256.60	62,968,096.35	241,007,336.73	1,189,191,001.51

## (2) Land Use Right with Certificate of Title Uncompleted

Item	Carrying value	Reason
Land usage right of the subsidiary Jiangxi High Transparent Substrate	5,181,396.68	Under processing
<b>Total</b>	<b>5,181,396.68</b>	

## (3) Significant Intangible Assets

Item	Ending carrying value	Remaining amortization period (year)
Land usage right of Fenggang Konka Intelligent Industrial Park	196,005,772.67	48.17
Frestec Zhijia land use right	95,059,550.03	49.25
Franchise rights of sewage treatment in Laizhou	93,282,525.01	21.00
Land usage right of Chongqing Konka	61,154,286.34	48.17
Land usage right of Frestec	68,713,717.81	35.25
Land usage right of Huanjia (Henan)	65,215,488.08	48.00
Land usage right of Anhui Konka 2 # land	55,369,010.66	47.42
Land usage right of Liaoyang Kangshun	35,200,836.96	49.67
Land usage right of Anhui Konka 3# land	19,011,338.67	47.33
<b>Total</b>	<b>689,012,526.23</b>	

## (5) Intangible Assets with restricted ownership or using right

Item	Ending carrying value	Reasons
Land usage right of Frestec	68,713,717.81	Finance lease mortgage
Land usage right of Anhui Konka 2 # land	55,369,010.66	As collateral for loan
Land use right of Anhui Tongchuang	18,676,491.11	As collateral for loan
Land usage right of XingDa HongYe	14,283,458.30	As collateral for loan
Yikang technology patents and know-how	9,000,000.00	Finance lease mortgage
Land usage right of Jiangxi Konka	10,390,478.17	Original shareholder guarantee mortgage
Land use right of Kangjia in Yibin	4,678,863.20	As collateral for loan
Land use right of Konka Guangming	5,220,441.48	As collateral for loan
Land use right of Jiangsu Konka Smart	14,924,162.24	As collateral for loan
Land use right of Dongguan Konka	196,005,772.67	As collateral for loan
<b>Total</b>	<b>397,262,395.64</b>	

## 21. Development expenditures

Item	Beginning	Increased	Decreased	Ending
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	balance	Expenditure of internal development	Amount recognized as intangible assets	Transferred into current profit or loss	balance
Performance improvement project of Mini & Micro LED		57,745.03			57,745.03
<b>Total</b>		<b>57,745.03</b>			<b>57,745.03</b>

## 22. Goodwill

### (1) Original Carrying Value of Goodwill

Name of the investees	Beginning balance	Increased		Decreased		Ending balance
		Formed from business combination	Others	Dispose	Others	
Econ Technology	467,825,151.34					467,825,151.34
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
<b>Total</b>	<b>852,093,766.60</b>					<b>852,093,766.60</b>

### (2) Provisions for Goodwill Impairment

Name of the investees	Beginning balance	Increased		Decreased		Ending balance
		Withdrawal	Others	Dispose	Others	
Econ Technology						
Jiangxi Konka	154,337,946.29					154,337,946.29
XingDa HongYe	21,959,947.14					21,959,947.14
<b>Total</b>	<b>176,297,893.43</b>					<b>176,297,893.43</b>

(3) Relevant information on the asset group or combination of asset groups where goodwill is located

The asset group or combination of asset groups in which the goodwill is located is the composition of all main business operating tangible assets and identifiable intangible assets (excluding working capital and non-operating assets) reflected in the balance sheet of the corresponding subsidiary and related to goodwill Asset group. As of 30 June 2021, there were no specific signs of impairment during the reporting period, and no provision for impairment was required.

## 23. Long-term Deferred Expenses

Item	Beginning balance	Increased	Amortization amount	Other decreased amount	Ending balance
Renovation	92,922,237.45	90,568,588.76	19,262,238.30	794,221.31	163,434,366.60

Item	Beginning balance	Increased	Amortization amount	Other decreased amount	Ending balance
costs					
Shoppe expense	24,678,629.46	5,827,040.99	9,806,693.49	31,092.74	20,667,884.22
Others	35,597,695.91	8,160,094.22	14,914,382.96		28,843,407.17
<b>Total</b>	<b>153,198,562.82</b>	<b>104,555,723.97</b>	<b>43,983,314.75</b>	<b>825,314.05</b>	<b>212,945,657.99</b>

24. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets without Offset

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities assets	Deductible temporary difference	Deferred income tax liabilities assets
Deductible losses	4,384,823,983.52	945,470,014.66	3,454,342,497.93	765,781,935.91
Assets impairment provision	1,672,761,604.43	357,408,076.44	1,672,345,584.63	355,173,623.87
Deferred Income	52,695,094.43	12,741,367.26	302,984,312.52	75,408,820.37
Accrued expenses	133,171,310.14	25,777,071.72	206,844,865.32	40,844,897.61
Unrealized internal sales profits	30,988,823.87	7,747,208.22	37,257,399.14	9,068,649.87
Others	88,802,295.75	19,113,367.24	90,902,865.84	19,638,509.76
<b>Total</b>	<b>6,363,243,112.14</b>	<b>1,368,257,105.54</b>	<b>5,764,677,525.38</b>	<b>1,265,916,437.39</b>

(2) Lists of Deferred Income Tax Liabilities without Offset

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities Liability	Taxable temporary difference	Deferred income tax liabilities Liability
Estimated added value of assets not under the same control	278,070,394.09	52,902,937.13	303,689,567.68	57,097,842.23
Prepaid interest	56,730,324.55	13,878,051.00	48,578,683.63	11,840,140.77
Accelerated depreciation of fixed assets	5,796,848.51	1,298,287.13	4,443,598.64	959,974.66
Others	14,293,237.28	2,124,097.19	27,585,930.42	5,921,274.27
<b>Total</b>	<b>354,890,804.43</b>	<b>70,203,372.45</b>	<b>384,297,780.37</b>	<b>75,819,231.93</b>

(3) List of Unrecognized Deferred Income Tax Assets

Item	Ending balance	Beginning balance
Deductible losses	1, 688, 694, 412. 44	1, 526, 406, 964. 50
Deductible temporary difference	790, 183, 337. 45	766, 691, 485. 59
<b>Total</b>	<b>2, 478, 877, 749. 89</b>	<b>2, 293, 098, 450. 09</b>

25. Other Non-current Assets

Item	Ending balance		
	Carrying amount	Impairment provision	Carrying value
Prepayment for land-purchase	1, 180, 082, 994. 42		1, 180, 082, 994. 42
Prepaid amount for engineering, equipment and other long-term assets	31, 451, 170. 53		31, 451, 170. 53
Entrusted loans	11, 225, 866. 61		11, 225, 866. 61
Construction of government projects	23, 463, 565. 16		23, 463, 565. 16
<b>Total</b>	<b>1, 246, 223, 596. 72</b>		<b>1, 246, 223, 596. 72</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Impairment provision	Carrying value
Prepayment for land-purchase	1, 538, 728, 032. 15		1, 538, 728, 032. 15
Prepaid amount for engineering, equipment and other long-term assets	247, 719, 684. 59		247, 719, 684. 59
Entrusted loans	10, 867, 888. 84		10, 867, 888. 84
Construction of government projects	23, 463, 565. 16		23, 463, 565. 16
<b>Total</b>	<b>1, 820, 779, 170. 74</b>		<b>1, 820, 779, 170. 74</b>

26. Short-term Borrowings

Item	Ending balance	Beginning balance	Description
Unsecured borrowings	8,111,519,817.09	7,164,301,258.30	
Borrowings secured by guarantee	1,799,773,111.57	2,038,705,892.75	①②③④
Borrowings secured by collateral	749,035,591.34	1,787,543,324.73	⑤⑥⑦⑧⑨⑩⑪⑫
<b>Total</b>	<b>10,660,328,520.00</b>	<b>10,990,550,475.78</b>	

Notes: a) The Company provides joint and several liability guarantee for its subsidiaries Anhui Konka, Anhui Tongchuang, Pengrun Technology, Ningbo Kanghanrui Electric Appliance, Hong Kong Konka, Sichuan Konka, Econ Technology, Jiangxi Konka, Jiangxi High-permeability Substrate and Xinfeng Microcrystalline Jade in terms of the short-term borrowings totaling RMB1,230,200,628.56.

b) The Company has obtained short-term borrowings totaling RMB500,000,000.00 from China Everbright Bank Co., Ltd. Chegongmiao Sub-branch, for which Shenzhen Konka Electronic Technology Co., Ltd. (a subsidiary of the Company) provides joint and several liability guarantee at the maximum amount.

c) Konka Chuangtou (a subsidiary of the Company) has obtained short-term borrowings totaling RMB7,250,000.00 from the Bank of Hangzhou Co., Ltd. Shenzhen Keji Sub-branch, for which Shenzhen SME Financing Guarantee Co., Ltd. and Shenzhen High-tech Investment and

Financing Guarantee Co., Ltd. both provide guarantee.

d) Econ Technology (a subsidiary of the Company) has obtained short-term borrowings totaling RMB62,322,483.01 from the Industrial Bank Co., Ltd. Yantai Development Zone Sub-branch, for which the Company provides joint and several liability guarantee at the maximum amount.

e) The Company has obtained short-term borrowings totaling RMB347,135,000.00 from Shenzhen Branch, China Zheshang Bank Co., Ltd., with the Company's bank deposits amounting to RMB47,140,000.00 as pledge.

f) The Company has obtained short-term borrowings totaling USD6,552,788.00 (equivalent to RMB42,331,665.76) from the Agricultural Bank of China Co., Ltd. Haqiaocheng Sub-branch, with a certificate of time deposit amounting to USD6,548,221.08 as pledge.

g) Anhui Konka (a subsidiary of the Company) has obtained short-term borrowings totaling RMB150,000,000.00 from Chuzhou Branch, Bank of China Limited, with a land use right worth RMB55,369,010.66 (book value) and the construction in progress worth RMB317,974,560.85 as pledge, for which the Company provides joint and several liability guarantee.

h) Anhui Tongchang (a subsidiary of the Company) has obtained short-term borrowings totaling RMB78,000,000.00 from Hefei Branch, China Zheshang Bank Co., Ltd., with a building worth RMB152,555,215.06 (book value) and a land use right worth RMB18,676,491.11 as pledge.

i) Bokang Precision Electronics (a subsidiary of the Company) has obtained short-term borrowings totaling RMB5,000,000.00 from Guangdong Boluo Rural Commercial Bank Co., Ltd. Tangquan Sub-branch, with a building of Boluo Konka worth RMB1,292,009.75 (book value) as pledge.

j) Jiangsu Kangjia Intelligent Electric Appliance (a subsidiary of the Company) has obtained short-term borrowings totaling RMB30,000,000.00 from China Zheshang Bank Co., Ltd. Changzhou Wujin Sub-branch, with a building worth RMB42,136,390.95 (book value) and a land use right worth RMB14,924,162.24 as pledge.

k) Shanghai Konka (a subsidiary of the Company) has obtained short-term borrowings totaling 1,568,925.58 from Yantai Rural Commercial Bank Co., Ltd., with an investment property worth 10,882,570.03 in Yantai Konka Mega-Health Industrial Park as pledge.

l) Xingda Hongye (a subsidiary of the Company) has obtained short-term borrowings totaling 95,000,000.00 from Zhongshan Rural Commercial Bank Co., Ltd., with a certificate of time deposit amounting to RMB19,800,000.00 (book value), a building worth RMB39,196,058.38 and a land use right worth RMB14,283,458.30 as pledge, for which Hu Zehong provides joint and several liability guarantee.

#### 27. Notes Payable

Category	Ending balance	Beginning balance
Bank's acceptance bill	932,200,721.04	1,159,251,569.31
Commercial acceptance bill	151,826,838.52	176,735,456.90
<b>Total</b>	<b>1,084,027,559.56</b>	<b>1,335,987,026.21</b>

#### 28. Accounts Payable

##### (1) List of Accounts Payable

Item	Ending balance	Beginning balance
Within 1 year	8,606,110,762.20	8,134,924,659.58
1 to 2 years	1,054,960,597.01	1,279,766,515.39
2 to 3 years	60,512,729.21	87,184,184.40
Over 3 years	120,970,653.90	130,490,966.39
<b>Total</b>	<b>9,842,554,742.32</b>	<b>9,632,366,325.76</b>

## (2) Significant Accounts Payable Aging over One Year

Item	Ending balance	Unpaid/Un-carry-over reason
Hunan Fifth Engineering Co. Ltd	589,525,468.50	Not meet the settlement conditions
China Railway No. 4 Engineering Group Co., Ltd.	243,280,667.40	Not meet the settlement conditions
Chongqing Jiulong Kuiguan Building Materials Co., Ltd.	112,851,020.43	Not meet the settlement conditions
Henan Yaofeng Industrial Co., Ltd.	98,891,330.28	Not meet the settlement conditions
Rushan Water Group Co., Ltd.	96,558,100.00	Not meet the settlement conditions
<b>Total</b>	<b>1,141,106,586.61</b>	—

## 29. Contractual liabilities

## (1) Details of Contractual liabilities

Item	Ending balance	Beginning balance
Sales advances received	809,414,528.15	1,217,367,735.94
<b>Total</b>	<b>809,414,528.15</b>	<b>1,217,367,735.94</b>

(2) There is no significant change in carrying value of contractual liabilities in the current period

## 30. Payroll Payable

## (1) List of Payroll Payable

Item	Beginning balance	Increased	Decreased	Ending balance
List of Short-term Salary	473,200,796.84	715,153,156.86	958,964,772.15	229,389,181.55
Post-employment benefit-defined contribution plans	2,283,275.82	62,184,560.57	63,705,222.00	762,614.39
Termination benefits	1,132,171.79	5,409,163.52	5,507,213.52	1,034,121.79
Current portion of other benefits				
<b>Total</b>	<b>476,616,244.45</b>	<b>782,746,880.95</b>	<b>1,028,177,207.67</b>	<b>231,185,917.73</b>

## (2) List of Short-term Salary

Item	Beginning balance	Increased	Decreased	Ending balance
Salary, bonus, allowance, subsidy	458,065,525.46	623,838,432.88	871,495,866.00	210,408,092.34
Welfare for employees	1,003,285.92	29,776,459.67	25,772,705.01	5,007,040.58
Social security expense	4,887,689.95	29,784,783.14	30,132,787.04	4,539,686.05
Of which: Medical insurance premiums	1,257,574.78	26,053,428.59	26,598,717.72	712,285.65
Work-related injury insurance	87,286.29	1,253,811.80	1,283,122.70	57,975.39
Maternity insurance	3,542,828.88	2,477,542.75	2,250,946.62	3,769,425.01
Housing fund	1,494,931.38	19,778,390.39	20,936,346.94	336,974.83

Item	Beginning balance	Increased	Decreased	Ending balance
Labor union budget and employee education budget	7,283,186.41	5,600,920.29	3,786,718.95	9,097,387.75
Short-term absence with payment				
Short-term profit sharing plan				
Others	466,177.72	6,374,170.49	6,840,348.21	
<b>Total</b>	<b>473,200,796.84</b>	<b>715,153,156.86</b>	<b>958,964,772.15</b>	<b>229,389,181.55</b>

(3) List of Defined Contribution Plan

Item	Beginning balance	Increased	Decreased	Ending balance
Basic pension benefits	2,188,388.21	60,611,800.66	62,119,767.22	680,421.65
Unemployment insurance	94,887.61	1,548,151.91	1,560,846.78	82,192.74
Annuity		24,608.00	24,608.00	
<b>Total</b>	<b>2,283,275.82</b>	<b>62,184,560.57</b>	<b>63,705,222.00</b>	<b>762,614.39</b>

31. Taxes Payable

Item	Ending balance	Beginning balance
Corporate income tax	197,432,879.87	264,749,734.19
VAT	97,813,733.02	186,891,111.62
Fund for disposing abandoned appliances and electronic products	17,712,383.00	19,157,745.00
Urban maintenance and construction tax	1,186,363.33	10,206,690.62
Education fees and local education Surcharge	940,271.07	7,361,219.22
Stamp duty	4,046,396.15	6,041,179.34
Land use tax	8,091,073.30	5,095,730.68
Individual income tax	5,600,555.35	3,023,518.75
Property tax	3,103,108.53	2,209,076.63
Tariff	1,922,353.13	2,008,914.61
Others	1,197,527.24	1,469,138.50
<b>Total</b>	<b>339,046,643.99</b>	<b>508,214,059.16</b>

32. Other payables

Item	Ending balance	Beginning balance
Interest payable	214,023,683.45	220,837,380.17
Other Payables	1,432,727,668.74	1,770,718,506.93
<b>Total</b>	<b>1,646,751,352.19</b>	<b>1,991,555,887.10</b>

32.1. Interests payable

(1) Classification

Item	Ending balance	Beginning balance
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Item	Ending balance	Beginning balance
Interest on corporate bonds	124,958,666.67	180,268,944.49
Interest on long-term borrowings with interest paid by installment and principal paid at maturity	49,915,175.34	17,162,676.76
Interest payable on short-term borrowings	39,095,155.47	23,350,524.40
Others	54,685.97	55,234.52
<b>Total</b>	<b>214,023,683.45</b>	<b>220,837,380.17</b>

### 32.2 Other payables

#### (1) Listed by Nature of Account

Item	Ending balance	Beginning balance
Expenses payable	605,129,775.36	626,909,820.31
Come-and-go money	164,595,180.37	323,092,770.74
Equity transfer payment	67,482,796.96	157,682,796.96
Related party borrowing	295,208,444.71	344,520,800.92
Cash deposit and front	246,561,064.97	243,197,538.56
Advance payment	11,496,087.32	7,795,410.38
Others	42,254,319.05	67,519,369.06
<b>Total</b>	<b>1,432,727,668.74</b>	<b>1,770,718,506.93</b>

#### (2) Other Significant Payables Aging over One Year

Item	Ending balance	Unpaid/Un-carry-over reason
Equity transfer money of Jiangxi Konka	61,180,000.00	Not meet the settlement conditions
<b>Total</b>	<b>61,180,000.00</b>	

### 33. Current Portion of Non-current Liabilities

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	2,090,919,000.00	18,150,000.00
Current portion of long-term payables	209,741,731.57	358,746,566.29
Current portion of lease liabilities	26,523,807.12	48,656,098.14
Current portion of bonds payables	2,000,000,000.00	
<b>Total</b>	<b>4,327,184,538.69</b>	<b>425,552,664.43</b>

### 34. Other current liabilities

Item	Ending balance	Beginning balance
Accounts payable with trade acceptance notes	199,491,442.79	432,420,000.00
Others	13,158,576.93	9,354,317.23
<b>Total</b>	<b>212,650,019.72</b>	<b>441,774,317.23</b>

### 35. Long-term Borrowings

Item	Ending balance	Beginning balance	Description
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Guaranteed borrowings	2,356,260,000.00	2,058,000,000.00	①②③
Pledge borrowings	4,824,624,148.48	3,123,838,997.54	④⑤⑥⑦⑧⑨⑩ ⑪⑫⑬⑭⑮⑯⑰⑱ ⑳
Entrusted borrowings	2,611,060,000.00	611,060,000.00	㉑
Credit loan	180,000,000.00	190,000,000.00	
Less: Current portion	2,090,919,000.00	18,150,000.00	
<b>Total</b>	<b>7,881,025,148.48</b>	<b>5,964,748,997.54</b>	

**Notes:** a) The Company has obtained long-term borrowings amounting to RMB2,000,000,000.00 from the Export-Import Bank of China, and the term thereof is from 22 June 2020 to 24 June 2022. The OCT Group (parent company of the Company) provides joint and several liability guarantee at the maximum amount.

b) The Company has obtained long-term borrowings amounting to RMB300,000,000.00 from Shenzhen Branch, China Guangfa Bank Co., Ltd., and the term thereof is from 24 June 2021 to 23 June 2024, for which the OCT Group (parent company of the Company) provides joint and several liability guarantee at the maximum amount.

c) Xingda Hongye (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB56,260,000.00 from Zhuhai Branch, Xiamen International Bank Co., Ltd., and the term thereof is from 25 November 2020 to 25 February 2022, for which the Company provides joint and several liability guarantee at the maximum amount.

d) The Company has obtained long-term borrowings amounting to RMB341,847,132.95 from Shenzhen Rural Commercial Bank Co., Ltd. Guanlan Sub-branch, with a land use right worth RMB5,220,441.48 (book value), an investment property worth RMB121,018,537.96 (book value) and a building worth RMB71,008,186.14 (book value) as pledge, and the term thereof is from 22 January 2021 to 22 January 2026.

e) Dongguan Konkra (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB15,000,000 from the Agricultural Bank of China Co., Ltd. Dongguan Fenggang Sub-branch, with the land use right of Fenggang Konkra Intelligent Industrial Park worth RMB196,005,772.67 (book value) as pledge, and the term thereof is from 23 June 2021 to 7 May 2031.

f) Sichuan Konkra (a subsidiary of the Company) has obtained entrusted borrowings amounting to RMB100,000,000.00 from Sichuan Gangrong Investment Development Group Co., Ltd. Yibin Konkra Technology Industrial Park (a subsidiary of the Company) provides pledge (a land use right worth RMB4,678,863.20 (book value) and an investment property worth RMB8,711,687.32 (book value)), and Communication Technology provides joint and several liability guarantee for the aforesaid entrusted borrowings. The term of the entrusted borrowings is from 28 May 2018 to 24 May 2025.

g) Rushan Yike (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB113,210,000 from China Everbright Bank Co., Ltd. Yantai Economic Development Zone Sub-branch with the long-term receivables involved in Rushan Silver Beach Water Supply and Drainage PPP Project worth RMB350,937,230.14 as pledge (the term thereof is from 29 December 2016 to 28 December 2026), for which Yikang Technology (a subsidiary of the Company) provides joint and several liability guarantee.

h) Dayi Kangrun Water Affairs (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB266,200,000.00 from the Industrial and Commercial Bank of China Co., Ltd. Chengdu Qinglong Sub-branch with the franchise earning right involved in Dayi County Industrial Sewage and Reclaimed Water Treatment Plant Construction Project amounting to RMB1,000,000,000.00 as pledge (the term thereof is from 29 April 2020 to 10 April 2035), for which Econ Technology (a subsidiary of the Company) provides a letter of commitment to make up for any difference.

- i) Fu'nan Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB465,000,000.00 from the Agricultural Development Bank of China Funan County Sub-branch with the feasibility gap subsidies and government payments under the PPP Project of Whole-region Sewage Governance in Funan County as pledge, and the term thereof is from 23 August 2019 to 22 August 2039.
- j) Weifang Sihai (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB619,155,900.00 from the Industrial Bank Co., Ltd. Weifang Sub-branch with the accounts receivable under the contract of Weifang Central Urban Area Comprehensive Upgrading Project as pledge, and the term thereof is from 26 June 2019 to 25 June 2035.
- k) Weifang Sihai (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB42,700,000.00 from China Construction Bank Co., Ltd. with the accounts receivable under the contract of Weifang Central Urban Area Comprehensive Upgrading Project as pledge, and the term thereof is from 28 May 2021 to 25 June 2035.
- l) Laizhou Lairun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB162,583,906.57 from the Postal Savings Bank of China Co., Ltd. Laizhou Sub-branch with the accounts receivable arising from all relevant earnings and earning rights under the contract of the PPP Project of the Second Sewage Treatment Plant in Laizhou City and relevant supplementary agreements as pledge, and the term thereof is from 17 January 2020 to 16 January 2040.
- m) Tongchuan Kangrun Honghui (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB30,000,000.00 from Tongchuan Branch, China Construction Bank Co., Ltd. with the accounts receivable agreed in relevant project income (including sewage treatment service fees, garbage collection & delivery service fees and feasibility gap subsidiaries) terms of the *PPP Project of Ecological Conservation and Restoration for Mountains, Rivers, Forests, Farmlands and Lakes in Yintai District, Tongchuan City, Especially Qishui River and Its Surrounding Areas, A National Pilot Project Regarding Mountains, Rivers, Forests, Farmlands and Lakes signed with the Water Authority in Yintai District, Tongchuan City* as pledge, and the term thereof is from 25 March 2021 to 24 March 2035.
- n) Lushan Kangrun Environment (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB250,000,000.00 from Henan Branch, China Development Bank with the accounts receivable under the contract of the PPP Project of Ecological Restoration and Improvement for Shahe River in Lushan County (Phase I) as pledge, and the term thereof is from 16 April 2021 to 15 April 2037.
- o) Donggang Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB828,000,000.00 from China Construction Bank Co., Ltd. Donggang Sub-branch with the accounts receivable under the contract of the PPP Project of Comprehensive Governance on Inland Rivers in Donggang City as pledge, and the term thereof is from 31 January 2019 to 30 January 2036.
- p) Suining Pengxi Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB37,210,337.99 from the Industrial and Commercial Bank of China Co., Ltd. Pengxi Sub-branch with the accounts receivable under the contract of the PPP Project of Urban Sewage Treatment Plant in Suining Jinqiao New Area as pledge, and the term thereof is from 4 June 2021 to 3 January 2035.
- q) Subei Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB776,000,000.00 from the Agricultural Development Bank of China Dunhuang Sub-branch with the accounts receivable under the contract of the PPP Project of Water Supply for Mazongshan Town, Subei Mongol Autonomous County, Gansu Province as pledge (the term thereof is from 10 March 2020 to 9 March 2035), for which Econ Technology (a subsidiary of the Company) provides joint and several liability guarantee.
- r) Mengcheng Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB160,000,000.00 from the Agricultural Development Bank of China Mengcheng County Sub-branch with the prospective earnings from the PPP Project of Comprehensive Governance on Water Environment in Mengcheng County, Anhui Province as pledge, and the term thereof is from 27

January 2021 to 26 January 2038.

s) Xi'an Kangrun (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB150,996,870.97 from China Construction Bank Co., Ltd. Xi'an Gaoling District Jinghuannanlu Sub-branch with all relevant earnings and earning rights involved in the Franchise Project of Kitchen Garbage Treatment in Gaoling District, Xi'an City as pledge, and the term thereof is from 1 February 2021 to 31 January 2036.

t) Wuhan Runyuan (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB466,720,000.00 from the Agricultural Development Bank of China (ADBC) Wuhan Dixihu District Sub-branch with the accounts receivable under the contract of the PPP Project of Integrated Governance on Township Domestic Sewage in Huangpi District (the term thereof is from 22 January 2020 to 19 January 2040), for which Econ Technology (a subsidiary of the Company) provides a letter of commitment to make up for any difference.

u) The OCT Group (parent company of the Company) has issued an entrusted loan of RMB2,611,060,000.00 to the Company via China Merchants Bank Co., Ltd. The term of the loan is from 7 December 2020 to 25 February 2024.

### 36. Bonds Payable

#### (1) List of Bonds Payable

Item	Ending balance	Beginning balance
Non-public offering corporate bonds	4,992,708,333.32	4,993,212,788.32
Less: Current portion of bonds payable	2,000,000,000.00	
<b>Total</b>	<b>2,992,708,333.32</b>	<b>4,993,212,788.32</b>

#### (2) Increase/Decrease of Bonds Payable

Bonds name	Total par value	Issuing date	Duration	Issuing amount	Beginning balance
19Konka01 (note ①)	1,000,000,000.00	2019-1-14	2+1 years	996,500,000.00	998,899,371.13
19Konka02 (note ②)	1,500,000,000.00	2019-1-14	3 years	1,494,750,000.00	1,498,349,056.69
19Konka03 (note ③)	500,000,000.00	2019-6-3	2+1 years	498,250,000.00	499,220,387.86
19Konka04 (note ④)	500,000,000.00	2019-6-3	3 years	498,250,000.00	499,220,387.86
19Konka05 (note ⑤)	800,000,000.00	2019-7-22	2+1 years	797,200,000.00	798,679,245.24
19Konka06 (note ⑥)	700,000,000.00	2019-7-22	3 years	697,550,000.00	698,844,339.54
21Konka01 (note ⑦)	1,000,000,000.00	2021-1-8	3 years	996,500,000.00	
21Konka02 (note ⑧)	500,000,000.00	2021-5-21	3 years	498,250,000.00	
<b>Total</b>	<b>6,500,000,000.00</b>			<b>6,477,250,000.00</b>	<b>4,993,212,788.32</b>

(Continued)

Bonds name	Issued during the Reporting Period	Withdraw interest at face value	Amortization of premium and discount	Repay during the Reporting Period	Ending balance
19Konka01 (note ①)		1,249,999.96	1,100,628.87	1,000,000,000.00	-
19Konka02 (note ②)		36,250,000.02	825,471.72		1,499,174,528.41

<b>Bonds name</b>	<b>Issued during the Reporting Period</b>	<b>Withdraw interest at face value</b>	<b>Amortization of premium and discount</b>	<b>Repay during the Reporting Period</b>	<b>Ending balance</b>
19Konka03 (note ③)		9,250,000.00	779,612.14	500,000,000.00	-
19Konka04 (note ④)		11,619,444.45	275,157.24		499,495,545.10
19Konka05 (note ⑤)		17,616,666.65	440,251.56		799,119,496.80
19Konka06 (note ⑥)		15,993,055.53	385,220.10		699,229,559.64
21Konka01 (note⑦)	996,500,000.00	21,432,777.79	748,427.69		997,248,427.69
21Konka02 (note⑧)	498,250,000.00	2,277,777.78	190,775.68		498,440,775.68
<b>Total</b>	<b>1,494,750,000.00</b>	<b>115,689,722.18</b>	<b>4,745,545.00</b>	<b>1,500,000,000.00</b>	<b>4,992,708,333.32</b>

Note 1: ① On 14 January 2019, RMB 1 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 5.00% and the due date of 14 January 2021. "19 Konka 01" has been fully sold back and delisted from the exchange on 14 January 2021.

② On 14 January 2019, RMB 1.5 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 5.00% and the due date of 14 January 2022.

③ On 3 June 2019, RMB 0.5 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 4.50% and the due date of 3 June 2021. "19 Konka 03" has been fully sold back and delisted from the exchange on 3 June 2021.

④ On 15 January 2019, RMB 0.5 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.70% and the due date of 3 June 2022.

⑤ On 22 July 2019, RMB 0.8 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 4.53% and the due date of 22 July 2021.

⑥ On 22 July 2019, RMB 0.7 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.70% and the due date of 22 July 2022.

⑦ On 8 January 2021, RMB 1 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.46% and the due date of 8 January 2024.

⑧ On 21 May 2021, RMB 0.5 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.00% and the due date of 21 May 2024.

Note 2: OCT Group provided full-amount, unconditional and irrevocable joint and several liability guarantee for the due payment of the private offering of corporate bonds.

### 37. Lease Liabilities

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Lease liabilities	95,307,955.33	110,388,195.06
Less: Current portion	26,523,807.12	48,656,098.14

Total	68,784,148.21	61,732,096.92	
38. Long-term Payables			
(1) List by nature			
Item	Ending balance	Beginning balance	
Accrued financing lease outlay	737,150,003.99	921,958,930.55	
Of which: unrecognized financing expense	55,473,934.22	81,802,514.30	
Less: Current portion	209,741,731.57	358,746,566.29	
Total	471,934,338.20	481,409,849.96	
39. Long-term Payroll Payable			
Classification			
Item	Ending balance	Beginning balance	
Termination benefits-net liabilities of defined contribution plans	5,178,477.38	5,248,309.14	
Total	5,178,477.38	5,248,309.14	
40. Provisions			
Item	Ending balance	Beginning balance	Reason for formation
Product quality assurance	106,468,978.52	102,146,976.40	After-sales of household appliances
Others	206,591.51	206,591.51	
Total	106,675,570.03	102,353,567.91	

41. Deferred Income

(1) Category of Deferred Income

Item	Beginning balance	Increased	Decreased	Ending balance	Reason for formation
Government subsidies	446,900,524.64	35,513,702.05	261,258,151.57	221,156,075.12	Asset-related/income related
<b>Total</b>	<b>446,900,524.64</b>	<b>35,513,702.05</b>	<b>261,258,151.57</b>	<b>221,156,075.12</b>	

(2) Government subsidy

List of Government Subsidy	Beginning balance	New amount in the period	Amount charged to non-operating income in the period	Amount charged to other income in the period	Other changes	Ending balance	Asset/income-related
Industry support funds	322,011,927.27	3,514,025.05		230,394,777.52		95,131,174.80	与资产/收益相关
government special subsidy for projects	30,000,000.00	10,000,000.00				40,000,000.00	与收益相关
UHD display chip research and development and industrialization project	20,000,000.00					20,000,000.00	与资产相关
Equipment subsidy		11,457,800.00				11,457,800.00	与资产相关
Other subsidies	74,888,597.37	10,541,877.00		17,563,374.05	13,300,000.00	54,567,100.32	与资产/收益相关
<b>Total</b>	<b>446,900,524.64</b>	<b>35,513,702.05</b>		<b>247,958,151.57</b>	<b>13,300,000.00</b>	<b>221,156,075.12</b>	

## 42. Other non-current liabilities

Item	Ending balance	Beginning balance
Contract obligations over one year	83,705,786.99	106,475,449.02
<b>Total</b>	<b>83,705,786.99</b>	<b>106,475,449.02</b>

## 43. Share capital

Item	Beginning balance	Increase/decrease (+/-)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00
<b>Total</b>	<b>2,407,945,408.00</b>						<b>2,407,945,408.00</b>

## 44. Capital Reserves

Item	Beginning balance	Increased	Decreased	Ending balance
Share capital premium		6,702,019.17		6,702,019.17
Other capital reserves	230,185,310.09		2,671,625.35	227,513,684.74
<b>Total</b>	<b>230,185,310.09</b>	<b>6,702,019.17</b>	<b>2,671,625.35</b>	<b>234,215,703.91</b>

Note: Due to the disposal of the associates Konka Green and Konka Technology in the current period, other capital reserves decreased by RMB 2,671,625.35. Due to the repurchase of minority shareholders' equity in subsidiary Xinying Semiconductor, the capital reserve (share capital premium) increased by RMB 6,702,019.17.



## 45. Other Comprehensive Income

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Items that will not be reclassified to profit or loss	-6,398,878.20							-6,398,878.20
Changes in fair value of other equity instrument investment	-6,398,878.20							-6,398,878.20
Others								
II. Items that will be reclassified to profit or loss	-10,184,164.22	-1,547,270.99				-583,043.66	-964,227.33	-10,767,207.88
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method	-2,397,350.96	1,486,086.18				1,486,086.18		-911,264.78
Differences arising from the translation of	-7,786,813.26	-3,033,357.17				-2,069,129.84	-964,227.33	-9,855,943.10

Item	Beginning balance		Reporting Period					Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
foreign currency denominated financial statements								
<b>Total Other Comprehensive Income</b>	<b>-16,583,042.42</b>	<b>-1,547,270.99</b>				<b>-583,043.66</b>	<b>-964,227.33</b>	<b>-17,166,086.08</b>

46. Surplus Reserves

Item	Beginning balance	Increased	Decreased	Ending balance
Statutory surplus reserves	973,502,519.62			973,502,519.62
Discretionary surplus reserves	238,218,590.05			238,218,590.05
<b>Total</b>	<b>1,211,721,109.67</b>			<b>1,211,721,109.67</b>

47. Retained Earnings

Item	Reporting Period	Same period of last year
<b>Ending balance of last year</b>	<b>4,595,371,391.63</b>	<b>4,239,763,606.89</b>
Add: Total beginning balance of retained earnings before adjustments		
Of which: change of accounting policy		
Other adjustment factors		
<b>Beginning balance of the Reporting Period</b>	<b>4,595,371,391.63</b>	<b>4,239,763,606.89</b>
Add: Net profit attributable to owners of the Company as the parent	85,449,919.57	477,633,250.14
Retained incomes carried forward from other comprehensive income		-1,628,195.00
Less: Withdrawal of statutory surplus reserves		
Withdrawal of discretionary surplus reserves		
Dividend of ordinary shares payable	240,794,540.80	120,397,270.40
<b>Ending balance of this period</b>	<b>4,440,026,770.40</b>	<b>4,595,371,391.63</b>

48. Operating Revenue and Cost of Sales

(1) Operating Revenue and Cost of Sales

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	21,412,726,539.67	20,510,002,960.62	17,233,552,849.87	16,069,773,569.48
Other operations	397,435,333.41	307,172,753.16	290,631,046.87	199,219,863.40
<b>Total</b>	<b>21,810,161,873.08</b>	<b>20,817,175,713.78</b>	<b>17,524,183,896.74</b>	<b>16,268,993,432.88</b>

(2) Main Operations (Classified by product)

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Supply chain trading business	12,184,495,984.54	12,079,110,369.50	9,566,197,970.86	9,423,055,276.96
Color TV business	3,190,601,881.06	3,017,183,364.20	3,218,278,547.14	2,742,839,819.16
Environmental protection	2,724,186,133.96	2,439,448,446.23	1,498,623,593.33	1,337,882,701.47

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
business				
Consumer appliances business	1,752,194,252.46	1,608,490,566.46	1,918,628,399.97	1,650,949,066.11
Semi-conductor business	241,973,760.06	229,060,263.71	223,849,167.50	213,510,864.28
Others	1,319,274,527.59	1,136,709,950.52	807,975,171.07	701,535,841.50
<b>Total</b>	<b>21,412,726,539.67</b>	<b>20,510,002,960.62</b>	<b>17,233,552,849.87</b>	<b>16,069,773,569.48</b>

#### 49. Taxes and Surtaxes

Item	Reporting Period	Same period of last year
Stamp duty	17,210,974.34	7,525,016.46
Urban maintenance and construction tax	5,272,168.22	4,563,133.76
Land use tax	12,591,947.22	7,726,576.91
Property tax	4,521,990.47	4,474,412.24
Education surcharge	2,252,651.83	2,110,616.64
Local education surcharge	1,295,806.68	1,407,025.70
Water resources fund	98,737.91	75,715.03
Others	1,212,085.27	1,301,943.62
<b>Total</b>	<b>44,456,361.94</b>	<b>29,184,440.36</b>

#### 50. Selling Expense

Item	Reporting Period	Same period of last year
Payroll	179,194,691.52	206,209,082.36
Advertising expense	143,443,247.26	269,906,176.77
Logistic Fee	57,131,056.01	186,463,203.90
Promotional activities	93,916,189.20	109,821,424.32
Warranty fee	95,238,254.77	84,742,647.02
Taxes and fund	26,084,857.60	26,313,964.00
Business travel charges	9,695,834.71	8,381,930.49
Rental charges	13,812,228.32	13,266,655.00
Exhibition expenses	2,675,578.55	7,513,097.13
Business entertainment expenses	6,473,826.73	4,916,413.21
Others	39,996,271.80	51,689,787.78
<b>Total</b>	<b>667,662,036.47</b>	<b>969,224,381.98</b>

#### 51. Administrative Expense

Item	Reporting Period	Same period of last year
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Item	Reporting Period	Same period of last year
Payroll	172,124,998.88	177,373,892.49
Depreciation charge	55,861,222.66	80,326,472.49
Intermediary fees	24,599,241.61	64,645,576.61
Business travel charges	8,275,347.12	4,551,426.46
Loss on scraping of inventories	2,246,719.29	3,077,371.04
Water & electricity fees	5,392,545.21	4,831,271.94
Others	90,553,592.30	106,109,769.41
<b>Total</b>	<b>359,053,667.07</b>	<b>440,915,780.44</b>

#### 52. R&D Expense

Item	Reporting Period	Same period of last year
Salary	141,474,094.27	138,480,765.54
Others	143,189,372.99	119,568,820.75
<b>Total</b>	<b>284,663,467.26</b>	<b>258,049,586.29</b>

#### 53. Finance Costs

Item	Reporting Period	Same period of last year
Interest expense	488,330,464.76	532,953,584.28
Less: Interest income	78,303,181.42	124,261,830.72
Add: Exchange loss	28,226,971.34	-64,612,997.78
Other	21,161,528.03	42,962,110.97
<b>Total</b>	<b>459,415,782.71</b>	<b>387,040,866.75</b>

#### 54. Other Income

Resources	Reporting Period	Same period of last year
Support fund	342,585,919.00	147,152,074.00
Transfer of deferred income	247,958,151.57	22,399,161.10
Rewards and subsidies	116,820,277.53	108,968,284.81
Land tax rebates	4,728,544.03	7,197,234.18
Software tax rebates	6,085,265.89	15,323,154.27
Post subsidies	2,426,398.00	13,633,750.07
L/C export subsidy	91,800.00	2,990,537.00
Others		430,656.91
<b>Total</b>	<b>720,696,356.02</b>	<b>318,094,852.34</b>

#### 55. Investment Income

Item	Reporting Period	Same period of last year
Long-term equity investment income measured by equity method	19,335,816.88	49,858,252.47
Investment income from disposal of long-term equity investment	177,579,605.00	454,470,348.72

Item	Reporting Period	Same period of last year
Investment income from disposal of held-for-trading financial assets		3,405,333.03
Income from remeasurement of residual stock rights at fair value after losing control power	68,185,019.88	23,788,733.72
Interest income from holding of debt investments	34,566,759.25	37,286,956.28
Income from entrusted wealth management, entrusted loans		29,883,952.37
Investment income from disposal of financial assets at fair value through current profit or loss	22,577,111.88	
<b>Total</b>	<b>322,244,312.89</b>	<b>598,693,576.59</b>

#### 56. Gain on Changes in Fair Value

Sources	Reporting Period	Same period of last year
Trading financial assets	3,691,020.84	
Of which: gain on changes in fair value of derivative financial instruments		
Other non-current financial assets	36,671,492.89	
<b>Total</b>	<b>40,362,513.73</b>	

#### 57. Credit Impairment Loss

Item	Reporting Period	Same period of last year
Loss on bad debts of notes receivable	19,146,640.03	891,406.18
Bad debt losses of accounts receivable	-64,007,725.46	-35,516,049.10
Bad debt losses of other receivables	-26,531,092.63	-9,133,606.38
Bad debt loss of prepayment		4,506,841.30
Bad debt loss of contract assets		-636,099.18
<b>Total</b>	<b>-71,392,178.06</b>	<b>-39,887,507.18</b>

#### 58. Asset Impairment Loss

Item	Reporting Period	Same period of last year
Inventory depreciation loss and contract performance cost impairment loss	-10,573,236.91	-1,985,659.95
Contractual Asset Impairment Loss	-18,965,495.91	
<b>Total</b>	<b>-29,538,732.82</b>	<b>-1,985,659.95</b>

#### 59. Asset Disposal Income (“—” for loss)

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Incomes from disposal of disposal groups held for sale			
Incomes from disposal of non-current assets	88,668.35	98,454,282.86	88,668.35
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	88,668.35	98,454,282.86	88,668.35
Of which: Fixed assets disposal income	88,668.35	-145,717.14	88,668.35
Intangible assets disposal income		98,600,000.00	
<b>Total</b>	<b>88,668.35</b>	<b>98,454,282.86</b>	<b>88,668.35</b>

#### 60. Non-operating Income

##### (1) List of Non-operating Income

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Insurance indemnity	12,736,400.00		12,736,400.00
Non-current assets damage and retirement gains	237,884.42		237,884.42
Compensation and penalty income	1,884,536.59	1,480,648.26	1,884,536.59
Government subsidies unrelated to the normal operation of the Company		3,000,000.00	
Gains on debt restructuring	544,827.07	377,094.96	544,827.07
Other	6,214,629.71	3,804,030.26	6,214,629.71
<b>Total</b>	<b>21,618,277.79</b>	<b>8,661,773.48</b>	<b>21,618,277.79</b>

#### 61. Non-operating Expense

Item	Reporting Period	Same Period of last year	Amount recorded into the current non-recurring profit or loss
Losses on damage and scraping of non-current assets	437,270.73	867,633.27	437,270.73
Compensation expense	161,680.10		161,680.10
Others	6,194,922.31	6,269,242.08	6,194,922.31
<b>Total</b>	<b>6,793,873.14</b>	<b>7,136,875.35</b>	<b>6,793,873.14</b>

#### 62. Income Tax Expense

##### (1) Lists of Income Tax Expense

Item	Reporting Period	Same period of last year
Current income tax expense	192,219,793.73	62,167,085.67
Deferred income tax expense	-107,956,525.36	11,258,436.80
<b>Total</b>	<b>84,263,268.37</b>	<b>73,425,522.47</b>

(2) Adjustment Process of Accounting Profit and Income Tax Expense

Item	Reporting Period
Profit before taxation	175,020,188.61
Current income tax expense accounted at statutory/applicable tax rate	43,755,047.15
Influence of applying different tax rates by subsidiaries	596,097.16
Influence of income tax before adjustment	25,532,149.88
Influence of non-taxable income	-28,842,890.50
Influence of not deductible costs, expenses and losses	3,181,788.78
Influence of deductible loss of unrecognized deferred income tax assets in prior period	-3,070,599.55
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	61,106,584.81
Changes in the balance of deferred income tax assets/liabilities in previous period due to adjustment of tax rate	-4,100,883.59
Other	-13,894,025.77
<b>Income tax expense</b>	<b>84,263,268.37</b>

63. Other Comprehensive Income

Refer to “Note VI-45. Other Comprehensive Income” for details.

64. Cash Flow Statement

(1) Cash Generated from/Used in Other Operating/Investing/Financing Activities

1) Cash Generated from Other Operating Activities

Item	Reporting Period	Same Period of last year
Commercial factoring accounts received	1,943,522.48	700,909,868.83
Intercourse funds	164,755,704.28	46,698,484.01
Income from government subsidy	448,099,427.58	319,790,565.67
Front money and guarantee deposit	279,858,364.93	403,296,224.51
Interest income from bank deposits	37,983,778.15	14,105,927.41
Other	51,992,741.93	583,114,151.39
<b>Total</b>	<b>984,633,539.35</b>	<b>2,067,915,221.82</b>

2) Cash Used in Other Operating Activities

Item	Reporting Period	Same Period of last year
The commercial factoring payment		700,000,000.00
Expense for cash payment	563,280,960.36	661,630,597.26



Item	Reporting Period	Same Period of last year
Payment made on behalf	11,499,654.13	10,648,911.81
Payment for guarantee deposit, cash deposit	93,768,423.51	367,885,658.11
Expense for bank handling charges	5,216,732.77	20,120,952.41
Other	404,575,413.78	229,868,221.99
<b>Total</b>	<b>1,078,341,184.55</b>	<b>1,990,154,341.58</b>

### 3) Cash Generated from Other Investing Activities

Item	Reporting Period	Same Period of last year
Recovery of financial products and fixed term deposits		303,571,732.31
Recovery of entrusted loans	466,367,371.66	905,185,808.83
Other	260,630,141.85	
<b>Total</b>	<b>726,997,513.51</b>	<b>1,208,757,541.14</b>

### 4) Cash Used in Other Investing Activities

Item	Reporting Period	Same Period of last year
Payment for entrusted loans	174,930,000.00	112,700,000.00
Other	160,869,856.00	40,230,416.99
<b>Total</b>	<b>335,799,856.00</b>	<b>152,930,416.99</b>

### 5) Cash Generated from Other Financing Activities

Item	Reporting Period	Same Period of last year
Recovery of margin deposit pledged	197,949,393.49	629,073,059.73
Lease-related accounts	34,000,000.00	230,602,970.00
Receiving entrusted loans	361,338,700.00	86,200,000.00
Other	2,070,691.00	
<b>Total</b>	<b>595,358,784.49</b>	<b>945,876,029.73</b>

### 6) Cash Used in Other Financing Activities

Item	Reporting Period	Same Period of last year
Deposit as margin for pledge	161,578,386.94	760,536,005.49
Repayment of entrusted loans	29,400,000.00	101,052.05
Lease-related payments	236,173,947.51	144,556,719.67
Financing cost	18,501,066.06	17,210,477.52
Other	34,551,700.00	111,500,000.00
<b>Total</b>	<b>480,205,100.51</b>	<b>1,033,904,254.73</b>

### (2) Supplemental Information for Cash Flow Statement

Supplemental information	Reporting Period	Same period of last year
<b>1. Reconciliation of net profit to net cash flows generated from operating activities</b>		

Supplemental information	Reporting Period	Same period of last year
Net profit	90,756,920.24	72,244,328.36
Add: Provision for impairment of assets	29,538,732.82	1,985,659.95
Credit impairment loss	71,392,178.06	39,887,507.18
Depreciation of fixed assets, oil-gas assets, and productive living assets	205,328,397.90	150,944,828.97
Amortization of intangible assets	38,706,987.41	35,300,611.24
Amortization of long-term prepaid expenses	43,983,314.75	50,718,178.66
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	-88,668.35	-98,454,282.86
Losses on scrap of fixed assets (gains: negative)	199,386.31	738,614.79
Losses on changes in fair value (gains: negative)	-40,362,513.73	
Finance costs (gains: negative)	449,599,765.91	498,160,321.15
Investment loss (gains: negative)	-322,244,312.89	-598,693,576.59
Decrease in deferred income tax assets (gains: negative)	-102,340,668.15	10,226,485.06
Increase in deferred income tax liabilities ("-" means decrease)	-5,615,859.48	-5,187,674.24
Decrease in inventories (gains: negative)	-648,533,766.41	-228,342,968.29
Decrease in accounts receivable generated from operating activities (gains: negative)	-266,870,721.39	-485,454,160.52
Increase in accounts payable used in operating activities (decrease: negative)	-580,252,243.46	-542,846,678.70
Other	-247,958,151.57	22,405,878.36
<b>Net cash generated from/used in operating activities</b>	<b>-1,284,761,222.03</b>	<b>-1,076,366,927.48</b>
<b>2. Significant investing and financing activities without involvement of cash receipts and payments</b>		
Transfer of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets leased in by financing		
<b>3. Net increase/decrease of cash and cash equivalent:</b>		
Ending balance of cash	5,159,985,226.06	4,537,905,819.30
Less: beginning balance of cash	4,298,056,113.24	4,493,701,917.22
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
<b>Net increase in cash and cash equivalents</b>	<b>861,929,112.82</b>	<b>44,203,902.08</b>

(3) Net Cash Receive from Disposal of the Subsidiaries

Item	Amount
Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the Current Period	<b>138,930,000.00</b>
Of which: Yantai Kangyun	34,510,000.00
Shenzhen Kangxin Property	104,420,000.00
Less: cash and cash equivalents held by subsidiaries on the date of losing control power	<b>5,786,319.88</b>
Of which: Yantai Kangyun	420,807.32
Shenzhen Kangxin Property	5,365,512.56
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	
<b>Net cash received from disposal of subsidiaries</b>	<b>133,143,680.12</b>

(4) Net Cash Paid for Obtaining Subsidiaries

Item	Amount
Cash or cash equivalents paid in the Reporting Period for the business combination occurring in the Reporting Period	
Less: cash and cash equivalents held by subsidiaries on the purchase date	
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	96,500,000.00
<b>Net cash paid for obtaining subsidiaries</b>	<b>96,500,000.00</b>

(5) Cash and Cash Equivalents

Item	Ending balance	Beginning balance
Cash	5,159,985,226.06	4,298,056,113.24
Including: Cash on hand	9,534.97	16,052.88
Bank deposit on demand	5,159,975,691.09	4,298,040,060.36
<b>Ending balance of cash and cash equivalents</b>	<b>5,159,985,226.06</b>	<b>4,298,056,113.24</b>

65. Items in the Statement of Changes in Shareholders' Equity

There is no “other” amount to adjust the amount at the end of the previous year in this period.

66. Assets with Restricted Ownership or Right to Use

Item	Ending carrying value	Reason for restriction
Monetary assets	648,960,499.91	Among them, RMB543,742,698.80 is margin deposit, pledge is used for borrowing or issuing bank acceptance bill, RMB34,559,081.12 is financial supervision account fund; RMB63,213,179.74 is fixed deposit that can not be withdrawn in advance; RMB7,445,540.25 is restricted due to other reasons.
Notes receivable	693,159,230.21	The company pledged bank acceptance bills with a book value of RMB 693,159,230.21 for comprehensive financing services such as issuing bank acceptance bills, letters of credit, guarantees, and trade finance.
Investment property	140,612,795.31	For mortgage loan

Item	Ending carrying value	Reason for restriction
Fixed assets	687,463,055.62	Used for mortgage loan, finance lease and guarantee.
Construction in progress	317,974,560.85	For mortgage loan
Intangible assets	397,262,395.64	Used for mortgage loan, finance lease and guarantee.
Long-term receivables	350,937,230.14	For pledge loan
<b>Total</b>	<b>3,236,369,767.68</b>	

## 67. Foreign Currency Monetary Items

### (1) Foreign Currency Monetary Items

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary assets			
Of which: USD	84,160,593.16	6.4601	543,685,847.87
EUR	5,936.59	7.6862	45,629.82
EGP	4,721,940.41	0.4125	1,947,800.42
GBP	5.03	8.9410	44.97
HKD	13,267,757.98	0.8321	11,040,101.42
CAD	6.96	5.2097	36.26
PLN	792,726.08	1.7009	1,348,347.79
Accounts receivable			
Of which: USD	134,495,088.51	6.4601	868,851,721.28
EUR	22,053.30	7.6862	169,506.07
EGP	18,757,221.24	0.4125	7,737,353.76
GBP	908,052.33	8.9410	8,118,895.88
HKD	1,578,159.97	0.8321	1,313,186.91
AUD	49,764.00	4.8528	241,494.74
Other receivables			
Of which: USD	39,323,079.55	6.4601	254,031,026.20
HKD	1,051,222.12	0.8321	874,721.93
YEN	21,400,000.00	0.0584	1,250,359.20
Interest receivable			
Of which: USD	25,006.06	6.4601	161,541.65
Short-term borrowings			
Of which: USD	84,416,347.52	6.4601	545,338,046.61
Accounts payable			
Of which: USD	31,338,417.26	6.4601	202,449,309.34
EGP	8,551,828.67	0.4125	3,527,629.33

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
HKD	21,887,742.19	0.8321	18,212,790.28
Other payables			
Of which: USD	3,036,214.29	6.4601	19,614,247.93
EUR	18,240.00	7.6862	140,196.29
EGP	942,604.30	0.4125	388,824.27
HKD	19,172,938.70	0.8321	15,953,802.29
Interest payable			
Of which: USD	325,559.34	6.4601	2,103,145.89

(2) Notes to Overseas Entities

The significant overseas entities include Hong Kong Konka, Konka Electrical Appliances International Trading, Chain Kingdom Memory Technologies, Kangjietong and Jiali International. The main overseas operating place is Hong Kong. The Company's recording currency is HKD since the main currency in circulation in Hong Kong is HKD.

68. Government Subsidy

(1) Basic Information on Government Subsidy

Category	Amount	Listed items	Amount recorded in the current profit or loss
Industry support funds	346,099,944.05	Other income	342,598,292.32
Rewards and subsidies	153,816,620.53	Other income	117,218,675.79
Tax rebates on software	6,085,265.89	Other income	6,085,265.89
Land tax rebates	4,728,566.18	Other income	4,728,544.03
Post subsidies	2,426,398.00	Other income	2,426,398.00
Subsidies for L/C exports	91,800.00	Deferred income/Other income	91,800.00
<b>Total</b>	<b>513,248,594.65</b>		<b>473,148,976.03</b>

(2) Return of Government Subsidy

No such cases in the Reporting Period.

## 六、 VII. Changes of Consolidation Scope

### 1. Disposal of subsidiary

Name of the subsidiary	The equity disposal price	Equity disposal proportion (%)	Method of equity disposal	Time of losing control	Recognition basis for the time of losing control power	The differences of enjoyed net assets share of the subsidiary in corresponding consolidated statements of the disposal price and the disposal investment (RMB'0,000)
Yantai Kangyun	3,451.00	17.00	Transfer	2021-3-31	The rights and obligations related to the underlying equity have been transferred	3,409.25
Shenzhen Kangxin Property	10,442.00	51.00	Transfer	2021-6-22	The rights and obligations related to the underlying equity have been transferred	8,597.34

(Continued)

Name of the subsidiary	Residual equity proportion on the date of losing control power (%)	Carrying value of residual equity on the date of losing control power (RMB'0,000)	Fair value of residual equity on the date of losing control power (RMB'0,000)	Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)	Recognition method and main assumption of fair value of residual equity on the date of losing control power	Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)
Yantai Kangyun	34.00	83.50	6,902.00	6,818.50	Evaluated price	
Shenzhen Kangxin Property						

## 2. Changes in Combination Scope for Other Reasons

### (1) Subsidiaries Established by the Company in H1 2021

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Method of obtaining
Nantong Hongdin	30,000,000.00	100.00	2021-4-22	Newly established
Chuzhou Konka	100,000,000.00	94.90	2021-6-28	Newly established
Xi'an Huasheng	100,000,000.00	66.00	2021-3-4	Newly established
Konka Soft Electronic	100,000,000.00	95.00	2021-3-31	Newly established
Konka Hongye Electronics	100,000,000.00	90.10	2021-5-7	Newly established
Kowin Memory (Hong Kong)	HKD 10,000,000.00	100.00	2021-2-2	Newly established
Industrial and Trade Technology	50,000,000.00	100.00	2021-2-7	Newly established
Konka Huazhong	30,000,000.00	100.00	2021-6-9	Newly established
Yibin Kangrun Medical	50,000,000.00	82.19	2021-3-26	Newly established
Yibin Kangrun Environmental Protection	76,000,000.00	53.69	2021-4-21	Newly established
Kangruncheng Environmental Technology	10,000,000.00	26.01	2021-3-8	Newly established
Shaanxi Konka Intelligent	120,000,000.00	51.00	2021-3-5	Newly established
Kangxin Semiconductor	70,000,000.00	100.00	2021-6-11	Newly established

### (2) The situation of the company's cancellation of the distribution of remaining assets of the subsidiary in H1 2021

Name	Registered capital	Shareholding percentage (%)	Liquidation completion time
Chongqing Kanglei Optoelectronic	50,000,000.00	51.00	2021-4-7
Henan Kangxin Property	50,000,000.00	51.00	2021-5-18

## 七、VIII. Equity in Other Entities

### 1. Equity in Subsidiary

#### (1) Subsidiaries

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
1	Electronics Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
2	Anhui Zhilian	Anhui, Chuzhou	Anhui, Chuzhou	Electronic commerce		100	Establishment or investment
3	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Wholesale and retail industry		100	Establishment or investment
4	Chengdu Konka Smart	Sichuan, Chengdu	Sichuan, Chengdu	Wholesale and retail industry		100	Establishment or investment
5	Chengdu Konka Electronic	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing industry		100	Establishment or investment
6	Youzhihui	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology service		100	Establishment or investment
7	Xiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail industry		100	Establishment or investment
8	Liaoyang Kangshun Smart	Liaoning, Liaoyang	Liaoning, Liaoyang	Wholesale industry		100	Establishment or investment
9	Liaoyang Kangshun Renewable	Liaoning, Liaoyang	Liaoning, Liaoyang	Comprehensive utilization of waste resources industry		100	Establishment or investment
10	Nanjing Konka	Jiangsu, Nanjing	Jiangsu, Nanjing	Wholesale industry		100	Establishment or investment
11	XingDa HongYe	Guangdong, Zhongshan	Guangdong, Zhongshan	Manufacturing industry		51	Establishment or investment
12	Shanghai Xinfeng	Shanghai	Shanghai	Commerce		51	Establishment or investment
13	Konka Circuit	Guangdong, Shenzhen	Guangdong, Shenzhen	Investment holding	100		Establishment or investment
14	Boluo Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
15	Boluo Konka	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment



Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
16	Xiamen Dalong	Fujian, Xiamen	Fujian, Xiamen	Commerce		69.23	Establishment or investment
17	Anhui Tongchuang	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	100		Establishment or investment
18	Jiangsu Konka Smart	Jiangsu, Changzhou	Jiangsu, Changzhou	Electrical machinery and equipment manufacturing		51	Establishment or investment
19	Anhui Electrical Appliance	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		51	Establishment or investment
20	Frestec Refrigeration	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
21	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
22	Frestec Household Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
23	Frestec Smart Home	Henan, Xinxiang	Henan, Xinxiang	Retail industry		51	Establishment or investment
24	Konka Investment	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital markets service	100		Establishment or investment
25	Yibin Konka Technology Park	Sichuan, Yibin	Sichuan, Yibin	Industrial park development and operation management		100	Establishment or investment
26	Konka Capital	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital markets service		100	Establishment or investment
27	Industrial Park Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service		51	Establishment or investment
28	Konka Suiyong	Guangdong, Shenzhen	Guangdong, Shenzhen	Investment in industry, commercial information consultancy and investment advisor		51	Establishment or investment
29	Kangquan Enterprise	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service		51	Establishment or investment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
30	Konka Suyuan	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service		51	Establishment or investment
31	Shengxing Industrial	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service		51	Establishment or investment
32	Zhitong Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology service		51	Establishment or investment
33	Konka Factoring	Guangdong, Shenzhen	Guangdong, Shenzhen	Insurance agents (non-bank finance)	100		Establishment or investment
34	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
35	Konka Leasing	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Leasing industry		100	Establishment or investment
36	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment
37	Suining Electronic Technological Innovation	Sichuan, Suining	Sichuan, Suining	Commercial service	100		Establishment or investment
38	Shanghai Konka	Shanghai	Shanghai	Real estate industry	100		Establishment or investment
39	Yantai Kangjin	Shandong, Yantai	Shandong, Yantai	Real estate industry		62.80	Establishment or investment
40	Mobile Interconnection	Guangdong, Shenzhen	Guangdong, Shenzhen	Commerce	100		Establishment or investment
41	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
42	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Information service		100	Establishment or investment
43	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semi-conductor	100		Establishment or investment
44	Chongqing Konka	Chongqing	Chongqing	Software and information technology		100	Establishment or investment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				service			investment
45	Hefei KONSEMI	Anhui, Hefei	Anhui, Hefei	Design of integrated circuit		51	Establishment or investment
46	Yihe Electronic	Anhui, Hefei	Anhui, Hefei	Wholesale industry		51	Establishment or investment
47	Shenzhen Huiying Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale industry		51	Establishment or investment
48	Chongqing Huiying Technology	Chongqing	Chongqing	Computer, communications and other electronic equipment manufacturing		51	Establishment or investment
49	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, communications and other electronic equipment manufacturing	100		Establishment or investment
50	Konka Xinyun Semiconductor	Jiangsu, Yancheng	Jiangsu, Yancheng	Computer, communications and other electronic equipment manufacturing		100	Establishment or investment
51	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service	100		Establishment or investment
52	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment
53	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale industry	100		Establishment or investment
54	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate industry	100		Establishment or investment
55	Konka Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry、Commerce	100		Establishment or investment
56	E2info	Guangdong, Shenzhen	Guangdong, Shenzhen	Information service	95.78		Establishment or investment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
57	E2info (Hainan)	Hainan, Haikou	Hainan, Haikou	Information service		95.78	Establishment or investment
58	Anhui Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	78		Establishment or investment
59	Kangzhi Trade	Anhui, Chuzhou	Anhui, Chuzhou	Wholesale industry		78	Establishment or investment
60	Telecommunication Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	75	25	Establishment or investment
61	Konka Mobility	China, Hong Kong	China, Hong Kong	Manufacturing industry		100	Establishment or investment
62	Dongguan Packing	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing industry	75	25	Establishment or investment
63	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing industry	75	25	Establishment or investment
64	Suining Konka Smart	Sichuan, Suining	Sichuan, Suining	Wholesale industry		100	Establishment or investment
65	Chongqing Optoelectronic Technology Research Institute	Chongqing	Chongqing	Research and experimental development	75		Establishment or investment
66	Yibin Kangrun	Sichuan, Yibin	Sichuan, Yibin	Retail industry	67	16.83	Establishment or investment
67	Ningbo Khr Electric Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
68	Jiangxi Konka	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing	51		Establishment or investment
69	Jiangsu Konka Special Material	Jiangsu, Yancheng	Jiangsu, Yancheng	Wholesale industry		51	Establishment or investment
70	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment
71	Konka Huanjia	Liaoning	Liaoning	Renewable resources	51		Establishment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
		Dalian	Dalian	processing trade			nt or investment
72	Konka Huanjia (Henan)	Henan, Lankao	Henan, Lankao	Technology promotion and application service industry		51	Establishment or investment
73	Econ Technology	Shandong, Yantai	Shandong, Yantai	Environmental technology service industry	51		Establishment or investment
74	Econ Environmental Engineering	Sichuan, Chengdu	Sichuan, Chengdu	Environmental technology service industry		51	Establishment or investment
75	Beijing Econ	Beijing	Beijing	Environmental technology service industry		51	Establishment or investment
76	Binzhou Econ Zhongke	Shandong, Binzhou	Shandong, Binzhou	Environmental technology service industry		51	Establishment or investment
77	Dayi Kangrun Water	Sichuan, Chengdu	Sichuan, Chengdu	Environmental technology service industry		51	Establishment or investment
78	Tingyuan Environmental	Shanghai	Shanghai	Research and experimental development		51	Establishment or investment
79	Shanghai Jiye	Shanghai	Shanghai	Environmental technology service industry		51	Establishment or investment
80	Kangrunhong Environmental	Shandong, Yantai	Shandong, Yantai	Environmental technology service industry		51	Establishment or investment
81	Donggang Kangrun	Liaoning, Dandong	Liaoning, Dandong	Environmental technology service industry		50.70	Establishment or investment
82	Gaoping Kangrun	Shanxi, Jincheng	Shanxi, Jincheng	Environmental protection and environment management		48.45	Establishment or investment
83	Xi'an Kangrun	Shaanxi, Xi'an	Shaanxi, Xi'an	Environmental protection and environment management		48.45	Establishment or investment
84	Changning Kangrun	Hunan, Hengyang	Hunan, Hengyang	Water production and supply industry		45.89	Establishment or investment
85	Lushan Kangrun	Henan,	Henan,	Environmental		45.44	Establishme

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Environmental	Pingdingshan	Pingdingshan	protection and environment management			nt or investment
86	Tongchuan Kangrun Honghui	Shaanxi, Tongchuan	Shaanxi, Tongchuan	Environmental protection and environment management		45.39	Establishment or investment
87	Rushan Econ	Shandong, Weihai	Shandong, Weihai	Environmental technology service industry		44.37	Establishment or investment
88	Mengcheng Kangrun	Anhui, Bozhou	Anhui, Bozhou	Water Conservancy Management Industry		43.35	Establishment or investment
89	Chongzhou Kangrun	Sichuan, Chongzhou	Sichuan, Chongzhou	Environmental protection and environment management		42.67	Establishment or investment
90	Suining Pengxi Kangrun	Sichuan, Suining	Sichuan, Suining	Environmental technology service industry		40.75	Establishment or investment
91	Funan Kangrun Water	Anhui, Fuyang	Anhui, Fuyang	Environmental protection and environment management		40.55	Establishment or investment
92	Subei Kangrun Water	Gansu, Jiuquan	Gansu, Jiuquan	Environmental technology service industry		39.78	Establishment or investment
93	Linfen Kangrun	Shanxi, Linfen	Shanxi, Linfen	Water production and supply industry		39.24	Establishment or investment
94	Wuhan Runyuan Wastewater	Hubei, Wuhan	Hubei, Wuhan	Environmental protection and environment management		35.70	Establishment or investment
95	Binzhou Weiyijie	Shandong, Binzhou	Shandong, Binzhou	Environmental technology service industry		35.70	Establishment or investment
96	Binzhou Beihai Jingmai	Shandong, Binzhou	Shandong, Binzhou	Environmental technology service industry		24.99	Establishment or investment
97	Chunzhiran	Shandong, Yantai	Shandong, Yantai	Environmental technology service industry		35.70	Establishment or investment
98	Lairun Holding	Shandong,	Shandong,	Environmental		30.60	Establishme

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
		Yantai	Yantai	technology service industry			nt or investment
99	Binhai Wastewater	Shandong, Yantai	Shandong, Yantai	Environmental technology service industry		30.60	Establishment or investment
100	Lairun Environmental Protection	Shandong, Yantai	Shandong, Yantai	Environmental technology service industry		27.54	Establishment or investment
101	Lairun Wastewater	Shandong, Yantai	Shandong, Yantai	Environmental protection and environment management		24.14	Establishment or investment
102	Xixian Kangrun	Shaanxi, Xixian New Area	Shaanxi, Xixian New Area	Public Facilities Management Industry		26.01	Establishment or investment
103	Ankang Kangrun	Shaanxi, Ankang	Shaanxi, Ankang	Environmental protection and environment management		26.01	Establishment or investment
104	Bokang Renewable	Shandong, Yantai	Shandong, Yantai	Internet and related services		26.01	Establishment or investment
105	Pengrun Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail industry	51		Establishment or investment
106	Jiaxin Technology	China, Hong Kong	China, Hong Kong	Retail industry		51	Establishment or investment
107	Konka Ronghe	Zhejiang, Jiaxing	Zhejiang, Jiaxing	Wholesale and retail industry	51		Establishment or investment
108	Chongqing Kangxingrui	Chongqing	Chongqing	Recycling, processing and sales of renewable resources	51		Establishment or investment
109	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Dismantling and utilization of scrapped cars		51	Establishment or investment
110	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail industry	51		Establishment or investment
111	Jiali International	China, Hong Kong	China, Hong Kong	Retail industry		51	Establishment or investment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
112	Kangjiatong	Sichuan, Yibin	Sichuan, Yibin	Service industry	51		Establishment or investment
113	Kanghong (Yantai) Environmental	Shandong, Yantai	Shandong, Yantai	Comprehensive utilization of waste resources industry	51		Establishment or investment
114	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research and experimental development	51		Establishment or investment
115	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research and experimental development	51		Establishment or investment
116	Yantai Laikang	Shandong, Yantai	Shandong, Yantai	Commercial service	51		Establishment or investment
117	Konka Material	Hainan, Haikou	Hainan, Haikou	Commercial service		51	Establishment or investment
118	Konka Ventures	Guangdong, Shenzhen	Guangdong, Shenzhen	Other organization management services	51		Establishment or investment
119	Yibin Konka Incubator	Sichuan, Yibin	Sichuan, Yibin	Commercial service		51	Establishment or investment
120	Yantai Konka	Shandong, Yantai	Shandong, Yantai	Other professional consultation and investigation		51	Establishment or investment
121	Chengdu Anren	Sichuan, Chengdu	Sichuan, Chengdu	Commercial service		51	Establishment or investment
122	Konka Enterprise Service	Guizhou, Guiyang	Guizhou, Guiyang	Corporate Headquarters Management		51	Establishment or investment
123	Chuanghui Smart	Jiangsu, Nanjing	Jiangsu, Nanjing	Entrepreneurship Space Service		40.80	Establishment or investment
124	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial service	51		Establishment or investment
125	Konka Europe	Germany, Frankfurt	Germany, Frankfurt	International commerce	100		Establishment or investment
126	Hong Kong Konka	China, Hong Kong	China, Hong Kong	International commerce	100		Establishment or investment



Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
127	Hongdin Trading	China, Hong Kong	China, Hong Kong	International commerce		100	Establishment or investment
128	Konka North America	America, California	America, California	International commerce		100	Establishment or investment
129	Kanghao Technology	Egypt, Cairo	Egypt, Cairo	International commerce		67	Establishment or investment
130	Hongdin Invest	China, Hong Kong	China, Hong Kong	Investment holding		100	Establishment or investment
131	Chain Kingdom Memory Technologies	China, Hong Kong	China, Hong Kong	International commerce		51	Establishment or investment
132	Chain Kingdom Memory Technologies (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale industry		51	Establishment or investment
133	Hefei Chain Kingdom Memory Technologies	Anhui, Hefei	Anhui, Hefei	Information service		51	Establishment or investment
134	Konka Smartech	China, Hong Kong	China, Hong Kong	International commerce		61	Establishment or investment
135	Hongjet	China, Hong Kong	China, Hong Kong	Service industry		51	Establishment or investment
136	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, communications and other electronic equipment manufacturing		100	Establishment or investment
137	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Non-metallic mineral products industry		94.90	Establishment or investment
138	Xi'an Huasheng	Shaanxi, Xi'an	Shaanxi, Xi'an	Real estate industry		66	Establishment or investment
139	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Special equipment manufacturing industry		95	Establishment or investment

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
140	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Special equipment manufacturing industry		90.10	Establishment or investment
141	Kowin Memory (Hong Kong)	China, Hong Kong	China, Hong Kong	Computer, communications and other electronic equipment manufacturing		100	Establishment or investment
142	Industrial and Trade Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale industry	100		Establishment or investment
143	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Technology promotion and application service industry	100		Establishment or investment
144	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Environmental protection and environment management		82.19	Establishment or investment
145	Yibin Kangrun Environmental Protection	Sichuan, Yibin	Sichuan, Yibin	Research and experimental development		53.69	Establishment or investment
146	Jiangxi High Transparent Substrate	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51.00	Establishment or investment
147	Weifang Sihai Kangrun	Shandong, Weifang	Shandong, Weifang	Environmental technology service industry		32.09	Establishment or investment
148	Kangruncheng Environmental Technology	Shandong, Yantai	Shandong, Yantai	Commercial service		26.01	Establishment or investment
149	Shaanxi Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Electrical machinery and equipment manufacturing	51.00		Establishment or investment
150	Kangxin Semiconductor	Shandong, Yantai	Shandong, Yantai	Computer, communications and other electronic equipment manufacturing		100	Establishment or investment

Note: The indirect shareholding of the Company shall be the penetration ratio of the subsidiary enjoyed by the Company at the consolidation level, and belongs to the final equity share of the subsidiary enjoyed by the Company.

(2) Significant Non-wholly-owned Subsidiary

Name	Sharehold	The profit or loss	Declaring	Balance of
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	<b>ing proportion of non-controlling interests (%)</b>	<b>attributable to the non-controlling interests</b>	<b>dividends distributed to non-controlling interests</b>	<b>non-controlling interests at the period-end</b>
Econ Technology	49.00%	69,943,521.22		1,099,227,297.92
Chain Kingdom Memory Technologies	49.00%	5,832,692.06		66,139,968.40

(3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Name	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Econ Technology	5,477,220,513.79	9,465,339,087.97	14,942,559,601.76	8,785,637,395.05	4,447,674,810.71	13,233,312,205.76
Chain Kingdom Memory Technologies	1,146,313,795.10	1,601,639.67	1,147,915,434.77	1,011,442,224.13	1,493,683.30	1,012,935,907.43

(Continued)

Name	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Econ Technology	4,462,132,589.77	8,755,726,357.81	13,217,858,947.58	8,703,704,732.25	2,962,052,834.96	11,665,757,567.21
Chain Kingdom Memory Technologies	1,207,762,181.65	151,871.86	1,207,914,053.51	1,084,837,979.38		1,084,837,979.38

(Continued)

Name	Reporting Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Econ Technology	987,086,128.04	128,453,230.52	128,453,230.52	-634,712,360.70
Chain Kingdom Memory Technologies	3,756,519,723.85	13,367,681.89	11,903,453.19	80,536,781.65

(Continued)

Name	Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Econ Technology	725,770,854.14	96,019,839.22	96,019,839.22	-189,595,823.45

Chain Kingdom Memory Technologies	1,974,917,750.88	12,234,256.61	14,102,950.22	-134,524,608.11
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2. Changes in the share of owners' equity in subsidiaries this period have no impact on equity.

3. Equity in Joint Ventures or Associated Enterprises  
(1) Significant Joint Ventures or Associated Enterprises

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Directly	Indirectly	
Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Zhuhai	Zhuhai	Investment management		49.95	Equity method
Shenzhen Jielunte Technology Co., Ltd.	Shenzhen	Shenzhen	Electronic Equipment Manufacturing		42.79	Equity method

(2) Main Financial Information of Significant Associated Enterprise

Item	Ending balance/Reporting Period	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	681,199,562.63	252,917,231.01
Non-current assets		222,436,194.89
Total assets	681,199,562.63	475,353,425.90
Current liabilities	100,829.98	249,422,722.74
Non-current liability		17,927,509.79
Total liabilities	100,829.98	267,350,232.53
Equity of non-controlling interests		9,141,304.07
Equity attributable to shareholders of the Company as the parent	681,098,732.65	198,861,889.30
Book value of equity investment in associated enterprises	335,505,835.19	91,163,534.11
Operating revenue		227,686,845.28
Finance costs	-281,006.45	2,748,106.23
Income tax expense		-1,440,602.70
Net profit	-28,114,379.69	3,684,846.93
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-28,114,379.69	3,684,846.93
Dividends received from the joint venture in the current period		

(Continued)

Item	Beginning balance/Same period of last year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	686,710,061.46	271,865,221.76
Non-current assets		227,090,375.33
Total assets	686,710,061.46	498,955,597.09
Current liabilities	285,530.00	276,139,120.51
Non-current liability		18,498,130.14
Total liabilities	285,530.00	294,637,250.65
Equity of non-controlling interests		10,008,858.78
Equity attributable to shareholders of the Company as the parent	686,424,531.46	194,309,487.66
Book value of equity investment in associated enterprises	336,170,619.84	89,187,905.40
Operating revenue		181,530,263.84
Finance costs	-74,102.12	1,715,621.18
Income tax expense		-1,295,366.94
Net profit	-4,629,057.58	3,589,222.29
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-4,629,057.58	3,589,222.29
Dividends received from the joint venture in the current period		

**(3) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprises**

Item	Ending balance/Reporting	Beginning balance/The
<b>Associated enterprise:</b>		
Total carrying value of investment	4,039,134,762.32	3,950,475,059.41
The total of following items		
--Net profit	27,682,427.99	48,924,704.74
--Other comprehensive income		
--Total comprehensive income	27,682,427.99	48,924,704.74

**八、 IX. The Risk Related to Financial Instruments**

The Company's main financial instruments include borrowings, accounts receivable, accounts payable, trading financial assets and liabilities, etc. Please refer to Note VI for detailed descriptions of various financial instruments. Risks related to these financial instruments, and risk management policies the Company has adopted to reduce these risks are described as follows. The Company management manages and monitors the risk exposure in order to ensure the above risks to be controlled in a limited scope.

**1. Various Risk Management Objectives and Policies**

The goals of the Company engaged in the risk management is to achieve the proper balance between the risks and benefits, reduced the negative impact to the Company operating performance risk to a minimum, maximized the profits of shareholders and other equity investors.

Based on the risk management goal, the basic strategy of the Company's risk management is determine and analyze the various risks faced by the Company, set up the bottom line of risk and conducted appropriate risk management, and timely supervised various risks in a reliable way and controlled the risk within the range of limit.

#### (1) Market Risk

##### 1) Foreign Exchange Risk

Foreign exchange risk refers to the risks that may lead to losses due to fluctuation in exchange rate. The foreign exchange risk borne by the Company is related to USD. Except the procurement and sales by USD for several subsidiaries of the Company, the other main businesses of the Company were settled by RMB. The foreign exchange risks produced by the assets and liabilities balance may affect the business performance of the Company. As of 30 June 2021, except for the assets or liabilities mentioned in the table below, the assets and liabilities of the Company are mainly the balance of RMB.

Item	Period-end	Period-begin
Cash and cash equivalents	84,160,593.16	95,989,561.32
Accounts receivable	134,495,088.51	132,221,173.92
Other receivables	39,323,079.55	135,938,277.17
Interest receivables	25,006.06	
Short-term borrowings	84,416,347.52	59,159,714.38
Accounts payable	31,338,417.26	42,417,352.11
Other payables	3,036,214.29	
Interest payable	325,559.34	99,200.24

The company pays close attention to the impact of exchange rate changes on the company's foreign exchange risk, and requires major companies in the group that purchase and sell in foreign currency to pay attention to the changes in foreign currency assets and liabilities, manage the group's foreign currency net asset exposure in a unified way, implement single currency settlement, and reduce the scale of foreign currency assets and liabilities, so as to reduce foreign exchange risk exposure.

##### 2) Interest Rate Risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market interest rates. Interest-bearing financial instruments with fixed interest rate may bring the fair value interest rate risk to the Company, while those with floating interest rate may bring the cash flow interest rate risk to the Company. The Company bears interest rate risk due to interest rate changes of interest bearing financial assets and liabilities. The Company's interest bearing financial assets are mainly bank deposits, of which the variable interest rate is mostly short-term, while the interest bearing financial liabilities are mainly bank loans and corporate bonds. The Company will determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring.

#### (2) Credit Risk

As of 30 June 2021, the maximum credit risk exposure that may cause financial losses to the Company mainly came from losses generated from the Company's financial assets due to failure of the other party in a contract to perform its obligations and the financial guarantee undertaken by the Company, including:

The carrying amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects their risk exposure, but not the



maximum risk exposure, and the maximum risk exposure will change with the change of future fair value.

In order to reduce credit risk, the company has set up a group to determine the credit limit, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the company reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient bad debt provision is made for the unrecoverable amount. Therefore, the company's management believes that the company's credit risk has been greatly reduced.

The company's working capital is deposited in banks with high credit rating, so the credit risk of working capital is low.

The Company has adopted necessary policies to ensure that all customers have good credit records. Except for the top five customers in terms of the amount of accounts receivable, the Company has no other major credit concentration risk. For the financial assets of the Company that have been individually impaired, please refer to *4. Accounts Receivable* and *7. Other Receivables* in Note VI.

### (3) Liquidity Risk

Liquidity risk refers to the risk that the company is unable to fulfill its financial obligations on the due date. The Company manages liquidity risk in the method of ensuring that there is sufficient liquidity to fulfill debt obligations without causing unacceptable loss or damage to the Company's reputation. In order to mitigate the liquidity risk, the management of the company has carried out a detailed inspection on the liquidity of the company, including the maturity of accounts payable and other payables, bank credit line and bond financing. The conclusion is that the company has sufficient funds to meet the needs of the group's short-term debt and capital expenditure.

The analysis of the financial assets and financial liabilities held by the Company based on the maturity period of the undiscounted remaining contractual obligations is as follows:

Amount on 30 June 2021:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Monetary assets	5,808,945,725.97				<b>5,808,945,725.97</b>
Held-for-trading financial assets					
Notes receivable	1,517,173,391.11				<b>1,517,173,391.11</b>
Accounts receivable	3,055,810,084.71	1,042,056,711.94	451,497,541.94	226,688.00	<b>4,549,591,026.59</b>
Other receivables	862,955,713.01	1,018,989,394.31	114,338,151.50	6,387,673.20	<b>2,002,670,932.02</b>
Long-term receivables	29,003,761.31	29,269,369.45	10,430,400.00	350,937,230.14	<b>419,640,760.90</b>
Other current assets	2,245,900,952.01				<b>2,245,900,952.01</b>
<b>Financial liabilities</b>					
Short-term borrowings	10,660,328,520.00				<b>10,660,328,520.00</b>
Notes payable	1,084,027,559.56				<b>1,084,027,559.56</b>
Accounts payable	8,606,110,762.20	1,054,960,597.01	170,805,589.48	10,677,793.63	<b>9,842,554,742.32</b>
Other payables	1,371,441,277.41	103,585,634.52	132,327,996.97	39,396,443.29	<b>1,646,751,352.19</b>
Payroll payable	231,185,917.73				<b>231,185,917.73</b>
Current portion of non-current liabilities	4,327,184,538.69				<b>4,327,184,538.69</b>
Long-term borrowings	2,090,919,000.00	2,291,060,000.00	1,241,847,132.95	4,348,118,015.53	<b>9,971,944,148.48</b>
Bonds payable	2,000,000,000.00	1,497,019,129.95	1,495,689,203.37		<b>4,992,708,333.32</b>
Long-term payables	209,741,731.57	173,347,183.69	270,587,154.51	28,000,000.00	<b>681,676,069.77</b>

## 2. Sensitivity Analysis

The Company adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on current profits/losses or shareholders' equity. As any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impact amount of the change of a risk variable, the following content is based on the assumption that the change of each variable is independent.

### (1) Sensitivity analysis of foreign exchange risk

Assumption for the sensitivity of foreign exchange risk: All net investment hedging and cash flow hedging of overseas operations are highly effective.

On the basis of the above assumption, under the condition that other variables remain unchanged, the impact of reasonable changes in the exchange rate on current profits/losses and equity after tax is as follows:

Item	Change in the exchange rate	30 June 2021	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	7,506,084.49	4,800,223.85
USD	Depreciation of 1% against RMB	-7,506,084.49	-4,800,223.85

## 九、 X. The Disclosure of Fair Value

### 1. Ending Fair Value of Assets and Liabilities at Fair Value

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
<b>I. Consistent fair value measurement</b>				
(I) Trading financial assets				
(II) Accounts receivable financing		111,375,140.87		111,375,140.87
(III) Investment in other debt obligations				
(IV) Other equity instrument investment			25,343,293.16	25,343,293.16
(V) Other non-current financial assets			2,041,635,385.92	2,041,635,385.92
<b>Total assets of consistent fair value measurement</b>		<b>111,375,140.87</b>	<b>2,066,978,679.08</b>	<b>2,178,353,819.95</b>
<b>Total liabilities of consistent fair value measurement</b>				
<b>Total assets of inconsistent fair value measurement</b>				

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
Total liabilities of inconsistent fair value measurement				

2. Basis for Determining the Market Prices of Consistent and Inconsistent Fair Value Measurement Items at Level 1

Input value at Level 1 is the unadjusted quotation in the active market of the same assets or liabilities that can be obtained on the measurement date.

3. Valuation Technique Adopted and Qualitative and Quantitative Information of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 2

The Level 2 fair value measurement of input value at Level 2 is the input value observable directly or indirectly of relevant assets or liabilities exclusive of input value at Level 1.

4. Valuation Technique Adopted and Qualitative and Quantitative Information of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 3

Input value at Level 3 is the input value unobservable of relevant assets or liabilities.

## 十、 XI. Related Party and Related-party Transaction

### (I) Relationship of Related Party

#### 1. Controlling Shareholder and the Ultimate Controller

##### (1) Controlling Shareholder and the Ultimate Controller

Name	Registration place	Nature	Registered capital	Shareholding ratio to the Company (%)	Voting right ratio to the Company (%)
OCT Group Co., Ltd.	Shenzhen	Tourism, real estate, electronics industry	RMB12 billion	29.999997	29.999997

Note: The ultimate controller of the Company is State-owned Assets Supervisor Commission of the State Council.

##### (2) The Registered Capital of the Controlling Shareholder and its Changes

Controlling shareholder	Beginning balance	Increase	Decrease	Ending balance
OCT Group Co., Ltd.	12,000,000,000.00			12,000,000,000.00

##### (3) Controlling Shareholders' Shares or Equity and their Changes

Controlling shareholder	Shareholding amount		Shareholding ratio (%)	
	Ending balance	Beginning	Percentage	Percentage at
OCT Group Co., Ltd.	722,383,542.00	722,383,542.00	29.999997	29.999997

### 2. Subsidiary

Refer to note VIII-1(1) Subsidiaries for the information of subsidiaries.

### 3. Associated Enterprises and Joint Ventures

Refer to Note VIII-3. (1) Significant Associated Enterprises for details of significant associated enterprises of the Company. Information on other joint ventures or associated enterprises occurring connected transactions with the Company in Reporting Period, or forming balance due to connected transactions made in previous period:

<b>Name</b>	<b>Relationship with the Company</b>
Puchuang Jiakang Technology Co, Ltd.	Associated enterprise
Dongguan Konka Electronic Smart Technology Co., Ltd.	Associated enterprise
Anhui Kaikai Sihjie E-commerce Co., Ltd.	Associated enterprise
Shenzhen Jielunte Technology Co., Ltd.	Associated enterprise
Shenzhen Konka E-display Co., Ltd.	Associated enterprise
E3info (Hainan) Technology Co., Ltd.	Associated enterprise
Wanjun Technology (Kunshan) Co., Ltd.	Associated enterprise
Shenzhen Konka Information Network Co., Ltd.	Associated enterprise
Henan Konka Smart Electrical Appliance Co., Ltd.	Associated enterprise
Shandong Konka Smart Electrical Appliance Co., Ltd.	Associated enterprise
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	Associated enterprise
Shenzhen Konka Smart Electric Appliances Technology Co., Ltd.	Associated enterprise
Shenzhen Yaode Technology Co., Ltd.	Associated enterprise
Heilongjiang Longkang Smart Electrical Appliance Co., Ltd.	Associated enterprise
Dongguan Konka Investment Co., Ltd.	Associated enterprise
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associated enterprise
Yantai Kangyun Industry Development Co., Ltd.	Associated enterprise
Chongqing Qingjia Electronics Co., Ltd.	Associated enterprise

#### **4. Information on Other Related Parties**

<b>Name</b>	<b>Relationship with the Company</b>
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
Chongqing Konka Fuze Real Estate Co., Ltd.	Subsidiary of associated enterprise
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
HOHOELECTRICAL&FURNITURECO.,LIMITED	Minority shareholder of subsidiary
Handian Group Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Jinzhu Industry Co., Ltd	Minority shareholder of subsidiary
Shenzhen Trade Link Supply Chain Management Co., Ltd.	Minority shareholder of subsidiary
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Huanjia Group Co., Ltd	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Yantai Qingrunyuan Enterprise Management Center (Limited Partnership)	Minority shareholder of subsidiary
Yantai Fengqingtai Investment Center (Limited Partnership)	Minority shareholder of subsidiary
Yantai Baijiangyuan Enterprise Management	Minority shareholder of subsidiary

<b>Name</b>	<b>Relationship with the Company</b>
Center (Limited Partnership)	
Chongqing Ruiyin Renewable Resources Co., Ltd.	The ultimate controller of the minority shareholders of the subsidiary
Chongqing Lvfang Renewable Resources Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Unifortune (Hong Kong) Co., Ltd.	Companies controlled by minority shareholders of subsidiaries
Dai Rongxing	Close family members of minority shareholders
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary

## **(II) Related-party Transactions**

(1) Related transactions of purchase and sale of goods, provision and acceptance of services

(1) Purchasing goods/receiving services

<b>Related party</b>	<b>Content</b>	<b>Reporting Period</b>	<b>Same period of last year</b>
Chongqing Lvfang Renewable Resources Co., Ltd.	Purchase of goods	1,503,638,982.86	
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	207,875,193.30	296,887,244.25
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as associated enterprises	Purchase of goods	22,652,611.58	45,637,929.92
Shenzhen Konka E-display Co., Ltd.	Purchase of goods	26,475,410.20	5,602,162.83
OCT Group Co., Ltd. and its subsidiaries and associated enterprises	Purchase of services	23,801,411.18	16,952,626.55
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	39,114,787.43	28,851,808.45
Puchuang Jiakang Technology Co, Ltd.	Purchase of goods	163,541,409.57	184,681,510.44
HOHOELECTRICAL&FURNITURECO.,LIMITED	Purchase of goods	13,904,763.96	34,250,250.58
Dongguan Konka Electronics Smart Technology Co., Ltd.	Purchase of goods	15,400,576.70	5,755,090.87
Anhui Kaikai Sihjie E-commerce Co., Ltd.	Purchase of goods and services	7,817,518.74	11,561,667.28
Shenzhen Konka Intelligent Electrical Technology Co., Ltd.	Purchase of goods and services	594,073.95	2,422,573.79
Shenzhen Jinzhu Industry Co., Ltd	Purchase of goods	41.95	20,346,169.14
Shenzhen Trade Link Supply Chain Management Co., Ltd.	Purchase of goods		5,617,295.12
Shenzhen Konka Information Network Co., Ltd.	Purchase of goods		2,630,116.46
Zhuhai Jinsu Plastic Co., Ltd.	Purchase of goods		1,082,212.94
Subtotal of other related parties	Purchase of goods and services	144,714.85	4,897,091.25

(2) Information of sales of goods and provision of labor service

Related party	Content	Reporting Period	Same Period of last year
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods	181,904,680.78	18,375,346.08
Anhui Kaikai Sihjie E-commerce Co., Ltd. and its subsidiaries	Sales of goods and render labor service	86,107,536.96	290,281,383.41
OCT Group Co., Ltd. and its subsidiaries and associated enterprises	Sales of goods and render labor service	78,699,287.26	103,732,850.45
AUJET INDUSTRY LIMITED	Sales of goods	73,722,203.15	
HOHOELECTRICAL&FURNITURECO.,LIMITED	Sales of goods	35,832,964.53	65,543,689.34
Shandong Konka Smart Electrical Appliance Co., Ltd.	Sales of goods and render labor service	33,094,053.38	13,136,006.95
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and render labor service	30,402,393.78	3,547,295.36
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as associated enterprises	Sales of goods and render labor service	23,197,082.93	28,339,511.01
Henan Konka Smart Electrical Appliance Co., Ltd.	Sales of goods	18,874,703.89	14,995,854.89
Shenzhen Konka E-display Commercial Display Co., Ltd.	Sales of goods and render labor service	23,556,672.37	10,812,583.47
Dongguan Konka Electronics Smart Technology Co., Ltd.	Sales of goods and render labor service	11,344,197.37	1,737,574.70
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and render labor service	5,124,776.56	
Sichuan Huayi Jiakang Technology Co., Ltd.	Sales of goods and render labor service	3,211,244.93	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	Render labor service	1,436,154.46	1,877,632.62
Shenzhen Konka Smart Electrical Apparatus Technology Co., Ltd.	Render labor service	240,681.17	2,359,154.20
Shenzhen Yaode Technology Co., Ltd.	Sales of goods		29,871,066.73
Subtotal of other related parties	Sales of goods and render labor service	1,433,408.65	3,453,093.05

## 2. Information on Related-party Lease

### (1) Lease situation

Leasee	Lessee's name	Category	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last year
OCT Group Co. Ltd. And its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	683,385.60	871,161.20

Lessee	Lessee's name	Category	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last
OCT Group Co. Ltd. And its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	10,456,131.42	

### 3. Information on Related-party Guarantee

#### (1) The Company was guarantor

Secured party	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Ningbo Kanghanrui Electric	5,940.00	CNY	2020-7-27	2021-7-26	Not
Kunshan Kangsheng Investment Development Co., Ltd.	8,064.90	CNY	2019-9-23	2022-9-22	Not
Pengrun Technology	1,500.00	CNY	2020-8-25	2021-8-25	Not
Anhui Tongchuang	3,000.00	CNY	2020-8-6	2021-8-5	Not
Anhui Tongchuang	1,225.00	CNY	2020-10-19	2021-10-19	Not
Anhui Tongchuang	729.40	CNY	2021-1-21	2022-1-20	Not
Anhui Tongchuang	4,500.00	CNY	2021-2-25	2022-2-25	Not
Dongguan Konka	5,000.00	CNY	2021-2-8	2022-2-1	Not
Dongguan Konka	1,500.00	CNY	2021-6-23	2031-5-7	Not
Electronics Technology	5,832.23	CNY	2020-7-24	2021-6-28	Not
Electronics Technology	4,796.24	CNY	2020-8-14	2021-9-9	Not
Electronics Technology	50,000.00	CNY	2020-11-16	2021-5-22	Not
Electronics Technology	3,178.67	CNY	2021-2-24	2021-12-21	Not
Econ Technology	13,999.91	CNY	2020-6-5	2021-3-17	Not
Econ Technology	5,000.00	CNY	2020-8-21	2021-8-20	Not
Econ Technology	5,000.00	CNY	2020-9-22	2021-9-21	Not
Econ	3,000.00	CNY	2021-1-29	2022-1-28	Not



Secured party	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Technology					
Econ Technology	5,000.00	CNY	2021-3-24	2022-3-23	Not
Econ Technology	8,000.00	CNY	2021-6-8	2022-6-7	Not
Econ Technology	5,000.00	CNY	2021-6-18	2022-6-17	Not
Telecommunication Technology	2,305.42	CNY	2020-8-26	2021-8-26	Not
Sichuan Konka	4,000.00	CNY	2019-3-18	2022-3-19	Not
Yibin OCT Sanjiang Properties Co., Ltd.	5,258.00	CNY	2019-9-29	2022-9-28	Not
XingDa HongYe	5,626.00	CNY	2020-11-12	2022-11-12	Not
XingDa HongYe	2,000.00	CNY	2020-12-25	2023-12-25	Not
XingDa HongYe	750.00	CNY	2021-5-31	2023-8-31	Not
Boluo Konka Precision	1,725.00	CNY	2020-8-19	2023-8-19	Not
Jiangxi Konka	10,900.00	CNY	2019-3-18	2021-9-18	Not
Jiangxi Konka	5,500.00	CNY	2019-6-26	2022-6-25	Not
Jiangxi Konka	6,500.00	CNY	2019-10-30	2022-10-30	Not
Jiangxi Konka	990.00	CNY	2020-3-20	2022-3-19	Not
Jiangxi Konka	5,000.00	CNY	2021-6-26	2022-6-25	Not
Jiangxi Konka	3,000.00	CNY	2020-8-4	2021-8-4	Not
Jiangxi Konka	10,000.00	CNY	2020-9-29	2023-9-29	Not
Jiangxi Konka	10,000.00	CNY	2020-11-6	2023-12-6	Not
Jiangxi Konka	5,000.00	CNY	2020-12-21	2022-12-31	Not
Jiangxi Konka	1,000.00	CNY	2020-12-30	2023-12-30	Not
Xinfeng Microcrystalline	5,000.00	CNY	2020-5-19	2023-5-19	Not
Xinfeng Microcrystalline	3,200.00	CNY	2020-5-29	2022-11-29	Not
Xinfeng Microcrystalline	2,100.00	CNY	2020-12-8	2023-12-8	Not
Xinfeng Microcrystalline	6,000.00	CNY	2020-12-28	2021-12-27	Not
Xinfeng Microcrystalline	6,000.00	CNY	2021-6-18	2022-6-17	Not
Jiangxi High Transparent Substrate	10,000.00	CNY	2019-6-26	2022-6-25	Not

Secured party	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Jiangxi High Transparent Substrate	5,000.00	CNY	2019-12-20	2022-12-20	Not
Jiangxi High Transparent Substrate	5,000.00	CNY	2020-1-8	2023-1-8	Not
Jiangxi High Transparent Substrate	5,000.00	CNY	2020-1-8	2022-1-8	Not
Jiangxi High Transparent Substrate	990.00	CNY	2020-3-20	2022-3-19	Not
Jiangxi High Transparent Substrate	5,500.00	CNY	2020-5-29	2022-11-29	Not
Jiangxi High Transparent Substrate	7,000.00	CNY	2020-6-24	2021-6-24	Not
Jiangxi High Transparent Substrate	6,000.00	CNY	2020-7-14	2023-7-14	Not
Hong Kong Konka	16,114.20	CNY	2020-12-28	2021-9-9	Not
Hong Kong Konka	1,500.00	USD	2021-2-26	2022-2-26	Not
Anhui Konka	7,000.00	CNY	2020-11-25	2021-11-24	Not
Anhui Konka	15,000.00	CNY	2020-12-24	2021-9-2	Not
Anhui Konka	14,000.00	CNY	2021-3-25	2022-3-25	Not
Anhui Konka	856.27	CNY	2021-4-2	2022-4-2	Not
Yibin Kangrun	10,000.00	CNY	2020-11-13	2024-12-31	Not
Sichuan Konka	10,000.00	CNY	2018-5-28	2027-5-24	Not
Rushan Econ	11,321.00	CNY	2016-12-29	2026-12-28	Not
Wuhan Runyuan Wastewater	46,672.00	CNY	2020-1-20	2040-1-19	Not
Subei Kangrun Water	77,600.00	CNY	2020-3-10	2035-3-9	Not
Dayi Kangrun Water	26,620.00	CNY	2020-4-29	2035-4-10	Not
Xi'an Kangrun	24,571.00	CNY	2020-12-17	2035-12-16	Not
Mengcheng Kangrun	16,000.00	CNY	2021-1-27	2038-1-26	Not
Xi'an Kangrun	15,099.69	CNY	2021-2-5	2036-1-31	Not
Tongchuan Kangrun	3,000.00	CNY	2021-3-25	2035-3-24	Not

Secured party	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Honghui					
Lushan Kangrun Environmental	25,000.00	CNY	2021-4-16	2037-4-15	Not

(2) The Company was secured party

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
OCT Group Co. Ltd.	150,000.00	CNY	2019-1-14	2022-1-14	Not
OCT Group Co. Ltd.	50,000.00	CNY	2019-6-3	2022-6-3	Not
OCT Group Co. Ltd.	150,000.00	CNY	2019-7-22	2022-7-22	Not
OCT Group Co. Ltd.	150,000.00	CNY	2020-6-22	2022-6-22	Not
OCT Group Co. Ltd.	50,000.00	CNY	2020-6-24	2022-6-19	Not
OCT Group Co. Ltd.	100,000.00	CNY	2021-1-8	2024-1-8	Not
OCT Group Co. Ltd.	50,000.00	CNY	2021-5-21	2024-5-21	Not
OCT Group Co. Ltd.	30,000.00	CNY	2021-6-24	2024-6-23	Not
Electronics Technology	30,000.00	CNY	2020-7-22	2021-7-22	Not
Electronics Technology	30,000.00	CNY	2020-8-4	2021-8-3	Not
Electronics Technology	20,000.00	CNY	2020-8-6	2020-8-5	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	54,704.58	CNY	2018-8-19	2023-10-11	Not
Zhu Xinming	2,450.00	CNY	2019-12-20	2022-12-20	Not
Zhu Xinming	2,450.00	CNY	2020-1-8	2022-1-8	Not
Zhu Xinming	2,450.00	CNY	2020-1-8	2023-1-8	Not
Zhu Xinming	4,900.00	CNY	2020-9-29	2023-9-29	Not
Zhu Xinming	6,370.00	CNY	2020-10-12	2021-10-11	Not
Zhu Xinming	4,851.00	CNY	2020-10-13	2021-10-11	Not
Zhu Xinming	1,029.00	CNY	2020-12-8	2023-12-8	Not
Zhu Xinming	945.18	CNY	2021-2-19	2022-2-18	Not
Zhu Xinming	1,493.69	CNY	2021-3-5	2022-2-18	Not
Zhu Xinming	490.00	CNY	2021-3-9	2022-3-8	Not
Zhu Xinming	504.70	CNY	2021-3-26	2022-3-8	Not
Zhu Xinming	1,162.52	CNY	2021-4-9	2022-2-18	Not
Zhu Xinming	651.70	CNY	2021-4-22	2022-4-21	Not

<b>Guarantor:</b>	<b>Guarantee amount (RMB'0,000)</b>	<b>Currency</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Zhu Xinming	296.07	CNY	2021-4-27	2022-4-21	Not
Zhu Xinming	1,031.14	CNY	2021-5-18	2022-2-18	Not
Zhu Xinming	304.66	CNY	2021-5-18	2022-3-8	Not
Zhu Xinming	1,739.50	CNY	2021-6-7	2021-7-9	Not
Zhu Xinming	93.12	CNY	2021-6-8	2022-2-18	Not
Zhu Xinming	980.00	CNY	2021-6-17	2021-7-9	Not
Zhu Xinming	810.34	CNY	2021-6-17	2022-2-18	Not
Zhu Xinming	44.03	CNY	2021-6-29	2022-2-18	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	5,341.00	CNY	2019-3-18	2021-9-18	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,695.00	CNY	2019-6-26	2022-6-25	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	3,185.00	CNY	2019-10-30	2022-10-30	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,940.00	CNY	2020-7-14	2023-7-14	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	1,470.00	CNY	2020-8-4	2021-8-4	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	4,900.00	CNY	2020-11-6	2023-12-1	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,940.00	CNY	2021-6-22	2022-6-21	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,450.00	CNY	2021-6-26	2022-6-25	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	6,859.96	CNY	2020-6-5	2021-3-17	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	2,450.00	CNY	2020-8-21	2021-8-20	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center	2,450.00	CNY	2020-9-22	2021-9-21	Not

<b>Guarantor:</b>	<b>Guarantee amount (RMB'0,000)</b>	<b>Currency</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
(LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)					
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	1,470.00	CNY	2021-1-29	2022-1-28	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	2,450.00	CNY	2021-3-24	2022-3-23	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	3,920.00	CNY	2021-6-8	2022-6-7	Not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	2,450.00	CNY	2021-6-18	2022-6-17	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	970.20	CNY	2020-3-20	2022-3-19	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2020-5-19	2023-5-19	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	4,263.00	CNY	2020-5-29	2022-11-29	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	3,430.00	CNY	2020-6-24	2021-6-24	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2020-12-21	2022-12-31	Not
Jiangxi Xinzixin Real Estate Co.,	2,940.00	CNY	2020-12-28	2021-12-27	Not

<b>Guarantor:</b>	<b>Guarantee amount (RMB'0,000)</b>	<b>Currency</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Ltd., Zhu Xinming					
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	490.00	CNY	2020-12-30	2023-12-30	Not
Yudong Environmental Protection Technology Co., Ltd.	14,210.00	CNY	2020-8-19	2023-10-31	Not
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CNY	2020-11-25	2021-11-24	Not
Chuzhou State-owned Assets Management Co., Ltd.	3,300.00	CNY	2020-12-24	2021-9-2	Not
Chuzhou State-owned Assets Management Co., Ltd.	3,080.00	CNY	2021-3-25	2022-3-25	Not
Chuzhou State-owned Assets Management Co., Ltd.	188.38	CNY	2021-4-2	2022-4-2	Not
Hu Zehong	2,450.00	CNY	2020-8-4	2021-8-3	Not
Hu Zehong	183.75	CNY	2020-11-3	2021-11-2	Not
Hu Zehong	142.10	CNY	2020-11-4	2021-11-2	Not
Hu Zehong	1,014.30	CNY	2020-11-5	2021-11-2	Not
Hu Zehong	105.35	CNY	2020-11-16	2021-11-2	Not
Hu Zehong	24.50	CNY	2020-11-30	2021-11-2	Not
Hu Zehong	980.00	CNY	2021-1-24	2021-11-2	Not
Hu Zehong	2,205.00	CNY	2021-4-23	2021-11-2	Not
Hu Zehong	244.02	CNY	2021-4-25	2021-11-2	Not
Wu Guoren and Xiao Yongsong	7,080.50	USD	2019-12-31	2024-12-31	Not
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	2020-8-9	2021-8-8	Not
Suiyong Rongxin Asset Management Co., Ltd.	2,842.00	CNY	2020-9-23	2021-9-22	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Xiong Muzhi, Zhu Qingming, Zeng Xiaohong	4,900.00	CNY	2019-6-26	2022-6-25	Not
Chuzhou Hanshang Electric Appliance Co.,Ltd.	4,533.96	CNY	2021-5-20	2024-5-19	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	2,756.74	CNY	2020-11-12	2022-11-12	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	980.00	CNY	2020-12-25	2023-12-25	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	367.50	CNY	2021-5-31	2023-8-31	Not
Shenzhen Musen Enterprise Co.,	3,325.73	CNY	2019-3-19	2022-3-18	Not

<b>Guarantor:</b>	<b>Guarantee amount (RMB'0,000)</b>	<b>Currency</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Ltd.					
Econ Technology	3,300.00	CNY	2020-11-13	2024-12-31	Not
Shenzhen Guoxin Micro-electronics Co., Ltd.	3,120.44	CNY	2020-8-22	2021-12-9	Not
Shenzhen Unifortune Supply Chain Management Co., Ltd.	2,982.14	USD	2020-7-1	2021-12-31	Not
Shenzhen Trade Link Supply Chain Management Co., Ltd.	980.00	USD	2020-7-20	2021-12-31	Not
Shenzhen Trade Link Supply Chain Management Co., Ltd.	668.36	USD	2020-7-20	2023-12-31	Not
Shenzhen Trade Link Supply Chain Management Co., Ltd.	1,761.06	USD	2020-9-1	2023-12-31	Not
AUJET INDUSTRY LIMITED	936.39	USD	2020-7-20	2023-12-31	Not
Shenzhen Henglongtong Technology Co., Ltd.	477.18	CNY	2020-10-30	2021-10-29	Not
Shenzhen Henglongtong Technology Co., Ltd.	11.18	CNY	2020-11-18	2021-10-29	Not
Shenzhen Henglongtong Technology Co., Ltd.	552.72	CNY	2021-1-1	2021-12-31	Not
Guizhou Huajinrun Technology Co. Ltd.	879.80	USD	2018-1-1	2021-12-31	Not
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd.	735.00	CNY	2018-1-1	2021-12-31	Not

#### 4. Borrowings of Funds

<b>Name</b>	<b>Amount</b>	<b>Currency</b>	<b>Start date</b>	<b>Due date</b>
<b>Borrowing</b>				
OCT Group Co. Ltd.	111,060,000.00	CNY	2020-12-7	2022-12-9
OCT Group Co. Ltd.	500,000,000.00	CNY	2021-2-25	2024-2-25
OCT Group Co. Ltd.	500,000,000.00	CNY	2021-3-4	2024-2-25
OCT Group Co. Ltd.	500,000,000.00	CNY	2021-3-18	2024-2-25
OCT Group Co. Ltd.	500,000,000.00	CNY	2021-4-20	2024-2-25
OCT Group Co. Ltd.	500,000,000.00	CNY	2021-6-16	2024-2-25
E3info (Hainan) Technology Co., Ltd.	50,000,000.00	CNY	2021-6-5	2021-12-4
Chuzhou Hanshang Electric Appliance Co., Ltd.	105,350,000.00	CNY	2021-2-1	2022-1-31
Yantai Qingrunyuan Business Management Center (LP)	5,000,000.00	CNY	2020-12-25	2021-12-24

Name	Amount	Currency	Start date	Due date
Yantai Qingrunyuan Business Management Center (LP)	1,255,930.00	CNY	2021-3-5	2021-12-24
Yantai Baijiangyuan Business Management Center (LP)	15,304,560.00	CNY	2021-3-5	2022-3-4
Yantai Qingjiangchuan Business Management Center (LP)	433,920.00	CNY	2021-3-5	2022-3-4
Yantai Fengqingtai Investment Center (LP)	6,805,590.00	CNY	2021-3-5	2022-3-4
Yantai Qingrunyuan Business Management Center (LP)	20,961,700.00	CNY	2021-4-19	2022-4-11
Yantai Baijiangyuan Business Management Center (LP)	51,280,900.00	CNY	2021-4-19	2022-4-11
Yantai Qingjiangchuan Business Management Center (LP)	1,454,000.00	CNY	2021-4-19	2022-4-11
Yantai Fengqingtai Investment Center (LP)	22,803,400.00	CNY	2021-4-19	2022-4-11
<b>Total</b>	<b>2,891,710,000.00</b>			
<b>Lending</b>				
Yibin OCT Sanjiang Properties Co., Ltd.	40,000,000.00	CNY	2018-10-25	2021-10-24
Chongqing Konka Fuze Real Estate Co., Ltd.	188,430,000.00	CNY	2020-11-25	2021-11-24
Chongqing Qingjia Electronics Co., Ltd.	8,900,000.00	CNY	2019-4-12	2020-4-11
Yantai Kangyue Investment Co., Ltd.	128,527,000.00	CNY	2020-12-16	2021-12-15
Chuzhou Kangxin Health Industry Development Co., Ltd.	132,880,000.00	CNY	2020-8-24	2021-8-23
Chuzhou Kangxin Health Industry Development Co., Ltd.	20,000,000.00	CNY	2020-12-10	2021-12-9
Chuzhou Kangxin Health Industry Development Co., Ltd.	7,350,000.00	CNY	2021-1-6	2022-1-5
Chuzhou Kangxin Health Industry Development Co., Ltd.	167,580,000.00	CNY	2021-3-26	2022-3-26
Chuzhou Kangjin Health Industry Development Co., Ltd.	74,436,380.39	CNY	2021-1-13	2022-2-25
Chuzhou Kangjin Health Industry Development Co., Ltd.	24,500,000.00	CNY	2021-6-15	2022-6-14
Chuzhou Kangjin Health Industry Development Co., Ltd.	58,800,000.00	CNY	2020-9-16	2021-9-15
Yantai Kangyun Industrial Development Co., Ltd.	100,200,000.00	CNY	2020-11-23	2021-11-22
Dongguan Konka Investment Co., Ltd.	22,231,944.48	CNY	2020-8-6	2021-8-5
Dongguan Konka Investment Co., Ltd.	7,000,000.00	CNY	2020-8-14	2021-8-5
Dongguan Konka Investment Co.,	166,768,055.52	CNY	2020-8-14	2021-8-5



Name	Amount	Currency	Start date	Due date
Ltd.				
<b>Total</b>	<b>1,147,603,380.39</b>			

5. Assets Transfer of Related Party

Name	Content	Reporting Period	Same period of last year
Shenzhen Konka Holding Group Co., Ltd.	Assignment of patent rights		98,600,000.00
Shenzhen Konka Holding Group Co., Ltd.	Equity transfer		470,986,530.00
<b>Total</b>			<b>569,586,530.00</b>

6. Information on Remuneration for Key Management Personnel

Item	Reporting Period (RMB'0,000)	Same period of last year (RMB'0,000)
<b>Total remuneration</b>	1,000.44	1,229.88

(III) Balances with Related Party

1. Accounts Receivable

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
<b>Accounts receivable:</b>				
Shenzhen Yaode Technology Co., Ltd.	132,766,748.31	13,303,228.18	134,098,413.80	12,181,165.68
HOHOELECTRICAL&FURNITURECO.,LIMITED	132,119,400.41	6,223,558.13	124,721,168.78	6,447,669.98
Anhui Kaikai Shijie E-commerce Co., Ltd.	128,400,573.00	11,852,798.06	153,854,753.25	3,170,897.81
Korea Electric Group Co., Ltd.	79,874,580.14	1,629,441.43	11,876,557.98	242,281.78
OCT Group Co. Ltd. And its subsidiaries, associated enterprises	76,596,326.16	1,745,927.10	68,938,082.60	1,503,214.49
Shenzhen Konka Information Network Co., Ltd.	39,522,005.33	7,776,237.77	38,956,293.90	5,163,169.72
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as associated enterprises	8,149,766.81	179,454.56	38,228,985.16	974,569.50
<b>Subtotal of other related parties</b>	67,102,747.62	4,132,146.85	56,114,631.87	3,987,467.12
<b>Total</b>	<b>664,532,147.78</b>	<b>46,842,792.08</b>	<b>626,788,887.34</b>	<b>33,670,436.08</b>
<b>Notes receivable:</b>				

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Anhui Kaikai Shijie E-commerce Co., Ltd.	8,391,829.94		2,231,739.87	
<b>Subtotal of other related parties</b>	258,158.37		2,243,687.84	
<b>Total</b>	<b>8,649,988.31</b>		<b>4,475,427.71</b>	
<b>Interest receivable:</b>				
Yantai Kangyue Investment Co., Ltd.	16,080,155.78		10,910,514.22	
Chuzhou Kangxin Health Industry Development Co., Ltd.	10,524,546.65			
Chongqing Konka Fuze Real Estate Co., Ltd.	9,128,386.65		15,828,119.98	
Dongguan Konka Investment Co., Ltd.	7,648,251.21			
Chuzhou Kangjin Health Industry Development Co., Ltd.	5,178,239.76		7,564,562.01	
Yantai Kangyun Industrial Development Co., Ltd.	4,030,266.68			
<b>Total</b>	<b>52,589,846.73</b>		<b>34,303,196.21</b>	
<b>Dividends receivable</b>				
Chongqing Qingjia Electronics Co., Ltd.	547,848.62		547,848.62	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.			4,400,000.00	
<b>Total</b>	<b>547,848.62</b>		<b>4,947,848.62</b>	
<b>Other receivables:</b>				
Chongqing Liangshan Industrial Investment Co., Ltd.	167,211,334.00	3,411,111.21	262,878,000.00	5,362,711.20
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	18,819,587.09	93,512,640.31	18,833,017.29
Dai Rongxing	84,591,701.90	21,441,912.67	82,914,871.05	21,175,816.98
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	28,129,378.46	14,236,483.61	30,431,127.39	14,223,018.11
Huanjia Group Co., Ltd.	23,095,103.20	9,229,041.28	23,065,103.20	9,226,041.28

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
HOHOELECTRICAL&FURNITURECO.,LIMITED			5,519,421.05	112,596.19
<b>Subtotal of other related parties</b>	3,106,970.46	78,354.04	473,279.18	21,303.41
<b>Total</b>	<b>399,647,128.33</b>	<b>67,216,489.90</b>	<b>498,794,442.18</b>	<b>68,954,504.46</b>
<b>Prepayments:</b>				
Shenzhen Konka Information Network Co., Ltd.	40,191,388.22		40,220,535.22	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	49,570.73		13,483,626.36	
Puchuang Jiakang Technology Co, Ltd.	2,498,172.50		5,111,181.00	
HOHOELECTRICAL&FURNITURECO.,LIMITED			7,655,079.81	
<b>Subtotal of other related parties</b>	3,657,143.84		5,647,733.34	
<b>Total</b>	<b>46,396,275.29</b>		<b>72,118,155.73</b>	
<b>Current portion of non-current assets:</b>				
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	40,000,000.00		75,000,000.00	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	23,553,761.31		30,630,065.09	
<b>Subtotal of other related parties</b>	<b>63,553,761.31</b>		<b>105,630,065.09</b>	
<b>Other current assets:</b>				
Chuzhou Kangxin Health Industry Development Co., Ltd.	327,810,000.00		152,880,000.00	
Dongguan Konka Investment Co., Ltd.	196,000,000.00		196,000,000.00	
Chongqing Konka Fuze Real Estate Co., Ltd.	188,430,000.00		188,430,000.00	
Chuzhou Kangjin Health Industry Development Co., Ltd.	157,736,380.39		160,847,400.00	

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Yantai Kangyue Investment Co., Ltd.	128,527,000.00		128,527,000.00	
Yantai Kangyun Industrial Development Co., Ltd.	100,200,000.00			
<b>Total</b>	<b>1,098,703,380.39</b>		<b>826,684,400.00</b>	
<b>Long-term receivables:</b>				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	4,059,369.45		12,749,762.58	
<b>Total</b>	<b>4,059,369.45</b>		<b>12,749,762.58</b>	
<b>Other non-current assets:</b>				
Chongqing Qingjia Electronics Co., Ltd.	11,225,866.61		10,867,888.84	
<b>Total</b>	<b>11,225,866.61</b>		<b>10,867,888.84</b>	

## 2. Accounts Payable

Related party	Ending carrying amount	Beginning carrying amount
<b>Accounts payable:</b>		
Chuzhou Hanshang Electric Appliance Co., Ltd.	35,166,221.43	9,462,196.04
Shenzhen Konka E-display Co., Ltd. and its subsidiaries	29,081,354.42	6,223,095.56
Korea Electric Group Co., Ltd.	27,090,040.12	3,481,603.74
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	17,618,906.75	12,618,777.74
Chongqing Lvfang Renewable Resources Co., Ltd.	14,779,459.37	18,510,819.80
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	13,776,879.66	10,042,155.58
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	7,861,878.28	2,633,353.42
Wanjuan Technology (Kunshan) Co., Ltd.	25,488.05	434,816.51
<b>Subtotal of other related parties</b>	<b>17,610,256.05</b>	<b>19,203,126.03</b>
<b>Total</b>	<b>163,010,484.13</b>	<b>82,609,944.42</b>
<b>Notes payable:</b>		
Chongqing Lvfang Renewable Resources Co., Ltd.	45,624,044.52	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	9,667,899.38	11,850,973.37
<b>Subtotal of other related parties</b>	<b>4,718,551.51</b>	<b>5,234,811.10</b>
<b>Total</b>	<b>60,010,495.41</b>	<b>17,085,784.47</b>
<b>Contract liabilities/other non-current liabilities:</b>		

Related party	Ending carrying amount	Beginning carrying amount
AUJET INDUSTRY LIMITED	15,249,270.80	
Anhui Kaikai Shijie E-commerce Co., Ltd.	7,823,907.60	60,750.00
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	6,061,436.71	15,357,854.41
Sichuan Huayi Jiakang Technology Co., Ltd.	5,142,212.00	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries		27,430,700.76
<b>Subtotal of other related parties</b>	<b>4,398,757.61</b>	<b>4,518,534.87</b>
<b>Total</b>	<b>30,851,677.12</b>	<b>47,307,090.04</b>
<b>Other payables:</b>		
Chuzhou Hanshang Electric Appliance Co., Ltd.	126,370,999.21	151,494,362.56
Yantai Baijiangyuan Business Management Center (LP)	67,664,518.51	
E3info (Hainan) Technology Co., Ltd.	50,162,711.83	50,166,438.36
Yantai Fengqingtai Investment Center (LP)	30,088,822.08	
Yantai Qingrunyuan Business Management Center (LP)	27,727,493.25	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	12,215,861.75	13,215,861.75
Chongqing Lvfang Renewable Resources Co., Ltd.	11,143,969.16	5,800,221.60
OCT Group Co., Ltd. and its subsidiaries and associates	5,046,383.11	481,704.23
<b>Subtotal of other related parties</b>	<b>10,374,508.26</b>	<b>6,763,074.18</b>
<b>Total</b>	<b>340,795,267.16</b>	<b>227,921,662.68</b>
<b>Current portion of non-current liabilities:</b>		
OCT Group Co., Ltd. and its subsidiaries	253,275.20	10,777,675.49
<b>Total</b>	<b>253,275.20</b>	<b>10,777,675.49</b>
<b>Long-term payables:</b>		
OCT Group Co., Ltd. and its subsidiaries and associates		40,485,591.71
<b>Total</b>		<b>40,485,591.71</b>

## 十一、XII. Contingency

(1) As the acceptor has not paid the commercial acceptance bills held by the Company after maturity, the Company, as the plaintiff, filed a lawsuit with the court for bills with a total amount of 200 million yuan. The debtors Hongtu Sanpower Technology Co., Ltd., Jiangsu Hongtu High Technology Co., Ltd., Sanpower Group Co., Ltd., Nanjing Jiongjiong Electronic Technology Co., Ltd., and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. bear joint and several liability for the settlement of the bill amount and overdue interest. In July 2019, the company filed a lawsuit with the court, and the court has preserved the defendant's corresponding property. As of the date of issuance of this report, property execution is ongoing.

(2) As the acceptor has not paid the commercial acceptance bills held by the Company after maturity, the Company as the plaintiff filed a lawsuit for bills of RMB 300,027,889.84 to the

court, asked bill acceptor and Shanghai Huaxin International Group Co., Ltd. involves bills before hand the bill amount and default interest shall bear joint liability. As of the date of issuance of this report, the case involving 150 million yuan in the case has been in the compulsory execution stage, and the shareholder has been added as the person to be executed in the case; the courts of the remaining 150 million cases have ruled that the defendant should pay bills and interest to Konka Group Enforced. As of the date of issuance of this report, property execution is ongoing.

(3) As the commercial draft held by the company was not paid by the acceptor after it expired, the company, as the plaintiff, filed a lawsuit with the court for a total amount of 78,300,690.24 yuan of due notes, requesting an order from Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Co., Ltd. The Development Co., Ltd. paid the bill amount and default interest to the company, and applied for property preservation. As of the date of issuance of this report, the court has ruled that the defendant should pay the bills and corresponding interest to Konka Group, and the case is being executed.

(4) Because the company's subsidiary Konka Commercial Factoring did not redeem the bills held by the acceptor after maturity, the company, as the plaintiff, filed a lawsuit with the court for the 65,221,300.00 yuan due bills and required the bill acceptor to hand over the bills to the company and the bills involved. And the default interest shall bear joint and several liability for repayment. As of the date of issuance of this report, the second instance was ruled by the court to dismiss the prosecution. At present, the above-mentioned commercial acceptance bill has not been honored during the retrial of the case.

(5) The dispute among the Company and China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping Enterprise Co., Ltd. and Shenzhen Qianhai Baoying Commercial Factoring Co., Ltd. over the right of recourse for bills involves the amount of the subject matter of the lawsuit to be RMB 50 million and the corresponding interest. In September 2018, the Company filed a lawsuit with Shenzhen Intermediate People's Court, which has preserved the defendant's corresponding property. The judgment of this case has come into effect. In the court's judgment, defendants such as China Energy Electric Fuel Co., Ltd. shall pay the bill amount of RMB50 million and the relevant interest to the Company. During the execution of the case, the court ruled that the Company should add the defendant shareholder as the co-executed party. As of the date of issuance of this report, the case is in the execution stage.

(6) The dispute in bill recourse among the subsidiary of the Company, Konka Factoring (Shenzhen) Co., Ltd., Tahoe Group Co., Ltd., Fuzhou Taijia Enterprise Co., Ltd. and Xiamen Lianchuang Micro-electronics Co., Ltd., has involved with the underlying amount of RMB 50 million and relevant interest. In January 2019, the Company filed a lawsuit to Xiamen Municipal Intermediate People's Court, and the Company has applied for property preservation to the court. As of the issuance date of this report, the case has not given judgment.

(7) The loan contract disputes related to the Company's subsidiary Jiangxi Konka and its subsidiary Xinfeng Microcrystalline, Jiangxi High Transparent Substrate, China Great Wall AMC

Jiangxi Branch, Zhu Xinming, Leng Sumin, Jiangxi Xinzixin, Jiangxi Xinxin Jian' an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Science and Technology and etc. Due to the affiliated parties of Jiangxi Konka' s original shareholder, i.e. Jiangxi Xinxin Jian' an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology, failed to repay the loan on schedule. Therefore, China Great Wall AMC Jiangxi Branch filed a lawsuit and demanded Jiangxi Xinxin Jian' an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Science and Technology to repay the loan principal of RMB 300 million, liquidated damages of RMB 108,000 and interest of RMB 13.65 million. Guarantors Jiangxi Konka, Zhu Xinming, Leng Sumin, Nano Crystallized Glass and Xinfeng Microcrystalline were required to bear joint liability for the above debts.

On October 31, 2019, the Jiangxi Provincial Superior People' s Court ruled in first instance that Jiangxi Xinxin Jian' an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology would repay the loan principal of RMB 100 million, interest and liquidated damages to China Great Wall AMC Jiangxi Branch within 10 days from the effective date of the judgment respectively. Jiangxi Konka, Zhu Xinming, Leng Sumin, Nano Crystallized Glass and Xinfeng Microcrystalline shall bear joint and several liabilities for all debts determined by the above judgment. The defendants dissatisfied with the first-instance judgment and filed an appeal, and the Supreme People's Court has accepted this; in June 2021, the second-instance court ruled that the case should be sent back to the first-instance court for retrial. As of the date of issuance of this report, the case is still under trial.

The actual controller of Konka New Materials, Zhu Xinming, and his spouse, Leng Sumin, as guarantors, provided a total of about RMB 143 million of real estate mortgage guarantee to Great Wall AMC for the above loans. Zhu Xinming and Leng Sumin also provided joint liability guarantees. In order to avoid the adverse impact of this case on the Company, the Company has agreed in the acquisition agreement of Jiangxi Konka, Xinfeng Microcrystalline and nanometer microcrystalline that all contingent debts incurred by Jiangxi Konka by the original shareholders of Konka new material in the form of joint and several liability. Jiangxi Xinzixin Real Estate Co., Ltd. has held a total of about RMB 243 million of real estate assets as the case of the anti-guarantee mortgage to Konka group and went through the mortgage registration procedures. As of the date of this report, the case is still on trial and the above commercial acceptance bill has not been honored.

(8) The company's subsidiary Konka Huanjia Environmental Protection Technology Co., Ltd. and Huanjia Group Co., Ltd., Dalian Jinshunda Material Recycling Co., Ltd. and other 14 companies have filed a case involving disputes over the sale and purchase contract, and the amount involved in the litigation is RMB 568,491,466.67. Konka Huanjia Environmental Technology Co., Ltd. has applied for the court to seal up and freeze the defendant's corresponding property. As of the date of issuance of this report, the second instance of this case is under trial and no effective judgment has been issued for this case.

(9) The company's subsidiary Konka Huanjia Environmental Protection Technology Co., Ltd. and Huanjia Group Co., Ltd., Henan Haorui Renewable Resources Recycling Co., Ltd. and other companies have filed a case involving disputes over the sale and purchase contract, and the amount of the litigation involved is RMB 202,139,597.77. As of the date of issuance of this report, no effective judgment has been issued for this case.

(10) The dispute between the Company and Wuhan Jialian Agricultural Technology Development Co., Ltd., Peng Chaojun, He Jiaguo, He Jiayi, Liang Xiangzhou, Xu Yizheng, He Fan, Pang Huasheng, Song Liangming, and Liang Xiangmei on the right of recourse for bills involved a litigation subject amount of RMB200,000,000.00 and corresponding interest. In September 2020, the company filed a lawsuit with the Wuhan Intermediate People's Court, and the company has applied to the court for property preservation. As of the date of issuance of this report, no effective judgment has been issued for this case.

(11) The dispute in sales contract between the subsidiary of the Company, Dongguan Konka and Dongguan Gaoneng Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd., Huang Zhihao have involved in RMB 90,100,998.78 (including RMB 52,718,868.54 of overdue payment, the corresponding liquidated damages and litigation costs). In January 2021, the court opened the case, and the case is currently being heard in Shenzhen Nanshan District People's Court. As of the date of issuance of this report, no effective judgment has been issued for this case.

(12) The company's subsidiary Anhui Konka Electronics Co., Ltd., Shanghai Likai Logistics Co., Ltd. Shenzhen Branch and Shanghai Likai Logistics Co., Ltd. in the case of maritime and sea freight forwarding agency contract disputes, the amount involved in the litigation is USD 5,393,051.14. In January 2020, the company filed a lawsuit in the court. As of the date of issuance of this report, the case is in the execution stage, and the company has applied to the court for property preservation.

(13) The dispute in capital increase among the subsidiary of the Company, Shenzhen Nianhua, Fang Xianglong and Jiang Yan has involved in RMB 20,451,631.52, and Shenzhen Nianhua has applied for property preservation to the court. As of the date of issuance of this report, the case has been completed, and the Shenzhen Court of International Arbitration has issued an award, which is currently being implemented.

## 十二、 XIII. Commitment and Contingency

### 1. Capital Commitments

Item	Ending balance	Beginning balance
Commitments signed but hasn't been recognized in financial statements		
—Commitment on construction and purchase of long-lived assets		277,628,800.00
—Contract with large amount	4,476,840,238.01	4,310,308,187.10



—Foreign investment commitments		
Total	<b>4,476,840,238.01</b>	<b>4,587,936,987.10</b>

## 2. Operating Lease Commitments

As of the balance sheet date, the irrevocable operating lease commitments that the Company signed were as followed:

Item	Ending balance	Beginning balance
Minimum lease payments of irrevocable operating lease		
1 year after balance date	52,100,737.92	52,265,285.12
2 years after balance date	19,853,468.21	36,586,799.43
3 years after balance date	8,034,015.25	8,779,702.07
Following years	27,532,381.93	26,662,526.63
Total	<b>107,520,603.31</b>	<b>124,294,313.25</b>

## 3. Other Commitments

As of 30 June 2021, there were no other significant commitments for the Company to disclose.

## 十三、XIV. Events after Balance Sheet Date

No significant non-adjusted events

## 十四、XV. Other Significant Events

On 2 August 2021, it was determined during the 44th meeting of the 9th Board of Directors of the Company that, the 11.70% equity held by the Company in Econ Technology Co., Ltd. would be transferred in the form of public listing in the State-owned Property Right Exchange in accordance with the procedures for trading and listing of state-owned property rights, with the listing price thereof being expected not to be lower than RMB306 million. If equity transfer procedures can be completed within 2021, and the fact that neither the book value nor the listing price of Econ Technology Co., Ltd. is lower than RMB306 million on 30 June 2021 is taken as calculation basis, the amount of after-tax gains arising from the Company's disposal of long-term equity investment is expected to be roughly RMB22,572,900, with the remaining equity being calculated by the equity method and remeasured at fair value. And accordingly, the total amount of after-tax gains therefrom is expected to be roughly RMB196,637,800.

On 2 August 2021, it was determined during the 44th meeting of the 9th Board of Directors of the Company that, the 70.00% equity of Shenzhen Yipingfang Network Technology Co., Ltd. held by the Company would be transferred in the form of public listing in the State-owned Property Right Exchange in accordance with the procedures for trading and listing of state-owned property rights, with the listing price thereof being expected not to be lower than RMB2.8 billion. If equity transfer procedures can be completed within 2021, and the fact that neither the book value nor the listing price of Yipingfang Network Technology Co., Ltd. is lower than RMB2.8 billion on 30 June 2021 is taken as calculation basis, the amount of after-tax gains arising from the Company's disposal of long-term equity investment is expected to be roughly RMB1,812,680,200, with the remaining equity being calculated by the equity method and remeasured at fair value. And accordingly, the total amount of after-tax gains therefrom is expected to be roughly RMB913,909,400.

## 十五、XVI. Notes of Main Items in the Financial Statements of the Company as the Parent

### 1. Accounts Receivable

(1) Listed by Withdrawal Method of Expected Credit Loss

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion (%)	
Accounts receivable for which expected credit loss withdrawn separately	945,635,734.73	12.04	555,833,448.49	58.78	389,802,286.24
Accounts receivable for which expected credit loss withdrawn by group					
Of which: Aging group	576,499,022.45	7.34	181,416,522.05	31.47	395,082,500.40
Related party group	6,331,764,320.94	80.62			6,331,764,320.94
Subtotal of groups	6,908,263,343.39	87.96	181,416,522.05	2.63	6,726,846,821.34
<b>Total</b>	<b>7,853,899,078.12</b>	<b>100.00</b>	<b>737,249,970.54</b>	<b>9.39</b>	<b>7,116,649,107.58</b>

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion (%)	
Accounts receivable for which expected credit loss withdrawn separately	948,510,887.48	18.22	552,922,400.60	58.29	395,588,486.88
Accounts receivable for which expected credit loss withdrawn by group					
Of which: Aging group	574,995,507.05	11.05	178,675,741.20	31.07	396,319,765.85
Related party group	3,681,343,439.12	70.73			3,681,343,439.12

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Subtotal of groups	4,256,338,946.17	81.78	178,675,741.20	4.20	4,077,663,204.97
<b>Total</b>	<b>5,204,849,833.65</b>	<b>100.00</b>	<b>731,598,141.80</b>	<b>14.06</b>	<b>4,473,251,691.85</b>

1) Withdrawal of Expected Credit Loss Separately

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Reason
CEFC (Shanghai) Group Co., Ltd.	300,018,021.01	240,014,416.81	80.00	Debt default
Tewoo Group Co., Ltd.	200,000,000.00	90,000,000.00	45.00	Judicial reorganization
Jiangsu Hongtu Sanbao High-Tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
China Nuclear Engineering Construction Group Co., Ltd.	72,639,096.65	22,374,785.74	30.80	Increased credit risk
CCCC No.1 Navigation Bureau No.1 Engineering Co., Ltd	55,438,105.00	48,915,975.00	88.24	Expected to be difficult to recover in full
Other	117,540,512.07	74,528,270.94	63.41	Expected to be difficult to recover in full
<b>Total</b>	<b>945,635,734.73</b>	<b>555,833,448.49</b>	<b>58.78</b>	

2) Withdrawal of Expected Credit Loss by Group

① Among Groups, Withdrawal of Expected Credit Loss by Aging

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	350,252,796.23	7,145,157.04	2.04
1 to 2 years	13,763,442.36	1,379,096.92	10.02
2 to 3 years	49,407,659.29	11,210,597.89	22.69
3 to 4 years	3,967,694.68	2,574,240.31	64.88

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Over 4 years	159,107,429.89	159,107,429.89	100.00
<b>Total</b>	<b>576,499,022.45</b>	<b>181,416,522.05</b>	<b>31.47</b>

②Among Groups, Withdrawal of Expected Credit Loss by Adopting Other Method

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Related party group	6,331,764,320.94		
<b>Total</b>	<b>6,331,764,320.94</b>		

Listed by aging group

Aging	Ending balance
Within 1 year	6,115,727,810.61
1 to 2 years	782,294,915.68
2 to 3 years	774,788,936.76
3 to 4 years	6,993,650.35
Over 4 years	174,093,764.72
<b>Subtotal</b>	<b>7,853,899,078.12</b>
Less: bad debt provision	737,249,970.54
<b>Total</b>	<b>7,116,649,107.58</b>

(3) Information of Bad Debt Provision in the Reporting Period

Category	Beginning balance	Changed amount			Ending balance
		Withdrawn	Collected or reversed	Write-off or verified	
Accounts Receivable Bad Debt Provision	731,598,141.80	5,651,828.74			737,249,970.54
<b>Total</b>	<b>731,598,141.80</b>	<b>5,651,828.74</b>			<b>737,249,970.54</b>

(4) Actual Verification of Accounts Receivable

No actual verified accounts receivable in the Reporting Period.

(5) Top 5 of the Ending Balance of the Accounts Receivable Collected according to Arrears Party  
Total amount of Top 5 of ending balance of accounts receivable collected according to arrears party was RMB6,330,799,109.11 accounting for 80.61% of total ending balance of accounts receivable. Total ending balance of bad debt provision withdrawn was RMB0.00.

(6) There Was No Account Receivable Terminated the Recognition owing to the Transfer of the Financial Assets.

(7) There Was No Asset and Liability Formed due to the Transfer of Accounts Receivable and

Continued Involvement in the Reporting Period.

2. Other Receivables

Item	Ending balance	Beginning balance
Interest receivable	53,913,996.27	41,138,869.97
Dividends receivable	746,582,755.50	749,431,635.50
Other receivables	10,389,265,221.89	9,244,298,847.60
<b>Total</b>	<b>11,189,761,973.66</b>	<b>10,034,869,353.07</b>

2.1 Interest receivable

Item	Ending balance	Beginning balance
Term deposits	1,322,411.54	6,830,211.26
Entrustment loans	52,589,846.73	34,303,196.21
Factoring interest	1,738.00	5,462.50
<b>Total</b>	<b>53,913,996.27</b>	<b>41,138,869.97</b>

2.2 Dividends receivable

Investee	Ending balance	Beginning balance
Hong Kong Konka Limited	247,959,840.00	250,808,720.00
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
Dongguan Konka Electronic Co., Ltd.	218,622,915.50	218,622,915.50
<b>Total</b>	<b>746,582,755.50</b>	<b>749,431,635.50</b>

2.3 Other receivables

(1) Classified by Account Nature

Nature	Ending carrying amount	Beginning carrying amount
Deposit and margin	9,782,440.75	9,180,409.27
Intercourse funds among subsidiaries	10,713,099,519.74	9,378,801,127.33
Intercourse funds with other related parties	54,319,116.46	118,043,953.69
Energy-saving subsidy receivable	141,549,150.00	141,549,150.00
Other	43,603,862.77	89,315,201.21
<b>Total</b>	<b>10,962,354,089.72</b>	<b>9,736,889,841.50</b>

(2) Withdrawal of Bad Debt Provision

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (with credit impairment)	
Balance on 1 January 2021	1,901,190.46	18,128,678.66	472,561,124.78	492,590,993.90
In the Reporting Period,				

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (with credit impairment)	
Carrying amount of other receivables on 1 January 2021:				
— — Transferred to the Phase II	-679,520.48	679,520.48		
— — Transferred to the Phase III		-233,220.74	233,220.74	
—— Transferred back to the Phase II				
—— Transferred back to the Phase I				
Withdrawal	-750,500.52	2,014,233.70	79,234,140.75	80,497,873.93
Recovery				
Write-off				
Verification				
Other changes				
<b>Balance on 30 June 2021</b>	<b>471,169.46</b>	<b>20,589,212.10</b>	<b>552,028,486.27</b>	<b>573,088,867.83</b>

Note: The first stage is that credit risk has not increased significantly since initial recognition. For other receivables with an aging portfolio and a low-risk portfolio within 1 year, the loss provision is measured according to the expected credit losses in the next 12 months.

The second stage is that credit risk has increased significantly since initial recognition but credit impairment has not yet occurred. For other receivables with an aging portfolio and a low-risk portfolio that exceed 1 year, the loss provision is measured based on the expected credit losses for the entire duration.

The third stage is the credit impairment after initial confirmation. For other receivables of credit impairment that have occurred, the loss provision is measured according to the credit losses that have occurred throughout the duration.

(3) Withdrawing bad debt provision for other receivables according to group

Category	Ending balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other	1,827,625,727.00	16.67	552,028,486.27	30.20	1,275,597,240.73

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion (%)	
receivables with significant individual amount and make independent provision for expected credit loss					
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	73,490,701.10	0.67	18,562,326.44	25.26	54,928,374.66
Low-risk group	11,022,883.60	0.10	2,498,055.12	22.66	8,524,828.48
Related party group	9,050,214,778.02	82.56			9,050,214,778.02
Subtotal of groups	9,134,728,362.72	83.33	21,060,381.56	0.23	9,113,667,981.16
<b>Total</b>	<b>10,962,354,089.72</b>	<b>100.00</b>	<b>573,088,867.83</b>	<b>5.23</b>	<b>10,389,265,221.89</b>

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion (%)	
Other receivables with significant individual amount and make independent provision for expected credit loss	1,764,691,060.74	18.12	472,561,124.78	26.78	1,292,129,935.96

Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	128,885,012.86	1.32	15,447,446.31	11.99	113,437,566.55
Low-risk group	17,273,953.16	0.18	4,582,422.81	26.53	12,691,530.35
Related party group	7,826,039,814.74	80.38			7,826,039,814.74
Subtotal of groups	7,972,198,780.76	81.88	20,029,869.12	0.25	7,952,168,911.64
<b>Total</b>	<b>9,736,889,841.50</b>	<b>100.00</b>	<b>492,590,993.90</b>	<b>5.06</b>	<b>9,244,298,847.60</b>

(4) Listed by aging

<b>Aging</b>	<b>Ending balance</b>
Within 1 year	6,503,725,089.94
1 to 2 years	1,554,353,123.80
2 to 3 years	2,474,591,150.18
3 to 4 years	118,889,752.90
4 to 5 years	45,359,999.98
Over 5 years	265,434,972.92
<b>Subtotal</b>	<b>10,962,354,089.72</b>
Less: bad debt provision	573,088,867.83
<b>Total</b>	<b>10,389,265,221.89</b>

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision for this year was RMB80,497,873.93, and other receivables actually written off in this period were RMB0.00.

(6) Other receivables with top five ending balances collected by debtors.

In Reporting Period, the total amount of the top five other receivables collected by debtors at the end of the Reporting Period was RMB7,626,568,292.03, accounting for 69.57% of the total amount of other receivables at the end of the Reporting Period, and the total amount of the corresponding accrued bad debt reserves at the end of the Reporting Period was RMB393,127,325.57.

(7) There Was No Other Receivables Terminated the Recognition owing to the Transfer of the Financial Assets.

(8) There Was No Asset and Liability Formed by the Transfer and the Continues Involvement of Other Receivables.



### 3. Long-term Equity Investment

#### (1) Category of Long-term Equity Investment

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment subsidiaries to	7,376,927,068.77	102,532,484.69	7,274,394,584.08	7,083,817,068.77	102,532,484.69	6,981,284,584.08
Investment to associates and joint ventures	1,782,484,259.87	26,166,078.16	1,756,318,181.71	1,851,048,093.64	26,166,078.16	1,824,882,015.48
<b>Total</b>	<b>9,159,411,328.64</b>	<b>128,698,562.85</b>	<b>9,030,712,765.79</b>	<b>8,934,865,162.41</b>	<b>128,698,562.85</b>	<b>8,806,166,599.56</b>

#### (2) Investment to Subsidiaries

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Konka Ventures	2,550,000.00			2,550,000.00		
Anhui Konka	122,780,937.98			122,780,937.98		
Konka Factoring	300,000,000.00			300,000,000.00		
Konka Unifortune	15,300,000.00			15,300,000.00		
Wankaida	10,000,000.00			10,000,000.00		
Dongguan Konka	274,783,988.91			274,783,988.91		
Konka Europe	3,637,470.00			3,637,470.00		
Konka Electrical Appliances	1.00			1.00		10,732,484.69
Telecommunication Technology	360,000,000.00			360,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Mobile Interconnection	100,000,000.00			100,000,000.00		
Anhui Tongchuang	779,702,612.22			779,702,612.22		
Kangjiatong	15,300,000.00			15,300,000.00		
Pengrun Technology	25,500,000.00			25,500,000.00		
Dongguan Packing	8,602,009.10			8,602,009.10		
E2info	19,322,040.00			19,322,040.00		
Beijing Konka Electronic	200,000,000.00			200,000,000.00		
Konka Circuit	91,000,000.00	188,950,000.00		279,950,000.00		
Hong Kong Konka	781,828.61			781,828.61		
Konka Investment	500,000,000.00			500,000,000.00		
Electronics Technology	1,000,000,000.00			1,000,000,000.00		
Yantai Laikang						
Econ Technology	688,500,000.00			688,500,000.00		
Konka Huanjia						91,800,000.00
Shanghai Konka	40,000,000.00			40,000,000.00		
Jiangxi Konka	689,680,000.00			689,680,000.00		
Shenzhen Nianhua	30,000,000.00			30,000,000.00		
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		

<b>Investee</b>	<b>Beginning balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Provision for impairment this year</b>	<b>Ending balance of depreciation reserve</b>
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka	200,000,000.00			200,000,000.00		
Konka Ronghe	5,100,000.00			5,100,000.00		
Suining Electronic Technological Innovation	200,000,000.00			200,000,000.00		
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00			10,000,000.00		
Kanghong (Yantai) Environmental Protection	1,025,100.00			1,025,100.00		
Chongqing Kangxingrui	25,500,000.00			25,500,000.00		
Chongqing Optoelectronic Institute	933,333,333.33			933,333,333.33		
Xinying Semiconductor	56,000,000.00	36,520,000.00		92,520,000.00		
Jiangkang (Shanghai) Technology						
Ningbo Kanghanrui Electrical Appliances	90,000,000.00			90,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Konka Zhizao	510.00			510.00		
Suining Jiarun Real Estate	10,000,000.00			10,000,000.00		
Yantai Kangyun	1,530,000.00		1,530,000.00			
Chongqing Kanglei						
Yibin Kangrun	67,000,000.00			67,000,000.00		
Henan Kangxin Real Estate						
Konka Material	4,304,752.93			4,304,752.93		
Shenzhen Kangxin Real Estate		25,500,000.00	25,500,000.00			
Shaanxi Konka Intelligent		34,170,000.00		34,170,000.00		
Industrial and Trade Technology		5,000,000.00		5,000,000.00		
Konka Huazhong		30,000,000.00		30,000,000.00		
<b>Total</b>	<b>6,981,284,584.08</b>	<b>320,140,000.00</b>	<b>27,030,000.00</b>	<b>7,274,394,584.08</b>		<b>102,532,484.69</b>

(3) Investment to Joint Ventures and Associated Enterprises

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,400,738.44				

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Wanjun Technology (Kunshan) Co., Ltd.	121,579,584.17			-2,046,465.83	
Kunshan Kangsheng	175,254,554.65			32,849,354.55	
Chutian Dragon Co., Ltd.	650,206,807.02			4,824,758.43	
Helongjiang Longkang Zhijia Technology Co., Ltd.	1,100,842.29			-3,709.66	
Konka Green, Konka Technology	75,261,304.56		75,261,304.56		
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	17,649,295.81			-1,596,222.64	
Shenzhen Konka Information Network Co., Ltd.					
Shenzhen Zhongbin Konka Technology Co., Ltd.	2,214,307.33			-2,214,307.33	
Shenzhen Konka Intelligent Electrical Apparatus Co., Ltd.	3,813,134.28			-1,441,954.44	
Shenzhen Bosser New Materials Co., Ltd.	58,400,000.00			-2,064,227.96	
Shenzhen Yaode Technology Co., Ltd.	219,128,661.62			-4,569,192.27	
Wuhan Tianyuan Environmental Protection Co., Ltd.	304,654,243.69			13,222,348.47	
Konka E-display	11,774,141.26				
Chuzhou Konka Technology Industry Development Co., Ltd.	5,899,324.39			-1,172,317.71	
Chuzhou Kangjin Health Industrial	15,251,484.01			-6,410,036.65	

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Development Co., Ltd.					
Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.	19,044,986.77			-3,070,358.71	
Shenzhen Kangyue Enterprise Co., Ltd.	3,348,297.05			-170,576.56	
Dongguan Konka Investment Co., Ltd.	42,158,277.63			-12,122,313.26	
Chongqing Konka Real Estate Development Co., Ltd.	15,778,426.04			-7,987,220.86	
Chongqing Chengda Real Estate Co., Ltd.	13,684,752.24			-303,372.41	
Chuzhou Kangxin Health Industry Development Co., Ltd.	14,704,242.50			-1,310,518.75	
E3info (Hainan) Technology Co., Ltd.	36,574,609.73			3,310,556.06	
Shenzhen Kangpeng Digital Technology Co., Ltd.		6,000,000.00		-1,063,135.76	
Yantai Kangyun Industrial Development Co., Ltd.		1,021,017.42		-264,633.34	
<b>Total</b>	<b>1,824,882,015.48</b>	<b>7,021,017.42</b>	<b>75,261,304.56</b>	<b>6,396,453.37</b>	

(Continued)

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Wanjun Technology (Kunshan) Co., Ltd.					119,533,118.34	
Kunshan Kangsheng					208,103,909.20	
Chutian Dragon Co., Ltd.		6,720,000.00			648,311,565.45	
Helongjiang Longkang Zhijia Technology Co., Ltd.					1,097,132.63	2,470,398.03
Konka Green, Konka Technology						
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					16,053,073.17	
Shenzhen Konka Information Network Co., Ltd.						5,158,909.06
Shenzhen Zhongbin Konka Technology Co., Ltd.						
Shenzhen Konka Intelligent Electrical Apparatus Co., Ltd.					2,371,179.84	
Shenzhen Bosser New Materials Co., Ltd.					56,335,772.04	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.					214,559,469.35	
Wuhan Tianyuan Environmental Protection Co., Ltd.					317,876,592.16	
Konka E-display					11,774,141.26	
Chuzhou Konka Technology Industry					4,727,006.68	

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Development Co., Ltd.						
Chuzhou Kangjin Health Industrial Development Co., Ltd.					8,841,447.36	
Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.					15,974,628.06	
Shenzhen Kangyue Enterprise Co., Ltd.					3,177,720.49	
Dongguan Konka Investment Co., Ltd.					30,035,964.37	
Chongqing Konka Real Estate Development Co., Ltd.					7,791,205.18	
Chongqing Chengda Real Estate Co., Ltd.					13,381,379.83	
Chuzhou Kangxin Health Industry Development Co., Ltd.					13,393,723.75	
E3info (Hainan) Technology Co., Ltd.					39,885,165.79	
Shenzhen Kangpeng Digital Technology Co., Ltd.					4,936,864.24	
Yantai Kangyun Industrial Development Co., Ltd.					756,384.08	
<b>Total</b>		<b>6,720,000.00</b>			<b>1,756,318,181.71</b>	<b>26,166,078.16</b>



#### 4. Operating Revenue and Cost of Sales

Item	Reporting Period		Same Period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	1,049,267,610.79	1,005,212,983.03	2,574,146,637.40	2,316,701,232.32
Other operations	152,113,795.91	74,048,575.31	801,299,393.49	634,398,598.53
<b>Total</b>	<b>1,201,381,406.70</b>	<b>1,079,261,558.34</b>	<b>3,375,446,030.89</b>	<b>2,951,099,830.85</b>

#### 5. Investment Income

Item	Reporting Period	Same Period of last year
Long-term equity investment income accounted by cost method		
Long-term equity investment income accounted by equity method	6,396,453.37	882,170.97
Investment income from disposal of long-term equity investment	167,692,365.06	471,523,601.25
Interest income from holding of debt obligation investments	860,000.00	3,070,000.00
Investment income from disposal of trading financial assets		3,405,333.03
Income from entrust financial products and entrust loans		29,983,956.45
Investment income from disposal of financial assets at fair value through profit or loss	21,845,500.00	
<b>Total</b>	<b>196,794,318.43</b>	<b>508,865,061.70</b>

### 十六、XVII. Approval of Financial Statements

The financial statement was approved on 26 August 2021 by the Board of Directors.

### 十七、XVIII. Supplementary Materials

#### 1. Items and Amounts of Non-recurring Profit or Loss

Item	Amount	Note
Gain-Loss arising from disposal of non-current assets	268,231,018.80	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	714,611,090.13	
Capital occupation charges on non-financial enterprises that are recorded into current profit or loss		

Item	Amount	Note
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments		
Gain/Loss on non-monetary asset swap		
Gain/Loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Gain/Loss from debt restructuring		
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.		
Gain/Loss on the part over the fair value due to transactions with distinctly unfair prices		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Gain/Loss incurred from contingency unrelated to the Company's normal operating businesses.		
Gain/loss from change of fair value of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment gains from disposal of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment in other obligatory rights, other than valid hedging related to the Company's common businesses	74,929,272.98	
Reverse of bad debt provision of accounts receivable individually conducting impairment test		
Gain/loss on entrustment loans	36,464,688.55	
Gain/loss on change in fair value of investment property of which the subsequent measurement is carried out adopting fair value method		
Effect on current profit or loss when a one-off adjustment is made to current profit or loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custody fee income when entrusted with operation		
Other non-operating income and expense other than the above	15,023,790.96	
Project confirmed with the definition of non-recurring gains and losses		
Subtotal	<b>1,109,259,861.42</b>	
Less: Income tax effects	229,844,293.22	
Non-controlling interests effects (after tax)	83,841,010.78	
<b>Total</b>	<b>795,574,557.42</b>	

(1) The explanation of the Company to “Project confirmed with the definition of non-recurring gains and losses” and define non-recurring gains and losses as recurring gains and losses according to the nature and

features of normal business operations of company.

Item	Amount	Reason
Software tax refund	6,085,265.89	Government subsidies which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount
<b>Total</b>	<b>6,085,265.89</b>	

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	1.01%	0.0355	0.0355
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	-8.38%	-0.2927	-0.2927
Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
The net profit of the common shareholders of a company			