

# **KONKA GROUP CO., LTD.**

## **ANNUAL REPORT 2022**

**2023-18**

**March 2023**

## **Part I Important Notes, Table of Contents and Definitions**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Konka Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**Zhou Bin, the Company’s legal representative, Li Chunlei, the Company’s Chief Financial Officer (CFO), and Ping Heng, the head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**Any plans for the future or other forward-looking statements mentioned in this Report and its summary shall NOT be considered as absolute promises of the Company to investors. Therefore, investors are reminded to exercise caution when making investment decisions.**

**The Company has no final dividend plan, either in the form of cash or stock.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Table of Contents

<b>Part I Important Notes, Table of Contents and Definitions.....</b>	<b>2</b>
<b>Part II Corporate Information and Key Financial Information.....</b>	<b>9</b>
<b>Part III Management Discussion and Analysis.....</b>	<b>13</b>
<b>Part IV Corporate Governance.....</b>	<b>38</b>
<b>Part V Environmental and Social Responsibility.....</b>	<b>62</b>
<b>Part VI Significant Events.....</b>	<b>73</b>
<b>Part VII Share Changes and Shareholder Information.....</b>	<b>96</b>
<b>Part VIII Preferred Shares.....</b>	<b>102</b>
<b>Part IX Corporate Bonds.....</b>	<b>103</b>
<b>Part X Financial Statements.....</b>	<b>109</b>

## **Documents Available for Reference**

1. The financial statements with the signatures and seals of the Company's legal representative, Chief Financial Officer and head of the financial department;
2. The original copy of the Independent Auditor's Report with the seal of the CPA firm and the signatures & seals of the certified public accountants;
3. The originals of all the Company's documents and announcements disclosed to the public in the Reporting Period;
4. This Report and its summary with the signature of the Company's legal representative and the seal of the Company; and
5. Other relevant materials.

## Definitions

Term	Definition
The “Company”, the “Group”, “Konka Group” or “we”	Konka Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
Electronics Technology	Shenzhen Konka Electronics Technology Co., Ltd.
Anhui Zhilian	Anhui Konka Zhilian E-Commerce Co., Ltd.
Haimen Konka	Haimen Konka Smart Technology Co., Ltd.
Chengdu Konka Smart	Chengdu Konka Smart Technology Co., Ltd.
Chengdu Konka Electronic	Chengdu Konka Electronic Co., Ltd.
Nantong Hongdin	Nantong Hongdin Smart Technology Co., Ltd.
Youzhihui	Shenzhen Youzhihui Technology Co., Ltd.
Xiaojia Technology	Xiaojia Technology Co., Ltd.
Liaoyang Kangshun Smart	Liaoyang Kangshun Smart Technology Co., Ltd.
Liaoyang Kangshun Renewable	Liaoyang Kangshun Renewable Resources Co., Ltd.
Nanjing Konka	Nanjing Konka Electronics Co., Ltd.
Chuzhou Konka	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.
Xi'an Huasheng	Xi'an Huasheng Jiacheng Real Estate Co., Ltd.
XingDa HongYe	GuangDong XingDa HongYe Electronic Co., Ltd.
Shanghai Xinfeng	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.
Konka Circuit	Shenzhen Konka Circuit Co., Ltd.
Konka Flexible Electronic	Suining Konka Flexible Electronic Technology Co., Ltd.
Konka Hongye Electronics	Suining Konka Hongye Electronics Co., Ltd.
Boluo Precision	Boluo Konka Precision Technology Co., Ltd.
Boluo Konka	Boluo Konka PCB Co., Ltd.
Anhui Tongchuang	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.
Jiangsu Konka Smart	Jiangsu Konka Smart Electrical Appliances Co., Ltd.
Anhui Electrical Appliance	Anhui Konka Electrical Appliance Technology Co., Ltd.
Frestec Refrigeration	Henan Frestec Refrigeration Appliance Co., Ltd.
Frestec Electrical Appliances	Henan Frestec Electrical Appliances Co., Ltd.
Frestec Household Appliances	Henan Frestec Household Appliances Co., Ltd.
Frestec Smart Home	Henan Frestec Smart Home Technology Co., Ltd.
Konka Investment	Shenzhen Konka Investment Holdings Co., Ltd.
Yibin Konka Technology Park	Yibin Konka Technology Park Operation Co., Ltd.
Konka Capital	Shenzhen Konka Capital Equity Investment Management Co., Ltd.
Konka Suiyong	Konka Suiyong Investment (Shenzhen) Co., Ltd.
Shengxing Industrial	Shenzhen Konka Shengxing Industrial Co., Ltd.
Zhitong Technology	Shenzhen Konka Zhitong Technology Co., Ltd.
Konka Factoring	Konka Factoring (Shenzhen) Co., Ltd.
Beijing Konka Electronic	Beijing Konka Electronic Co., Ltd.
Konka Leasing	Konka Financial Leasing (Tianjin) Co., Ltd.
Suining Konka Industrial Park	Suining Konka Industrial Park Development Co., Ltd.
Suining Electronic Technological Innovation	Suining Konka Electronic Technological Innovation Co., Ltd.
Shanghai Konka	Shanghai Konka Industrial Co., Ltd.
Yantai Kangjin	Yantai Kangjin Technology Development Co., Ltd.

Mobile Interconnection	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.
Sichuan Konka	Sichuan Konka Smart Terminal Technology Co., Ltd.
Yibin Smart	Yibin Konka Smart Technology Co., Ltd.
Shenzhen KONSEMI	Shenzhen KONSEMI Co., Ltd.
Chongqing Konka	Chongqing Konka Technology Development Co., Ltd.
Hefei KONSEMI	Hefei KONSEMI Storage Technology Co., Ltd.
Yihe Electronic	Hefei Yihe Electronic Co., Ltd.
Kowin Memory (Shenzhen)	Kowin Memory Technology (Shenzhen) Co., Limited
Kowin Memory (Hong Kong)	Kowin Memory Technology (Hong Kong) Co., Limited
Konka Xinyun Semiconductor	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.
Industrial and Trade Technology	Konka Industrial and Trade Technology (Shenzhen) Co., Ltd.
Shenzhen Nianhua	Shenzhen Nianhua Enterprise Management Co., Ltd.
Konka Huazhong	Konka Huazhong (Hunan) Technology Co., Ltd.
Wankaida	Shenzhen Wankaida Science and Technology Co., Ltd.
Shenzhen Chuangzhi Electrical Appliances	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.
Suining Jiarun Property	Suining Jiarun Property Co., Ltd.
Anhui Konka	Anhui Konka Electronic Co., Ltd.
Kangzhi Trade	Anhui Kangzhi Trade Co., Ltd.
Telecommunication Technology	Shenzhen Konka Telecommunications Technology Co., Ltd.
Konka Mobility	Konka Mobility Co., Limited
Dongguan Konka	Dongguan Konka Electronic Co., Ltd.
Suining Konka Smart	Suining Konka Smart Technology Co., Ltd.
Chongqing Optoelectronic Technology Research Institute	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.
Yibin Kangrun	Yibin Kangrun Environmental Technology Co., Ltd.
Yibin Kangrun Medical	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.
Yibin Kangrun Environmental Protection	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.
Ningbo Khr Electric Appliance	Ningbo Khr Electric Appliance Co., Ltd.
Jiangxi Konka	Jiangxi Konka New Material Technology Co., Ltd.
Jiangxi High Transparent Substrate	Jiangxi High Transparent Substrate Material Technology Co., Ltd.
Jiangsu Konka Special Material	Jiangsu Konka Special Material Technology Co., Ltd.
Xinfeng Microcrystalline	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.
Konka Huanjia	Konka Huanjia Environmental Technology Co., Ltd.
Konka Huanjia (Henan)	Konka Huanjia (Henan) Environmental Technology Co., Ltd.
Shaanxi Konka Intelligent	Shaanxi Konka Intelligent Appliance Co., Ltd.
Pengrun Technology	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.
Jiaxin Technology	Jiaxin Technology Co., Ltd.
Konka Ronghe	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.
Chongqing Kangxingrui	Chongqing Kangxingrui Environmental Technology Co., Ltd.
Chongqing Kangxingrui Automobile Recycling	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.
Konka Unifortune	Shenzhen Konka Unifortune Technology Co., Ltd.
Jiali International	Jiali International (Hong Kong) Limited
Kangjiatong	Sichuan Kangjiatong Technology Co., Ltd.
Kanghong (Yantai) Environmental	Kanghong (Yantai) Environmental Technology Co., Ltd.
Jiangkang (Shanghai) Technology	Jiangkang (Shanghai) Technology Co., Ltd.
Konka Intelligent Manufacturing	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.
Yantai Laikang	Yantai Laikang Industrial Development Co., Ltd.

Konka Material	Hainan Konka Material Technology Co., Ltd.
Konka Ventures	Konka Ventures Development (Shenzhen) Co., Ltd.
Yibin Konka Incubator	Yibin Konka Incubator Management Co., Ltd.
Yantai Konka	Yantai Konka Healthcare Enterprise Service Co., Ltd.
Chengdu Anren	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.
Konka Enterprise Service	Guiyang Konka Enterprise Service Co., Ltd.
Konka Eco-Development	Shenzhen Konka Eco-Development Investment Co., Ltd.
Konka Europe	Konka (Europe) Co., Ltd.
Hong Kong Konka	Hong Kong Konka Limited
Hongdin Trading	Hongdin International Trading Limited
Konka North America	Konka North America LLC
Kanghao Technology	Kanghao Technology Co., Ltd.
Hongdin Invest	Hongdin Invest Development Limited
Chain Kingdom Memory Technologies	Chain Kingdom Memory Technologies Co., Limited
Chain Kingdom Memory Technologies (Shenzhen)	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited
Hongjet	Hongjet (Hong Kong) Company Limited
Xi'an Feihe	Xi'an Feihe Real Estate Development Co., Ltd.
Chongqing Xinyuan Semiconductor	Chongqing Xinyuan Semiconductor Co., Ltd.
Jiangxi Konka Industrial Park	Jiangxi Konka Industrial Park Development Co. Ltd.
Ruichang Kangrui Real Estate	Ruichang Kangrui Real Estate Co., Ltd.
Industrial development in Wuhan	Konka Industrial Development (Wuhan) Co., Ltd.
Kangxiaoja Digital	Shenzhen Kangxiaoja Digital Information Technology Co., Ltd.
Kanghong Dongsheng	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)
Yijiakang Smart Terminal	Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.
Guizhou Kangkai Material Technology	Guizhou Kangkai Material Technology Co., Ltd.
Guizhou Konka New Material Technology	Guizhou Konka New Material Technology Co., Ltd.
Guizhou Kanggui Energy	Guizhou Kanggui Energy Co., Ltd.
Guangdong Xinwei	Guangdong Xinwei Semiconductor Co., Ltd.
Kangxinrun Renewable Resources	Chongqing Kangxingrui Renewable Resources Co., Ltd.
Guizhou Kanggui Material Technology	Guizhou Kanggui Material Technology Co., Ltd.
Sichun Chengrui	Sichuan Chengrui Real Estate Co., Ltd.
Chongqing Jiarun	Chongqing Jiarun Real Estate Co., Ltd.
Nantong Kanghai	Nantong Kanghai Technology Industry Development Co., Ltd.
Chongqing Kangyiyun	Chongqing Kangyiyun Business Operation Management Co., Ltd.
Jiangxi Konka High-tech Park	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.
Shangrao Konka Electronic Technology Innovation	Shangrao Konka Electronic Technology Innovation Co., Ltd.
Guizhou Konka New Energy	Guizhou Konka New Energy Material Technology Co., Ltd.
Zhejiang Konka Electronic	Zhejiang Konka Electronic Technology Co., Ltd.
Zhejiang Konka Technology Industry	Zhejiang Konka Technology Industry Development Co., Ltd.
Sichuan Hongxinchun	Sichuan Hongxinchun Real Estate Development Co., Ltd.
Xi'an Konka Intelligent	Xi'an Konka Intelligent Appliance Co., Ltd.
Xi'an Konka Network	Xi'an Konka Network Technology Co., Ltd.
Xi'an Kanghong Technology Industry	Xi'an Kanghong Technology Industry Development Co., Ltd.
Xi'an Konka Intelligent Technology	Xi'an Konka Intelligent Technology Development Co., Ltd.

Chongqing Fangbing Real Estate	Chongqing Fangbing Real Estate Co., Ltd.
Chongqing Konka Low Carbon	Chongqing Konka Low Carbon Technology Co., Ltd.
Kanghong Xintong	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)
Songyang Industry Operation	Songyang Konka Smart Industry Operation Management Co., Ltd.
Kangyan Technology	Shenzhen Kangyan Technology Co., Ltd.
Konka Photovoltaic Technology	Konka Photovoltaic Technology Co., Ltd.
Songyang Konka Intelligent	Songyang Konka Intelligent Technology Development Co., Ltd.
Konka North China	Konka North China (Tianjin) Technology Co., Ltd.
Zhongshan Kanghong	Zhongshan Kanghong Electronic Technology Co., Ltd.
Digital Technology	Shenzhen Konka Digital Technology Development Co., Ltd.
CSRC	The China Securities Regulatory Commission
SZSE	The Shenzhen Stock Exchange
CSRC Shenzhen	The Shenzhen Bureau of the China Securities Regulatory Commission
RMB, RMB'0,000, RMB'00,000,000	Expressed in the Chinese currency of RMB, expressed in tens of thousands of RMB, expressed in hundreds of millions of RMB

## Part II Corporate Information and Key Financial Information

### I Corporate Information

Stock name	Konka Group-A, Konka Group-B	Stock code	000016, 200016
Previous stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	康佳集团股份有限公司		
Abbr.	康佳集团		
Company name in English (if any)	KONKA GROUP CO.,LTD		
Abbr. (if any)	KONKA GROUP		
Legal representative	Zhou Bin		
Registered address	15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China		
Zip code	518057		
Past changes of registered address	On 1 July 2015, due to the relocation of the Company Headquarters, the registered address has changed from OCT, Nanshan District, Shenzhen, Guangdong Province, China to 15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China.		
Office address	15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China		
Zip code	518057		
Company website	www.konka.com		
Email address	szkonka@konka.com		

### II Contact Information

	Board Secretary	Securities Representative
Name	Wu Yongjun	Miao Leiqiang
Address	Board Secretariat, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China	Board Secretariat, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China
Tel.	0755-26609138	0755-26609138
Fax	0755-26601139	0755-26601139
Email address	szkonka@konka.com	szkonka@konka.com

### III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	Securities Times, etc.
Media and website where this Report is disclosed	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Place where this Report is lodged	Board Secretariat, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China

### IV Change to Company Registered Information

Unified social credit code	914403006188155783
Change to principal activity of the Company since going public (if any)	No change
Every change of controlling shareholder since incorporation (if any)	No change

## V Other Information

The independent audit firm hired by the Company:

Name	Shinewing Certified Public Accountants LLP
Office address	9/F, Block A, Fuhua Mansion, No.8 Chaoyangmen North Street, Dongcheng District, Beijing, China
Accountants writing signatures	Tang Qimei and Liu Lihong

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable  Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable  Not applicable

## VI Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  Not applicable

	2022	2021	2022-over-2021 change (%)	2020
Operating revenue (RMB)	29,607,854,255.27	49,106,513,669.58	-39.71%	50,351,836,554.87
Net profit attributable to the listed company's shareholders (RMB)	-1,471,409,748.21	905,352,997.68	-262.52%	477,633,250.14
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-2,665,550,383.07	-3,250,798,107.49	18.00%	-2,367,590,806.95
Net cash generated from/used in operating activities (RMB)	-528,303,041.83	808,756,394.11	-165.32%	178,616,528.21
Basic earnings per share (RMB/share)	-0.6111	0.3760	-262.53%	0.1984
Diluted earnings per share (RMB/share)	-0.6111	0.3760	-262.53%	0.1984
Weighted average return on equity (%)	-17.58%	10.33%	-27.91%	5.79%
	31 December 2022	31 December 2021	Change of 31 December 2022 over 31 December 2021 (%)	31 December 2020
Total assets (RMB)	38,016,368,073.05	39,874,520,771.26	-4.66%	49,876,267,493.61
Equity attributable to the listed company's shareholders (RMB)	7,640,399,721.99	9,095,278,436.41	-16.00%	8,428,640,176.97

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes  No

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes  No

Item	2022	2021	Note
Operating revenue (RMB)	29,607,854,255.27	49,106,513,669.58	
Deductions from operating revenue (RMB)	823,347,409.73	579,266,272.20	Scrap sales revenue, utilities revenue, lease revenue, material sales revenue and other revenue irrelevant to the principal operations
Operating revenue net of deductions (RMB)	28,784,506,845.54	48,527,247,397.38	

## VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

### 1. Net Profit and Equity under CAS and IFRS

Applicable  Not applicable

No difference for the Reporting Period.

### 2. Net Profit and Equity under CAS and Foreign Accounting Standards

Applicable  Not applicable

No difference for the Reporting Period.

## VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	8,320,135,785.93	8,575,334,490.88	7,700,546,365.26	5,011,837,613.20
Net profit attributable to the listed company's shareholders	103,900,130.02	68,918,308.81	-37,227,714.31	-1,607,000,472.73
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-418,548,047.01	-323,808,134.70	-335,657,322.29	-1,587,536,879.07
Net cash generated from/used in operating activities	-630,928,798.94	209,669,292.21	353,663,155.55	-460,706,690.65

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes  No

**IX Exceptional Gains and Losses**

√ Applicable □ Not applicable

Unit: RMB

Item	2022	2021	2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	755,498,679.55	4,047,094,117.70	2,431,648,255.26	
Government subsidies charged to current profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	916,334,616.72	1,352,377,548.16	908,546,202.24	
Gain or loss on assets entrusted to other entities for investment or management			18,476,648.12	
Gain or loss on debt restructuring	-5,378,929.04	19,777.25	1,127,066.94	
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-17,595,638.89	67,789,442.65	96,316,772.78	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	32,624,581.58			
Gain or loss on loan entrustments	119,233,091.33	80,625,356.41	64,616,181.90	
Non-operating income and expense other than the above	-97,161,898.46	48,615,769.37	54,271,037.60	
Other gains and losses that meet the definition of exceptional gain/loss		-1,907,936.23	1,081,111.64	
Less: Income tax effects	299,999,504.47	1,190,629,946.56	544,211,364.67	
Non-controlling interests effects (net of tax)	209,414,363.46	247,833,023.58	186,647,854.72	
Total	1,194,140,634.86	4,156,151,105.17	2,845,224,057.09	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

√ Applicable □ Not applicable

Item	Amount involved (RMB)	Reason
Tax rebates on software	12,377,884.09	Government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards

## Part III Management Discussion and Analysis

### I Industry Overview for the Reporting Period

At present, the core businesses of the Company include consumer electronics, industry trade, semiconductors, environmental protection, etc. Among them, for the industry trade business, the Company carries out the procurement, processing and distribution of related materials around the upstream and downstream of the consumer electronics business, thus it can be categorized to the consumer electronics industry or semiconductor business. Therefore, the industries in which the Company operates during the Reporting Period are consumer electronics industry, semiconductor industry and environmental protection industry. The relevant information is as follows:

#### (I) Consumer electronics industry

In the color TV industry, China's color TV industry has entered the "stock" market in recent years. Affected by factors such as industry cycles, geopolitical conflicts, high commodity prices as well as insufficient consumption demand, the sales volume of the color TV industry dropped by 5.6% year-on-year (YoY) in the world in 2022; meanwhile, as the Internet has provided accessible channels of distribution, the Internet brands competed on their low price with other industries. Consequently, the increasingly fierce price competition made their products less profitable. According to statistics from All View Cloud (AVC for short), the retail sales volume in China's color TV market in 2022 was 36,345,000 units, down by 5.2% YoY, and the retail sales volume was RMB112.3 billion, declining by 12.9% YoY. In the future, as display technologies progress and as technologies such as Internet of Things (IoT), big data, cloud computing, artificial intelligence etc. promote the upgrade of the intelligentization of various electronic products, as well as the iterative update of future display technologies represented by Mini LED, Micro LED, new categories of TV have developed rapidly. Moreover, the country has also taken active measures to drive forward household appliance industry. For example, in June 2022, National Radio and Television Administration published the Opinions on Accelerating the Development of High-definition and Ultra-high-definition Televisions with an aim to promote ultra-high-definition televisions; in December 2022, the Outline of the Strategic Plan for Expanding Domestic Demand (2022-2035) issued by the CPC Central Committee and the State Council includes the stated goal of developing digital home by increasing the spending of home decoration and intelligent household appliances; the 2020 Central Economic Work Conference put "boosting domestic demand" first, and stressed that it is required to take "recovering and increasing consumption" as a priority, and that as an important part of consumption, spending on household appliances holds the key to expand domestic demand. Therefore, driven by policy, technology and other factors, the scale of the color TV industry is expected to grow. And at the same time, with higher TV parameter configuration and richer intelligent functions, more and

more segmented scenes will be covered.

On the side of white goods industry, at present, the inventory of white goods in urban households in China is basically saturated. And affected by the industry cycle, changes in supply chains as well as depressing demand, the scale of the white goods industry has decreased in 2022. In the refrigerator industry, the retail sales volume in China's refrigerator market in 2022 was 30.06 million units, decreasing by 5.7% YoY, and the retail sales value was RMB93 billion, down by 4.2% YoY. As people are paying more attention to health, food preservation, the future refrigerator market will be mainly characterized by product upgrades. In respect of the washing machine industry, statistics from AVC showed that the retail sales volume in China's washing machine market in 2022 was 37.71 million units, decreasing by 9% YoY, and the retail sales value was RMB68.6 billion, decreasing by 10.4% YoY. With a growing demand for the energy conservation, environmental protection, intelligence and health security of products, the upgrading of product technology will be the future trend in the washing machine industry. In terms of the air-conditioning industry, statistics from AVC showed that the retail sales volume of China's air-conditioning market was 57.14 million units in 2021, decreasing by 3.3% YoY, and the retail sales value was RMB 196.9 billion, up by 0.4% YoY. As the need for replacement at the consumer side recovers, the air-conditioning industry is expected to maintain a steady growth trend in the future.

#### (II) Semiconductor industry

The semiconductor industry is a strategic, fundamental and leading industry that supports economic and social development and safeguards national security. Driven by the development of 5G, artificial intelligence, the IoT, and intelligentization, the semiconductor industry is expected to usher in a new wave of growth cycles. Among them, semiconductor storage is the largest subdivision in the semiconductor industry in recent years. At present, South Korean companies represented by Samsung and Hynix are in the leading position in the field of semiconductor storage. China has also accelerated in boosting the production capacity of semiconductor storage in recent years. It is expected that the self-sufficiency rate will continue to increase.

Micro LED is the prevailing trend and development direction of future display technology. The industrial chain is divided into four main links: upstream chip manufacturing and mass transfer, midstream panel manufacturing, and downstream complete machine application. The Micro LED has wide industrial application and a broad market.

#### (III) Environmental protection industry

With the introduction of a series of favorable policies to encourage the recycling and utilization of renewable resources and the continuous enhancement of environmental protection supervision, the total amount and the total value of recycled resources in China have shown rapid growth. It is expected that the industry will continue to develop to a good prospect in the future, and the development scale of the renewable resource recycling industry will continue to grow steadily.

## II Principal Activity of the Company in the Reporting Period

### (I) The consumer electronics business

This division primarily comprises the multimedia sub-division and the white goods sub-division, with details as follows:

#### 1. The multimedia business

The Company's multimedia business faces the global market, mainly including domestic color TV business and export color TV business.

The domestic sales of the Company's colour TVs are realized mainly through B2B (Business-to-Business) and B2C (Business-to-Consumer), with its branch companies, business departments and after-sales maintenance points operating across the country. And the Company profits from the margins between the costs and the selling prices of its colour TVs.

As for selling its colour TVs abroad, the Company mainly relies on B2B. Its colour TVs are sold to Asia Pacific, Middle East, Central & South America, East Europe, etc. And operating profit source is also the differences between the costs and the selling prices of its colour TVs.

#### 2. The white goods business

The white goods produced by the Company mainly include refrigerators, washing machines, air conditioners, freezers, etc., which are sold through B2B and B2C mainly to the domestic market. And the Company profits from the margins between the costs and the selling prices of its white goods. The Company strengthened the foundation of our white goods brands through the acquisition of the Frestec brand. Meanwhile, the establishment of the Ningbo A/C production base as a joint venture has helped the Company build its own A/C manufacturing capability. The weakness in the front-loading washing machine technology has been overcome by the acquisition of Beko (Front-loading Washing Machine) China Factory. In addition, the Company went on a new path of exploring the dishwasher world by setting up Xi'an Smart Appliances Park. The Company also optimized the internal R&D, production, procurement, sales, and services processes, integrated the external channel resources to enable channel sharing between the upstream procurement processes and downstream sales processes, and improved the product sales structure and competitiveness of the white goods business.

### (II) The industry trade business

The Company's industry trade business mainly focuses on the procurement, processing and distribution of IC chip storage, LCD and other materials involved in the company's traditional main business. The operating profit comes from the processing fee and the price difference between upstream procurement and downstream sales. The industry trade business can help the Company establish good relationships with its upstream suppliers and downstream customers, and keep it informed of prices of the materials used in its production for better cost control over its existing products. Additionally, it is able to facilitate the development of the semiconductor business by

helping accumulate customer resources for the semiconductor and chip business, provide sales channels, and achieve accurate matching of market demand, with a shortened product development period and a lower risk of mismatching of R&D and market demand.

(III) The environmental protection business

Currently, this business focuses on recycling of renewable resources. Renewable resources are collected, sorted, processed, distributed and sold.

(IV) The semiconductor business

Currently, the Company is engaged in storage, optoelectronics, etc. with respect to the semiconductor business. In storage, the Company primarily engages in packaging and testing of storage products. In optoelectronics, the Company primarily develops Micro LED-related products.

### **III Core Competitiveness Analysis**

The Company's core competitiveness lies in its R&D ability, brand, marketing network and human resources. It has developed a three-tier R&D system of "Research institute+key labs+product development centers", established artificial intelligence internet of things comprehensive laboratory and 5G Ultra HD laboratory with major universities or scientific research institutions, established academician workstation, and built a technology research alliance matching the industrial layout, with nearly 100 core technologies and about 1,500 R&D talents. The Company has introduced around 100 experts on the micro LED project. In terms of brand, the Company continues to promote brand strategy construction, system construction, image construction and cultural construction, focuses on improving the scientific and international image of the enterprise, strengthens the brand status, has a certain brand awareness and reputation in the consumer group, and has good brand credit in banks and other financing channels. In terms of marketing channels, the Company innovates channel reform, cooperates online and offline for win-win results, and strives for development at home and abroad. Regarding offline channels, the Company has 25 branches, more than 100 offices, and more than 3,000 after-sales service shops across China, and the marketing and service network is all over the country; as for online channels, the Company has settled in Tmall, JD, Suning, VIPshop and other mainstream e-commerce platforms to innovate and develop live e-commerce business, and seek a new growth pole for business development; overseas channel, the company The Company's business covers Latin America, Europe, Asia Pacific and other countries and regions, with a sound marketing network. In terms of human resources, the Company boasts a leadership team of many years of management and industry experience, as well as a high quality execution team.

## IV Core Business Analysis

### 1. Overview

In 2022, in the complicated context of the economic downturn, decline in consumption, supply chain interruptions as well as the adjustment of macro policy, the Company took lean management as its guiding principle, focused on main business development, and adhered to the three major business segments of “Consumer Electronics + Semiconductor + New Energy Technology”. It further advanced the upgrading of its business structure, took effective measures to lower costs and increase efficiency, control and reduce expenditure, and strengthened scientific and technological innovation as well as professional capacity building. But for the following reasons, the Company recorded a year-on-year decline in operating revenue and a significant loss in 2022.

(1) The main causes of a year-on-year decline in operating revenue in 2022

① Among export products in the Company’s main business, memory semiconductor products account for a large share. According to the preliminary statistical results from third-party research institutions, the global sales volume of memory semiconductors decreased by 10.4% YoY or so. In order to reduce operating risks, the Company adjusted and reduced the business scale of this part, resulting in a significant decline in the sales scale of products including memory chips in the industrial and trading business compared to 2021.

② In 2022, the statistics from third-party research institutions revealed that due to the weak demand and consumption, the scale of domestic industries related to the consumer electronics business of the Company dropped by about 10% YoY. The Company reduced by 21.63% in terms of the scale of consumer electronics business compared with 2021.

③ In 2022, the Company focused on its main business, remained committed to the tree major business segments of “Consumer Electronics + Semiconductor + New Energy Technology”, and promoted business restructuring by optimizing part of non-core business which failed to coordinate with the main business.

④ The Company removed Shandong Econ Technology Co., Ltd. and Shenzhen E2info Network Technology Co., Ltd. from the balance sheet through introducing strategic investors at the end of 2021. And it did not consolidate the operating revenue of the above-mentioned two companies in 2022.

2. The main causes of a significant loss in 2022

① In 2022, as the scale of consumer electronics business reduced, it suffered a significant decline in its gross margin and a loss as well, due to the volatility of raw material prices, fierce competition among companies, low average retail prices of consumer electronics products and rising shipping cost.

② In 2022, the Company continued to invest in the research and development of semiconductor

business, but as it was still in the stage of small-lot production, it failed to achieve corresponding revenue and profit in 2022, which affected the Company's performance in its overall earnings.

③ In 2022, in order to stimulate the assets and further focus on main business, the Company stripped off assets that did not work for the development of main business and the expansion of supply chains. Under the prudence principle, the Company set aside impairment provision of RMB1.245 billion for certain assets such as accounts receivable and inventory that may be subject to credit and asset impairment, causing a decrease in earnings.

④ Under the influence of macroeconomic environment, the Company reduced the business of industrial parks and investment, which caused a huge decline in relevant revenue. In 2021, the Company saw RMB4,047 million of gains on disposal of non-current assets as it disposed of some equity of subsidiary enterprises. The gains/losses from the disposal of non-current assets were RMB755 million in 2022, down by 81.33% YoY.

For 2022, the Company recorded operating revenue of RMB29.608 billion, down 39.71% year on year. Net profit attributable to the Shareholders of listed companies at RMB-1.471 billion, representing a year-on-year drop of 262.52%.

### 3. Key operations during 2022

#### ① Significant improvement of management

First, lean management achieved notable achievements: In 2022, the Company worked to promote lean management and value creation, focused on increased quality, efficiency and self-promotion, and implemented precise quantification, standardization, inventory program and digitization. The Company made impressive gains in improving lean management by reducing costs and controlling expenditure, reclaiming receivables and stripping off subsidiary enterprises that suffered losses and did not fit in with the company's development strategies.

Second, the capacity of digital management notably strengthened: In 2022, the Company carried out many digital projects including In Cloud and Lake project, financial sharing project, contract management project, standardized financial accounting project, intelligent manufacturing MES of white goods (digital factory) project, supplier management and engineering bidding projects. All of these improved the Company's digital management.

Third, risk management achieved great results: In 2022, the Company established "project, standardized" risk management systems and achieved lean risk management through three risk control line of defense, three-class management mechanism and three stages of supervision. Meanwhile, the Company set up well-established compliance systems through organization construction, system norms, list guideline and personnel allocation.

#### ② Continuous optimization of industrial structure

First, promoting integrated high-quality development. In 2022, the Company stayed committed to electronics technology as its main business, put forward integrated high-quality development, and

made clear three major business segments of “Consumer Electronics + Semiconductor + New Energy Technology” and the two supporting businesses of “Industrial Parks + Investment”, which highlighted the core position of main business. Moreover, it worked to optimize business structure.

Second, upgrading consumer electronics business structure. In 2022, the white goods business of the Company achieved growth in income scale through increasing investment in the white goods, promoting “Konka + Frestec” dual-brand operation and “refrigerators + washing machines + freezers + air conditioners + kitchen appliance” full-category layout. And the Konka Industrial Park in Shaanxi entered the stage of mass production.

### ③ Advancement of expertise

First, manufacturing capacity has moved forward in the direction of professionalism. In terms of the color TV industry, in 2022, the Company has worked to improve its intelligent manufacturing capacity. For instance, industrial Internet of Things (IIOT) platform of Ankang Green Smart Plant passed acceptance inspection and its productivity has met industrial standard. Thus, the plant won the title of “National Green Smart factory”. In white goods industry, the company built “refrigerators + washing machines + freezers + air conditioners + kitchen appliance” full-category manufacturing capacity. On the side of semiconductors, the company launched some industrial projects such as mass production line of MLED direct display and MLED chip, and put into production Yancheng Memory Semiconductor Assembly & Test Base, the yield of which surpassed 99.95%.

Second, investment business has been developed in the direction of professionalism. In 2022, the expertise of full chain of “fundraising, investment, management and withdrawal” in investment sub-division of the Company has greatly improved.

Third, further improved professional capacity of operating industrial parks. In 2022, the Company has consolidated its capacity of operating the industrial park business and also developed a “government-commissioned and enterprise-operating” asset-light strategy and other business models, which has pushed for the completion of the projects.

### ④ Notable improvement of product capability

First, the industrialization of semiconductor technology. On the side of O-E semiconductors, Chongqing Konka Semiconductor Optoelectronic Technology Industrial Park was put into production. The self-developed 15um\*30um Micro LED chip reached 99% of the manufacturing yield. Besides, it launched industrial projects including the mass production line project of MLED direct display. In terms of PCB sub-division, the Company developed Mini LED direct display. The revenue of thick copper and communication products saw a year-on-year increase. And the product sales structure has improved.

Second, consumer electronic quality products played an important role. The overseas color TV business launched a series of high-margin differentiated quality products to optimize its product mix.

In terms of the white goods sub-division, the Company further explored product potential through benchmarking, and promoted full-category products. It launched Konka 550 double-door refrigerator and drum washing machine with H21 color screen and other new products. The Company is engaged in 5G router and tablet products with respect to the mobile Internet sub-division, and focused on international market, which significantly improved overseas business revenue and gross margin.

#### ⑤ Significant improvement of R&D capacity

In 2022, the Company remained committed to independent innovation as its technological development guideline, and kept strengthening the three-tier R&D system of “research institute - key laboratory - product R&D center” and increasing investment in areas including semiconductors, big data, display technology and healthy fresh cold technology.

Among one national award and four provincial awards that the Company received in 2022, the Parameter Separation Methods, Smart TV and Storage Media won Chinese Patent Award of Excellence, the Key Technology of Intelligent Terminal Integrating Information Equipment and Synergetic Interconnection of Beacon won the second prize of Guangdong Science and Technology Progress Award, and the Control Methods for Temperature Rectification of Air-cooled Refrigerator and the A Noise Control Method for Refrigerator Using Frequency Conversion Compressor won the Science and Technology Achievement Award of Henan Province. Konka Double 15-day Ecological Fresh-Keeping Refrigerator won the 2022 Ultra-Long Fresh-Keeping Leading Product Award of China’s Refrigerator Industry.

In terms of core technology R&D, the Company made breakthrough in many key technologies in 2022. In the area of semiconductors, the Company independently developed Micro LED “hybrid mass transfer technology” with a three-color transfer yield reaching 99.999%. In the white goods industry, the Company carried out the basic applied research of the Development of Cryogenic Refrigerator Based on Reverse Brayton Refrigeration Technology project. After the air-cooled -86°C cryo-refrigerator for civil use was developed, the cooling temperature surpassed -120°C, which opened up the market space of the Company’s ultra-low temperature refrigeration products in such fields as medical treatment, military industry, scientific research and transportation. Furthermore, the 15-day ecological fresh-keeping technology extended the fresh-keeping date of food in the refrigerator through multi-field coupling technology.

## 2. Revenue and Cost Analysis

### (1) Breakdown of Operating Revenue

Unit: RMB

	2022		2021		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	

Total	29,607,854,255.27	100%	49,106,513,669.58	100%	-39.71%
By operating division					
Consumer electronics	10,871,843,067.02	36.72%	13,873,074,181.46	28.25%	-21.63%
Industry trade	16,052,517,705.95	54.22%	29,682,677,483.94	60.45%	-45.92%
Environmental business	1,548,557,255.52	5.23%	4,354,614,711.52	8.87%	-64.44%
Semiconductor	134,579,890.70	0.45%	321,958,525.17	0.66%	-58.20%
Other	1,000,356,336.08	3.38%	874,188,767.49	1.78%	14.43%
By product category					
Color TVs	5,023,097,945.06	16.97%	7,300,340,878.11	14.87%	-31.19%
White goods	3,929,504,730.97	13.27%	3,699,285,362.91	7.53%	6.22%
PCB	663,849,487.53	2.24%	913,703,904.09	1.86%	-27.35%
Industry trade	16,052,517,705.95	54.22%	29,682,677,483.94	60.45%	-45.92%
Environmental business	1,548,557,255.52	5.23%	4,354,614,711.52	8.87%	-64.44%
Semiconductor	134,579,890.70	0.45%	321,958,525.17	0.66%	-58.20%
Other	2,255,747,239.54	7.62%	2,833,932,803.84	5.77%	-20.40%
By operating segment					
Domestic	14,845,908,414.38	50.14%	22,033,965,598.67	44.87%	-32.62%
Overseas	14,761,945,840.89	49.86%	27,072,548,070.91	55.13%	-45.47%
By marketing model					
Direct sales	5,773,701,603.23	19.50%	8,947,974,287.40	18.22%	-35.47%
Distribution	23,834,152,652.04	80.50%	40,158,539,382.18	81.78%	-40.65%

## (2) Operating Division, Product Category, Operating Segment or Marketing Model Contributing over 10% of Operating Revenue or Operating Profit

Applicable  Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Consumer electronics	10,871,843,067.02	10,466,658,063.15	3.73%	-21.63%	-18.48%	-3.72%
Industry trade	16,052,517,705.95	15,948,127,861.17	0.65%	-45.92%	-45.97%	0.08%
By product category						
Color TVs	5,023,097,945.06	5,081,621,150.13	-1.17%	-31.19%	-26.59%	-6.34%
White goods	3,929,504,730.97	3,523,413,567.24	10.33%	6.22%	3.77%	2.11%
Industry trade	16,052,517,705.95	15,948,127,861.17	0.65%	-45.92%	-45.97%	0.08%
By operating segment						
Domestic	14,845,908,414.38	14,256,824,588.51	3.97%	-32.62%	-30.94%	-2.33%
Overseas	14,761,945,840.89	14,531,813,805.37	1.56%	-45.47%	-45.69%	0.39%
By marketing model						
Direct sales	5,773,701,603.23	5,538,012,338.93	4.08%	-35.47%	-31.87%	-5.08%
Distribution	23,834,152,652.04	23,250,626,054.95	2.45%	-40.65%	-40.80%	0.25%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable  Not applicable

## (3) Whether Revenue from Physical Sales Is Higher than Service Revenue

Yes  No

Operating division	Item	Unit	2022	2021	Change (%)
--------------------	------	------	------	------	------------

Consume Electronics	Unit sales	0,000 units	1,028	1,247	-17.56%
	Output	0,000 units	983	1,184	-16.98%
	Inventory	0,000 units	73	79	-7.59%

Any over 30% YoY movements in the data above and why:

Applicable  Not applicable

#### (4) Execution Progress of Major Signed Sales and Purchase Contracts in the Reporting Period

Applicable  Not applicable

#### (5) Breakdown of Cost of Sales

By product category

Unit: RMB

Product category	Item	2022		2021		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Color TVs	Color TVs	5,081,621,150.13	17.65%	6,922,606,555.81	14.60%	-26.59%
White goods	White goods	3,523,413,567.24	12.24%	3,395,382,780.50	7.16%	3.77%
PCB	PCB	627,609,981.96	2.18%	852,737,298.50	1.80%	-26.40%
Industry trade	Industry trade	15,948,127,861.17	55.40%	29,514,534,704.12	62.26%	-45.97%
Environmental business	Environmental business	1,511,874,387.74	5.25%	4,030,685,013.80	8.50%	-62.49%
Semiconductor	Semiconductor	148,687,958.92	0.52%	306,296,431.81	0.65%	-51.46%
Other	Other	1,947,303,486.72	6.76%	2,379,642,196.99	5.02%	-18.17%

Note:

Cost of sales changed accordingly with operating revenue.

#### (6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes  No

Name of subsidiary	Registered capital (RMB)	The Company's interest (%)	Date of change	Reason for change
Guizhou Konka New Energy Material Technology Co., Ltd.	10,000	98.00%	2022-5-11	Newly incorporated
Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	5,000	100.00%	2022-4-27	
Shangrao Konka Electronic Technology Innovation Co., Ltd.	3,000	100.00%	2022-4-27	
Zhejiang Konka Electronic Technology Co., Ltd.	3,000	100.00%	2022-6-20	
Zhejiang Konka Technology Industry Development Co., Ltd.	3,000	100.00%	2022-6-20	
Xi'an Konka Intelligent Appliance Co., Ltd.	500	51.00%	2022-7-22	
Xi'an Kanghong Technology Industry Development Co., Ltd.	3,000	100.00%	2022-8-1	
Xi'an Konka Network Technology Co., Ltd.	5,000	100.00%	2022-8-1	
Xi'an Konka Intelligent Technology Development Co., Ltd.	5,000	100.00%	2022-8-1	
Chongqing Fangbing Real Estate Co., Ltd.	2,000	80.00%	2022-8-19	
Konka Photovoltaic Technology Co., Ltd.	15,000	60.00%	2022-10-9	
Zhongshan Kanghong Electronic Technology Co., Ltd.	100	51.00%	2022-10-14	

Songyang Konka Intelligent Technology Development Co., Ltd.	3,000	100.00%	2022-10-26	
Shenzhen Kangyan Technology Co., Ltd.	1,000	100.00%	2022-10-28	
Songyang Konka Smart Industry Operation Management Co., Ltd.	1,500	51.00%	2022-10-26	
Konka North China (Tianjin) Technology Co., Ltd.	3,000	100.00%	2022-10-10	
Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	10,000	95.09%	2022-10-21	
Chongqing Konka Low Carbon Technology Co., Ltd.	1,500	55.00%	2022-9-30	
Jiangxi Konka Industrial Park Development Co., Ltd.	10,000	70.00%	2022-5-25	De-registered
Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	1,066	100.00%	2022-2-10	
Ruichang Kangrui Real Estate Co., Ltd.	1,000	70.00%	2022-5-25	
Shenzhen Konka Electrical Appliances Co., Ltd.	830	100.00%	2022-12-1	
Yantai Laikang Industrial Development Co., Ltd.	1,000	51.00%	2022-8-4	
Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	2,000	100.00%	2022-12-9	
Sichuan Chengrui Real Estate Co., Ltd.	2,500	49.00%	2022-4-15	Equity transfer
Chongqing Jiarun Real Estate Co., Ltd.	2000	49.00%	2022-4-15	
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	10,000	0.00%	2022-6-27	
Xi'an Feihe Real Estate Development Co., Ltd.	100	0.00%	2022-6-26	
Konka Industrial Development (Wuhan) Co., Ltd.	1,000	45.00%	2022-2-25	Capital increase
Hefei KONSEMI Storage Technology Co., Ltd.	7,400	34.46%	2022-3-30	
Hefei Yihe Electronic Co., Ltd.	1,000	34.46%	2022-3-30	Acquired
Sichuan Hongxinchen Real Estate Development Co., Ltd.	2,000	80.00%	2022-7-4	
Shenzhen Konka Digital Technology Development Co., Ltd.	2,010	100.00%	2022-9-19	

### (7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

Applicable  Not applicable

### (8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	10,924,895,999.88
Total sales to top five customers as % of total sales of the Reporting Period (%)	36.90%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	5,236,236,676.89	17.69%
2	Customer B	1,878,790,089.83	6.35%
3	Customer C	1,600,421,458.45	5.41%

4	Customer D	1,336,927,199.96	4.52%
5	Customer E	872,520,574.75	2.93%
Total	--	10,924,895,999.88	36.90%

Other information about major customers:

Applicable  Not applicable

None of the top five customers were related parties of the Company. And none of the Company's directors, supervisors, executive officers, core technicians, over 5% shareholders, actual controller or any other related parties held equity interests in the major customers, directly or indirectly.

Major suppliers:

Total purchases from top five suppliers (RMB)	11,332,913,608.06
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	39.35%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	5,446,347,101.69	18.91%
2	Supplier B	1,843,650,256.49	6.40%
3	Supplier C	1,480,847,503.61	5.14%
4	Supplier D	1,465,757,179.27	5.09%
5	Supplier E	1,096,311,567.00	3.81%
Total	--	11,332,913,608.06	39.35%

Other information about major suppliers:

Applicable  Not applicable

None of the top five customers were related parties of the Company. And none of the Company's directors, supervisors, executive officers, core technicians, over 5% shareholders, actual controller or any other related parties held equity interests in the major customers, directly or indirectly.

### 3. Expense

Unit: RMB

	2022	2021	Change (%)	Reason for any significant change
Selling expense	1,240,144,735.77	1,428,062,895.37	-13.16%	
Administrative expense	949,647,590.28	960,449,117.12	-1.12%	
Finance costs	522,423,743.18	952,642,273.75	-45.16%	Great currency fluctuations in the year
R&D expense	543,882,024.89	616,335,488.01	-11.76%	

### 4. R&D Investments

Applicable  Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the Company
New Mini&Micro LED Structure Development Project	Through the new structure design, the established goal of photoelectric performance improvement and cost reduction can be achieved	The project has completed the given project objectives and is thus closed.	The target of brightness increase, push-pull effort increase, and noble metal usage reduction	Lay a solid foundation for the industrialization of Mini&Micro LED chip.

			was finished.	
Mass Transfer Repair Technology Research and Development Project	Improve the yield through mass transfer repair technology.	The project has completed the given project objectives and is thus closed.	Produce the samples, and the yield could achieve the goal through using repair technology.	Accumulate key achievements of the mass transfer and make technical reserves for the industrialization of this technology.
Multi-window and Multitasking System -ME You OS	To achieve its multi-directional differentiation in terms of the interaction, multi-task, AI, ecological development, and put the product into use.	This project development has been completed and applied in the company's products.	To complete the accumulation of differentiated technology such as self-developed multitasking systems, Android ecological connection, self-made air mouse remote control and intelligent splice screen through technical cooperation.	Realization of the core capability of self-developed multitasking systems and accumulation of technical reserves allow them to act as a core technology to widen the gap between competing products.
8K 120Hz Video Processor	It is designed to realize the 8K video slicing function by using self-developed chips. Convert one-channel HDMI2.1 8K signal into four-channel HDMI2.0 4K signals, in which HDMI2.1 input and HDMI2.0 output interfaces are realized by self-made chips, and then apply video splicing technology to video signal segmentation inside the self-made chips, and use synchronization mechanism to ensure that the four-channel HDMI2.0 outputs are completely synchronized.	The project has been completed and gained customer orders in the industry.	Breakthrough chip technology including HDMI2.1, 8K video segmentation and multi-interface synchronization and output program externally.	These technologies can be used in various 8K large-screen display scenarios, including "100 cities and 1,000 screens" and the Hangzhou Asian Games and other important occasions.
AM Driver (Active Matrix Driver) Mini LED Backlight TV	To complete AM-driven high-zone Mini LED backlight TV and launch product	This project development has been completed and applied in A6 series of models.	Complete the research and development of relevant technologies including AM driver and high-zone Mini LED backlight, and improve the display effect and reduce the backlight costs.	Enhance the quality and competitiveness of the product.
Research of Cryogenic Refrigerator Based on Reverse Brayton Refrigeration Technology	Apply the reverse brayton refrigeration technology to the study of -120°C cryorefrigerator to verify the design parameters of key components, low-temperature material selection and structure layout related to this technology. The target temperature in the cryogenic box is to reach -120°C.	The cryogenic temperature has surpassed -120°C.	The cryogenic technology has realized the temperature of -120°C.	To develop technical reserves for the market of cryogenic storage products in the field of biomedicine.

## Details about R&amp;D personnel:

	2022	2021	Change (%)
Number of R&D personnel	1,537	1,505	2.13%
R&D personnel as % of total employees	10.59%	9.27%	1.32%
Educational background of R&D personnel			
Bachelor's degree and below	1,398	1,344	4.02%
Master's degree	131	151	-13.25%
Doctoral degree	8	10	-20.00%
Age structure of R&D personnel			
Below 30	716	649	10.32%
30-40	573	607	-5.60%
Over 40	248	249	-0.40%

## Details about R&amp;D investments:

	2022	2021	Change (%)
R&D investments (RMB)	543,882,024.89	633,205,798.71	-14.11%
R&D investments as % of operating revenue	1.84%	1.29%	0.55%
Capitalized R&D investments (RMB)	0	16,870,310.70	-100.00%
Capitalized R&D investments as % of total R&D investments	0.00%	2.66%	-2.66%

Reason for any significant change in R&D personnel composition and the impact:

Applicable  Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

Applicable  Not applicable

Reason for any sharp variation in the percentage of capitalized R&D investments and rationale:

Applicable  Not applicable

No capitalization of R&D investments in the Reporting Period.

## 5. Cash Flows

Unit: RMB

Item	2022	2021	Change (%)
Subtotal of cash generated from operating activities	33,467,042,610.14	51,951,723,686.75	-35.58%
Subtotal of cash used in operating activities	33,995,345,651.97	51,142,967,292.64	-33.53%
Net cash generated from/used in operating activities	-528,303,041.83	808,756,394.11	-165.32%
Subtotal of cash generated from investing activities	5,299,153,383.77	6,003,236,391.07	-11.73%
Subtotal of cash used in investing activities	4,972,918,573.56	8,688,189,017.80	-42.76%
Net cash generated from/used in investing activities	326,234,810.21	-2,684,952,626.73	112.15%
Subtotal of cash generated from financing activities	21,373,734,199.02	24,829,208,403.38	-13.92%
Subtotal of cash used in financing activities	21,706,022,136.76	21,264,351,013.39	2.08%
Net cash generated from/used in financing activities	-332,287,937.74	3,564,857,389.99	-109.32%
Net increase in cash and cash equivalents	-506,435,208.13	1,670,291,105.79	-130.32%

Explanation of why any of the data above varies significantly:

Applicable  Not applicable

Net cash generated from/used in operating activities changed primarily because with increased inventories, cash payments for goods and services as a percentage of cash inflows from sales rose year on year.

Net cash generated from/used in investing activities changed primarily because cash payments for construction and acquisition of fixed assets, intangible assets and other long-term assets declined year on year.

Net cash generated from/used in financing activities changed primarily because borrowings declined year on year.

Reason for any big difference between the net operating cash flow and the net profit for this Reporting Period:

Applicable  Not applicable

## V Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Recurrent or not
Return on investment	936,006,397.44	-45.27%	Income from equity transfers	Not
Gain/loss on changes in fair value	-40,731,333.54	1.97%		Not
Asset impairments	-1,245,280,871.86	60.23%	Allowances for impairment losses	Not
Non-operating income	125,139,042.00	-6.05%		Not
Non-operating expense	224,724,245.84	-10.87%		Not

## VI Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2022		1 January 2022		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	5,988,095,490.71	15.75%	6,489,553,211.24	16.27%	-0.52%	
Accounts receivable	2,036,734,836.22	5.36%	3,397,729,481.07	8.52%	-3.16%	
Contract assets		0.00%		0.00%	0.00%	
Inventories	4,409,767,756.22	11.60%	4,068,537,809.18	10.20%	1.40%	
Investment property	802,407,844.60	2.11%	776,525,061.54	1.95%	0.16%	
Long-term equity investments	6,351,232,955.58	16.71%	5,902,588,939.51	14.80%	1.91%	
Fixed assets	4,114,029,693.38	10.82%	4,010,295,277.14	10.06%	0.76%	
Construction in progress	1,990,361,377.07	5.24%	1,490,777,831.39	3.74%	1.50%	
Right-of-use assets	50,019,838.68	0.13%	71,210,415.37	0.18%	-0.05%	
Short-term	7,579,559,304.97	19.94%	9,920,675,121.08	24.88%	-4.94%	

borrowings						
Contract liabilities	601,044,358.35	1.58%	652,910,408.02	1.64%	-0.06%	
Long-term borrowings	8,906,931,402.89	23.43%	3,529,140,539.09	8.85%	14.58%	
Lease liabilities	36,586,639.16	0.10%	42,532,869.63	0.11%	-0.01%	

Indicate whether overseas assets account for a larger proportion of the total assets.

Applicable  Not applicable

## 2. Assets and Liabilities at Fair Value

Applicable  Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Trading financial assets (derivative financial assets excluded)								
2. Derivative financial assets								
3. Investments in other debt obligations								
4. Investments in other equity instruments	23,841,337.16							23,841,337.16
Subtotal of financial assets	23,841,337.16							23,841,337.16
Investment property								
Productive living assets								
Other	2,364,852.29	7,108,260.65			986,428,145.86	467,322,675.67		2,876,849.50
Total of the above	2,388,693.62	7,108,260.65			986,428,145.86	467,322,675.67		2,900,690.83
Financial liabilities	0.00	0.00						0.00

### Particulars about other changes:

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Other non-current financial assets	2,293,361,603.68	-7,108,260.65			749,240,917.42	395,831,987.13		2,639,662,273.32
Receivables financing	71,490,688.54				237,187,228.44	71,490,688.54		237,187,228.44

Significant changes to the measurement attributes of the major assets in the Reporting Period:

Yes  No

### 3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value (RMB)	Reason for restriction
Monetary assets	526,183,479.81	Of which, RMB435,167,024.52 is security deposits put in pledge for loans or the issuance of bank acceptance bills; RMB305,405.41 is in the fiscal custody account; RMB69,800,000.00 is term deposits that cannot be withdrawn in advance; and RMB20,911,049.88 is restricted for other reasons.
Notes receivable	504,958,051.41	In pledge for the issuance of bank acceptance bill
Stock	49,679,547.48	The rectification measures were affected by the minority shareholder case of the subsidiary, the inventory was sealed up, and the company did not waive its claims.
Investment property	104,066,818.20	As collateral for loan
Fixed assets	1,437,778,232.95	As collateral for the issuance of bank acceptance bill, finance lease, loan or former shareholder guarantee
Intangible assets	512,162,337.46	Mortgage loan, financial lease mortgage, original shareholder guarantee mortgage
Construction in progress	229,757,971.08	As collateral for finance lease
Total	3,364,586,438.39	

## VII Investments Made

### 1. Total Investment Amount

Applicable  Not applicable

Amount of Reporting Period (RMB)	Amount of the same period of last year (RMB)	Change (%)
4,490,904,118.80	7,481,330,886.46	-39.97%

### 2. Major Equity Investments Made in the Reporting Period

Applicable  Not applicable

### 3. Major Non-Equity Investments Ongoing in the Reporting Period

Applicable  Not applicable

Unit: RMB

Item	Investment method	Fixed assets investment or not	Industry involved	Input amount in the Reporting Period	Accumulative actual input amount as of the period-end	Capital resources	Progress	Estimated revenues	Accumulative realized revenues as of the period-end	Reason for not meeting the schedule and expected revenues	Disclosure date (if any)	Disclosure index (if any)
Dongguan Konka Intelligent Industrial Park	Self-build	Yes	Electronic industry	189,688,317.71	544,486,076.49	Self- and bank loan-funded				N/A	2017-03-11	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electronic industry	149,933,938.79	483,395,087.58	Self-funded				N/A	2018-10-17	
Chongqing Konka Semiconductor Photoelectric Industrial Park	Self-build	Yes	Electronic industry	219,883,550.18	505,627,350.19	Self- and bank loan-funded				N/A	2019-06-14	

Konka Intelligent Terminal Manufacturing Base for Export	Self-build	Yes	Electronic industry	12,816,316.48	53,860,622.93	Self-funded				N/A	2020-06-06
Frestec Refrigeration Park	Self-build	Yes	Electronic industry	138,495,606.91	247,798,329.55	Self and bank loan-funded				N/A	2020-07-21
Xi'an Konka Smart Appliances Headquarters Project	Self-build	Yes	Electronic industry	38,146,161.13	179,661,935.88	Self-funded				N/A	2021-02-10
Total	--	--	--	748,963,891.20	2,014,829,402.62	--	--			--	--

Note: Konka Chuzhou Smart Appliances and Equipment Industrial Park has been completed and accepted. Xi'an Konka Smart Appliances Headquarters Project has been put into use. Dongguan Konka Intelligent Industrial Park, Suining Konka Electronic Technology Industrial Park and Frestec Refrigeration Park are under construction. Regarding the Semiconductor Photoelectric Research Institute of Chongqing Konka Semiconductor Photoelectric Industrial Park, the infrastructure of the first phase has been completed and accepted, with the remaining infrastructure and decoration ongoing.

#### 4. Financial Investments

##### (1) Securities Investments

Applicable  Not applicable

No such cases in the Reporting Period.

##### (2) Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

#### 5. Use of Raised Funds

Applicable  Not applicable

##### (1) General Information about Use of Raised Funds

Applicable  Not applicable

Unit: RMB'0,000

Year of raising	Way of raising	Total amount raised	Used in the Current Period	Cumulatively used	Re-purposed amount in the Reporting Period	Cumulative re-purposed amount	Cumulative re-purposed amount as % of total amount raised	Unused amount	Purpose and whereabouts of the unused amount	Amount being idle for more than two years
2022	Public offering	120,000	120,000	120,000	0	0	0.00%	0	0	0

	of corporate bonds									
2022	Private placement of corporate bonds	120,000	120,000	120,000	0	0	0.00%	0	0	0
Total	--	240,000	240,000	240,000	0	0	0.00%	0	--	0
More information										
As of the date of this Report's being authorized for issue, the raised funds have been used up. The Company used raised funds in strict compliance with the stated purposes in the prospectus, and the special account for raised funds was running well.										

## (2) Promised Use of Raised Funds

Applicable  Not applicable

## (3) Re-purposed Raised Funds

Applicable  Not applicable

No such cases in the Reporting Period.

## VIII Sale of Major Assets and Equity Interests

### 1. Sale of Major Assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of Major Equity Interests

Applicable  Not applicable

Counterparty	Equity interests sold	Date of sale	Selling price (RMB'0,000)	Amount contributed by the equity interests to net income of the Company from period-beginning to date of sale (RMB'0,000)	Effect of the sale on the Company	Amount contributed by the sale to net income of the Company as a percentage of the Company's net income (%)	Pricing principle	Related-party transaction or not	Relationship between counterparty and the Company	Ownership fully transferred or not	Executed as scheduled or not, if not, state reason and actions taken	Disclosure date	Index to disclosed information
Xi'an Port Industrial Investment Co., Ltd.	100% ownership of Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	27 June 2022	22,000	2,133.46	Optimizing the Company's allocation of assets, increasing capital liquidity	7.02%	Valuation	No	No	Yes	N/A	21 May 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

## IX Major Subsidiaries

Applicable  Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10%

## effect on the Company's net profit

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Konka Ventures Development (Shenzhen) Co., Ltd.	Subsidiary	Enterprise management consulting and incubation services	RMB5,000,000	167,078,254.09	55,084,448.84	64,761,298.17	60,109,090.28	48,421,693.32
Hong Kong Konka Co., Ltd.	Subsidiary	Export & import of electronics	HKD500,000	3,189,156,989.28	397,775,661.07	2,667,415,017.40	52,240,252.69	34,803,560.21
Chain Kingdom Memory Technologies Co., Limited	Subsidiary	Export & import of electronics	USD4,876,255.39	1,217,208,991.41	157,310,605.80	8,493,960,721.20	4,129,016.07	4,124,270.93

## Subsidiaries obtained or disposed of in the Reporting Period:

√ Applicable □ Not applicable

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Guizhou Konka New Energy Material Technology Co., Ltd.	Newly incorporated	Beneficial to the development of the Company's relevant business
Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Newly incorporated	
Shangrao Konka Electronic Technology Innovation Co., Ltd.	Newly incorporated	
Zhejiang Konka Electronic Technology Co., Ltd.	Newly incorporated	
Zhejiang Konka Technology Industry Development Co., Ltd.	Newly incorporated	
Xi'an Konka Intelligent Appliance Co., Ltd.	Newly incorporated	
Xi'an Kanghong Technology Industry Development Co., Ltd.	Newly incorporated	
Xi'an Konka Network Technology Co., Ltd.	Newly incorporated	
Xi'an Konka Intelligent Technology Development Co., Ltd.	Newly incorporated	
Chongqing Fangbing Real Estate Co., Ltd.	Newly incorporated	
Zhongshan Kanghong Electronic Technology Co., Ltd.	Newly incorporated	
Songyang Konka Intelligent Technology Development Co., Ltd.	Newly incorporated	
Shenzhen Kangyan Technology Co., Ltd.	Newly incorporated	
Songyang Konka Smart Industry Operation Management Co., Ltd.	Newly incorporated	
Konka North China (Tianjin) Technology Co., Ltd.	Newly incorporated	
Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	Newly incorporated	
Konka Photovoltaic Technology Co., Ltd.	Newly incorporated	
Chongqing Konka Low Carbon Technology Co., Ltd.	Newly incorporated	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Acquired	For better allocation of assets
Shenzhen Konka Digital Technology Development Co., Ltd.	Acquired	
Jiangxi Konka Industrial Park Development Co., Ltd.	De-registered	
Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	De-registered	
Ruichang Kangrui Real Estate Co., Ltd.	De-registered	

Shenzhen Konka Electrical Appliances Co., Ltd.	De-registered	
Yantai Laikang Industrial Development Co., Ltd.	De-registered	
Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	De-registered	
Sichuan Chengrui Real Estate Co., Ltd.	Equity transfer	Beneficial to the development of the Company's relevant business and bring about a certain amount of gains
Chongqing Jiarun Real Estate Co., Ltd.	Equity transfer	
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Equity transfer	
Xi'an Feihe Real Estate Development Co., Ltd.	Equity transfer	
Konka Industrial Development (Wuhan) Co., Ltd.	Equity transfer	
Hefei KONSEMI Storage Technology Co., Ltd.	Capital increase	
Hefei Yihe Electronic Co., Ltd.	Capital increase	

Information about principal subsidiaries and joint stock companies:

None

### **X Structured Bodies Controlled by the Company**

Applicable  Not applicable

### **XI Prospect of the Company's Future Development**

In 2023, based on the main business, the Company will stick to specialized platform operation, implement lean management, support long-term value and work to increase its economic benefits. In addition, it will also see high-quality development as its guideline, adhere to the general principle of development and focus on its main business, aiming to achieve high-quality development. The Company's main tasks in 2023 are listed as follows:

#### **(I) Adhere to the general principle of development**

In 2023, the Company will stick to the general principle of development, focus on three dominant industries "Consumer Electronics + Semiconductor + New Energy Technology", and adopt a strategy of lengthening and broadening. It will create its technological barriers and industrial bases, expand and strengthen real industry, thus achieving steady and high-quality development.

#### **(II) Adhere to a long-term value orientation**

In 2023, based on the established strategies, the company will take action while taking long-term goals into consideration, return to the nature of operation and build a business base, realize a steady and high-quality growth.

#### **(III) Stick to develop the operation of platform specialization**

In 2023, the Company will remain committed to specialized development by creating its own technology barriers, management barriers, product barriers and supply chain barriers, and developing sub-divisions with the strength of profession, thus enhancing its core competitive edge.

#### **(IV) Stick to the product-oriented operation**

In 2023, the Company will strengthen product thinking and product capability in a systematic manner. For example, based on products, the Company will make plan for investment, and build and reshape organizational systems, and take cost reduction and efficiency increase and gross

margin of the products as the approach of assessing products.

Specifically, in terms of product capability in consumer electronics business, the Company will first center on product innovation, focus on user experience innovation products and the development of functions that meet high-frequent consumer demand, and also focus on the extended functions that provide commercial value for the Company's operation; second, it will focus on product operations, implement a big product manager system, significantly increase the sales of star products and rebuild the full life cycle of product management; finally, it will focus on product efficiency, and improve the economics of scale as well as enhance cost competitiveness. On the side of semiconductor and new energy business, the Company will work to be a leading player in R&D of product and achieve industrialization. With regard to the high-tech park business, the Company will try to develop benchmark samples for the operation of the high-tech parks, and form the product brand.

#### (V) Stick to lean management

In 2023, the Company will take a strategic view in strengthening whole-stuff, whole-process and all-round lean management, and enable this concept to run through the whole process and the whole element of daily work so as to release management effectiveness. First, the Company will establish an all-round lean budget management system. Guided by the principle of "efficiency, accuracy, and implementability", it will achieve the annual business objectives driven by the budget; second, it will promote cost reduction and efficiency. With "supply chain reshaping and rebuilding, procurement management improvement, digital supply chain construction and enhancement" as the core, it aims to realize the transformation of all-round quality and efficiency of supply chain management. Third, the Company will improve the lean quality of cost management. Specifically, it will work to make fine cost budget, analyze cost management, detail energy saving and consumption reduction, and promote cost control and efficiency increase for all. Therefore, it can pour resources into the main business to maximize cost effectiveness. Fourth, the Company will revitalize existing assets that are idle and inefficient, and innovate methods for asset revitalization.

#### (VI) Business operations

##### 1. Consumer Electronics

In 2023, the key tasks of the color TV business are as follows: First, in terms of the domestic color TV business, the Company will be oriented to maximize gross margin. To this end, it will reform the organizational systems, improve the channel structure, strengthen budget management, increase efficiency and accelerate turnover; second, with respect to the overseas sub-division, the Company will adhere to the strategy of developing large scale business, and make efforts to make breakthrough in independent brands and overseas OEM business; third, regarding the manufacturing business, the Company will actively develop strategic customers. Meanwhile, it will

build the market-oriented competition mechanism of its own product OEM business, benchmark itself against leading enterprises, promote cost reduction, and focus on capacity enhancement. In this way, the manufacturing business will play a critical role in the Company.

In 2023, the key tasks of the white goods sub-division are as follows: First, the Company will drive forward sound development of the white goods business, and continue to expand this business; second, the Company will work to increase the OEM and overseas channels; third, it will adopt product-oriented operation strategy while enhancing the capability of creating high-end and high-margin products.

In 2023, the key tasks of mobile internet sub-division are as follows: First, the Company will focus on international market and take strong measures to expand this market; second, it will expand product line by leveraging its overseas advantage, and realize channel reuse of multiple product lines.

## 2. Semiconductor Technology

In 2023, the key tasks of the semiconductor sub-division are as follows: First, the Company will steer the management orientation, organizational structure and assessment system of Micro LED business from research and development-oriented toward market-oriented mode, and make efforts to follow market rules, develop large-scale business to gain profit on the basis of industrialization

In 2023, the key tasks of the PCB sub-division are as follows: First, the Company will realize high-end products by putting new plants into production; second, the Company will achieve high-end production technique through capability improvement; third, the Company will take active measures to explore customers that play a decisive role in its long-term development and support stable operation.

In 2023, the key tasks of the industrial and trade technology business are as follows: First, the Company will take action to reduce inventory and receivable; second, it will make clear the industrial and trade technology business mode and its partners, and also reshape its business process to increase gross margin.

## 3. Environmental Protection and New Energy

In 2023, the key tasks of the environmental protection and new energy business are as follows: First, the Company will expand new energy business through capital; second, based on sustainable development, the Company will promote the transformation of existing environmental protection business model.

## 4. Technology Park

In 2023, the key tasks of the technology park sub-division are as follows: First, the Company will explore new projects to lay a foundation for sustainable development of the technology park sub-division; second, the Company will further reduce the stock projects; third, on the basis of headquarters economy and asset-light strategy, the Company will also promote the innovation of the

profit model of the parks. In this way, it can achieve diversified expansion models and profit models of the parks.

#### 5. Investment Sub-Division

In 2023, the key tasks of industrial investment sub-division are as follows: First, the Company will enhance the expansion and reserves of new projects; second, the Company will fasten the implementation of the decrease and withdrawal of invested projects and fund, and promote the withdrawal of cash flow.

In 2023, the key tasks of venture capital sub-division are as follows: First, the Company will work to obtain the qualification of state-level incubators and build platform for tech innovation; second, the Company will accelerate the transition to a commercial real estate operator mode.

### XII Communications with the Investment Community such as Researches, Inquiries and Interviews

√ Applicable □ Not applicable

Date	Place	Way of communication	Type of communication party	Communication party	Main discussions and materials provided by the Company	Index to main information communicated
15 April 2022	Conference Room of Office Building of Konka R&D Building	Earnings communication conference	Individual	Investors participating in the 2021 Annual Results Presentation of Konka Group Co., Ltd. via the Shenzhen Stock Exchange Interaction Easy website ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> )	Record Form for Investor Relations Activities (No.: 2022-01)	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
18 May 2022	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Lv Meng, Zhang Shaopeng (Shenzhen Runfan Investment Co., Ltd.)	Record Form for Investor Relations Activities (No.: 2022-02)	
23 May 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Han Ting (Invesco Great Wall Fund Management)	Record Form for Investor Relations Activities (No.: 2022-03)	
24 May 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Li Peiyao (Xingrui Asset)	Record Form for Investor Relations Activities (No.: 2022-04)	
30 May 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Zhang Ruxiang (Guanglong Investment)	Record Form for Investor Relations Activities (No.: 2022-05)	
31 May 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Lin Zunying (Haitang Capital)	Record Form for Investor Relations Activities (No.: 2022-06)	

13 June 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Liu Xiaoyu (First Capital Securities)	Record Form for Investor Relations Activities (No.: 2022-07)
28 June 2022	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Liao Zelue (Shenzhen Elitimes Capital Management Co., Ltd.)	Record Form for Investor Relations Activities (No.: 2022-08)
4 July 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Sun Lei (Nuosheng Qianhai)	Record Form for Investor Relations Activities (No.: 2022-09)
25 August 2022	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Tangzhou Yingzi (China International Capital Corporation Limited), He Jialin (KaiFeng Investment), Ma Qiwen (First State Cinda Fund)	Record Form for Investor Relations Activities (No.: 2022-10)
19 September 2022	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Chen Weiqi, Zou Huiyang (Guosen Securities)	Record Form for Investor Relations Activities (No.: 2022-11)
9 November 2022	Conference Room of Office Building of Konka R&D Building	Other	Individual	Investors participating in the Konka Group Co., Ltd. 2022 Collective Reception Day of Listed Companies of Shenzhen Districts via the Quanjing Roadshow website ( <a href="http://rs.p5w.net/">http://rs.p5w.net/</a> )	Record Form for Investor Relations Activities (No.: 2022-12)
6 December 2022	Conference Room of Office Building of Konka R&D Building	Roadshow	Institution and individual	Li Junhui (Shenwan Hongyuan Securities), Liang Xing (Xiaozhong Capital), Yang Hui (Saishuo Fund), Chen Xue (Yuhong Asset Management), Zhou Chengdong (Zhuocheng Investment), Tan Shuai (Guochuang United Bank), Zhang Bengeng (Zhongguang Shengtong), Zhao Yueyang (individual investor)	Record Form for Investor Relations Activities (No.: 2022-13)
13 December 2022	Conference Room of Office Building of Konka R&D Building	Other	Institution	Ma Wangjie (China Securities)	Record Form for Investor Relations Activities (No.: 2022-14)

## Part IV Corporate Governance

### I General Information of Corporate Governance

In the Reporting Period, strictly in accordance with the Company Law, Securities Law of the PRC, Code of Corporate Governance for Listed Companies, Share Listing Rules of Shenzhen Stock Exchange and the relevant rules and regulations of the CSRC, the Company timely amended the internal control systems such as the Articles of Association and Administrative Method on Provision of External Financial Aids as well as Management System on Investors Relationship, continuously perfected the corporate governance structure and standardized the Company's operation. By the end of the Reporting Period, the actual conditions of corporate governance basically met the requirements of the regulatory documents in respect of corporate governance structure of listed companies issued by CSRC.

#### (I) Shareholders and the Shareholders' General Meeting

The Company drew up Articles of Association and Rules for Procedure of Shareholders' General Meeting, ensured that all shareholders, in particular medium and minor shareholders, enjoy legal rights and equal standard. In the Reporting Period, the Company was able to publish announcement on Shareholders' General Meetings in advance, convened Shareholders' General Meeting with strictly accordance to relevant requirements, so as to enable the shareholders have their rights of information to the Company's material issues and the participation rights. In 2022, the Company convened seven Shareholders' General Meeting in total. The Company seriously did well the registration, arrangement and organization work for the Shareholders' General Meeting before the circular on convening the Shareholders' General Meeting being published at the designated media. The Company convened the Shareholders' General Meeting at the office address of the Company strictly in line with relevant stipulations, which was convenient in traffic, and the shareholders could attend the session in accordance with their actual situation. The Company's directors, supervisors and senior management staffs made explanations and description for the shareholders' questions and advices at the session.

#### (II) Controlling shareholder and the Company

In the Reporting Period, the controlling shareholders and actual controllers strictly regulated its behavior and complied with laws in exercising their rights and obligations, not bypassed the Shareholders' General Meeting to intervene in the Company's decisions and operations directly or indirectly. The Company was separated from the controlling shareholders and actual controllers in aspects of its business, personnel, assets, organ and finance, the Board of Directors, Supervisory Committee and the internal departments of the Company functioned independently.

### **(III) Directors and the Board of Directors**

The number and structure of the Board Bureau of the Company were in compliance with laws and regulations. The Company drew up Rules for Procedures of the Board Bureau, so as to ensure a high efficient operation and scientific decision-making of the Board Bureau; the Company has set up Independent Director System and engaged three independent directors. In the Reporting Period, the number of directors and composition of the Board of Directors of the Company as well as the procedure of selection was in accordance with the requirements of the rules and laws as well as Articles of Association. The Company set up four special committees, which were Financial Audit Committee, Nomination Committee, Remuneration & Appraisal Committee, Strategy Committee to provide profession opinion for the decision of the Board of Directors. All the directors carried out their work, fulfilled their duties and scrupulously attended the Board sessions in accordance with Rules of Procedure for the Board of Directors, Rules for Independent Directors, etc. 14 Board sessions were convened by the Company during the Reporting Period, which brought the decision-making mechanism of the Board of Directors into full play.

### **(IV) Supervisors and supervisory committee**

The Company has established Rules for Procedures of the Supervisory Committee, persons and structure of the Supervisory Committee was in line with relevant laws and statutes, supervisors can earnestly perform their responsibilities, independently and efficiently executed supervision and check responsibilities with a spirit of being responsible to shareholders. In the Reporting Period, the number of supervisors and composition of the Supervisory Committee of the Company as well as their selecting procedure complied with the laws, regulations. In accordance with the requirement of the Rules of Procedure for Supervisory Committee, the supervisors performed their duties in an earnest and responsible manner, and exercised their functions of supervision on the decision-making procedure of the Board of Directors, resolutions and the Company's operation by law, and took effective supervision over the Company's significant events, related transactions, financial position, as well as the legality and compliance on duty performance by the directors, president and other senior management members.

### **(V) Performance Appraisal and Incentive & Restrictive Mechanism**

The senior management staffs of the Company were recruited on an open basis and in compliance with the laws and regulations. The Company has established and gradually improved the performance appraisal standards and incentive & restrictive mechanism for senior management staffs, so as to attract qualified personnel, and ensure the stability of senior management staffs.

### **(VI) Interested parties**

During the Reporting Period, the Company fully respected and maintained the legal rights of the interested parties, and realized the balance of interest among the parties such as society, shareholders and employees, etc. Meanwhile, the Company protected the rights of the employees,

promoted the environmental protection, and actively joined in the social benefit and charitable cause so as to jointly promote sustainable and healthy development.

### **(VII) Information disclosure and transparency**

The Company formulated the Management System for Investor Relations and the Management System for Information Disclosure and the Rules on Implementation for Information Disclosure Committee. And the Company designated specially-assigned person to take charge of the information disclosure, and designated specialized department to be responsible for the reception of shareholders and consultation, actively carrying out the work for investor relations management to ensure equal access to information for all shareholders. The Company strictly complied with the requirements of the laws, regulations and the Articles of Association to disclose its information as required by the relevant regulations on a timely, honest, complete and accurate basis, to ensure the accurate and timely information disclosure, while ensure equal access to information for all shareholders.

### **(VIII) Non-standard governance**

#### 1. Type of non-standard governance matter existed

There was a situation that the Company disclosed undisclosed information.

#### 2. Types and cycle of undisclosed information provided to the principal shareholder

The Company provided monthly financial data to the principal shareholder.

#### 3. Reasons for the related non-standard governance existed

The Company submitted the undisclosed information such as monthly financial data to the substantial shareholder directly administrated by the State-owned Assets Supervision and Administration Commission of State Council in accordance with the managerial demand of SASAC.

#### 4. Impact on Company independence

After the self-inspection, the Company kept strictly to the requirements of “Notice on Strengthening the Supervision of Listed Company’s Provision of Non-public Information to Substantial Shareholders and Actual Controllers”, and “Supplementary Notice Concerning Strengthening the Supervision of the Non-standard Governance Behavior of Listed Company's Provision of Non-public Information to Substantial Shareholders and Actual Controllers”, while stringently performed the necessary procedures. There existed no circumstances of substantial shareholder’s abuse of control and disclosure of undisclosed information for insider trading, and hence, it has no impact on the independence of the Company.

### **(IX) Development of company’s special governance activity, formulation and implementation of registration and management system for the insider of inside information**

#### 1. Establishment and perfection of management system for the insider of inside information

To further standardize the company’s inside information management behavior, strengthen the

company's inside information confidential work, and maintain the fair principle of information disclosure, the Company established Inside Information and Insider Management System in Konka Group Co., Ltd. The Company strictly implements the system in the information disclosure work, meanwhile, carefully implements the Company's inside information and insider registration and management method, registers the insider of inside information, and report to Shenzhen Stock Exchange and Shenzhen Security Regulatory Bureau according to the provision. The Company conducted the special inspection on the inside information management during the occurrence of major event in 2022 and the annual report in 2022. After the inspection, the Company actually realized that the insider of inside information strictly kept the confidential provision, did not disclose, divulge and spread the Company's inside information to the outside, the insider of inside information did not buy and sell the Company's share with the inside information before disclosing the major sensitive information influencing the Company's share price, there was no investigation and rectification from the regulatory department during the editing, review and disclosure of regular report and major event. Management Rules for Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented in place and controlled effectively.

## 2. Establishment and implementation of external information user's management system

To strengthen the management on the reporting of Company's inside information, the Company establishes Inside Information Reporting Management System, and prescribes the inside information reporting range, reporting procedure, responsibility division and other matters according to Security Law in People's Republic of China, Information Disclosure Management Method in Listed Company, Inside Information and Insider Management System in Konka Group Co., Ltd. and other related provisions in the laws, regulations and regulatory documents.

The Company conducted the special inspection on the inside information reporting status during the occurrence of major event in 2022 and the annual report in 2022. After the inspection, the Company's inside information reporting status complies with the requirements in Inside Information Reporting Management System. Inside Information Reporting Management System was implemented in place and controlled effectively.

Indicate by tick market whether there is any material incompliance with laws, regulations and provisions issued by the CSRC governing the governance of listed companies.

Yes  No

No such cases in the Reporting Period.

## **II The Company's Independence from Its Controlling Shareholder and Actual Controller in Business, Personnel, Asset, Organization and Financial Affairs**

During the Reporting Period, the company was fully separated from the controlling shareholders in terms of business, staff, assets, organs, and finance, which owned independent legal representative and main status in market competition and had independent accounting, as well as possessed

complete business and the ability of independent operation to face the market.

(I) Business: the Company owned complete supply, R&D, production and sales system, possessed ability of independent operation to face the market by independent operation, independent accounting & decision-making, independent bearing responsibility & risks, didn't subject to the interference and control of the controlling shareholders, actual controller and its controlled enterprises.

(II) Staff: the Company was independent of the controlling shareholder with respect to labor, personnel and salaries management. The Company owned independent team of staffs, the senior management staff, financial personnel and business personnel received their remunerations in the Company, and they were full-time staffs of the Company without holding any post, except directors and supervisors, in shareholders' units or other related enterprises.

(III) Assets integrity: the Company had production and operation premises completely separated from the controlling shareholder, and the unaffiliated and integral assets structure, as well as the independent production system, ancillary production system, the ancillary facilities, house property right and other assets, which also possessed independent procurement and sales system.

(IV) Organ: the Company had its own functional organs adapting to the needs of self-development and market competitiveness, all the functional organs were separated from each other in aspects of personnel, office premises and management rules, etc., there existed no particulars about any shareholders, other units or individuals interfering the organ setting of the Company.

(V) Finance: the Company established an independent finance department with full-time financial personnel and an independent finance and accounting system, and independently carried out the financial work in line with requirements of relevant accounting rules; the Company promulgated sound financial management system to operate independently without sharing common accounts with the controlling shareholder, related enterprise, other units or individual; the Company independently declared and paid the tax by laws without particulars on paying taxes together with shareholders' units.

### III Horizontal Competition

Applicable  Not applicable

## IV Annual and Special General Meetings Convened during the Reporting Period

### 1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Meeting resolutions
The 1 <sup>st</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.2123 %	22 March 2022	23 March 2022	Resolutions of the 1 <sup>st</sup> Extraordinary General Meeting of 2022
The 2021 Annual General Meeting	Annual General Meeting	24.1901 %	25 April 2022	26 April 2022	Resolutions of the 2021 Annual General Meeting
The 2 <sup>nd</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.4254 %	16 May 2022	17 May 2022	Resolutions of the 2 <sup>nd</sup> Extraordinary General Meeting of 2022

The 3 <sup>rd</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.4426 %	27 June 2022	28 June 2022	Resolutions of the 3 <sup>rd</sup> Extraordinary General Meeting of 2022
The 4 <sup>th</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.5327 %	25 July 2022	26 July 2022	Resolutions of the 4 <sup>th</sup> Extraordinary General Meeting of 2022
The 5 <sup>th</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.5474 %	14 November 2022	15 November 2022	Resolutions of the 5 <sup>th</sup> Extraordinary General Meeting of 2022
The 6 <sup>th</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	24.5216 %	23 December 2022	24 December 2022	Resolutions of the 6 <sup>th</sup> Extraordinary General Meeting of 2022

## 2. Special General Meetings Convened at the Request of Preferred Shareholders with Resumed Voting Rights

Applicable  Not applicable

## V Directors, Supervisors, Senior Management and Staff

### 1. Basic Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change
Liu Fengxi	Director, Chairman of the Board	Incumbent	Male	52	25 July 2022	25 July 2025	0	0	0	0	0	
Yao Wei	Director	Incumbent	Male	48	25 July 2022	25 July 2025	0	0	0	0	0	
Zhou Bin	Director	Incumbent	Male	44	25 July 2022	25 July 2025	0	0	0	0	0	
Ye Xingbin	Employee director	Incumbent	Male	53	25 July 2022	25 July 2025	0	0	0	0	0	
Liu Jian	Independent director	Incumbent	Male	57	25 July 2022	25 July 2025	0	0	0	0	0	
Wang Shuguang	Independent director	Incumbent	Male	52	25 July 2022	25 July 2025	0	0	0	0	0	
Deng Chunhua	Independent director	Incumbent	Female	60	25 July 2022	25 July 2025	0	0	0	0	0	
Cai Weibin	Supervisor, chairman	Incumbent	Male	50	25 July 2022	25 July 2025	0	0	0	0	0	

	an of the Supervisory Committee											
Yang Guobin	Supervisor	Incumbent	Male	54	25 July 2022	25 July 2025	0	0	0	0	0	
Li Jun	Employee supervisor	Incumbent	Male	52	25 July 2022	25 July 2025	0	0	0	0	0	
Zhou Bin	President	Incumbent	Male	44	27 March 2020	27 March 2023	0	0	0	0	0	
Cao Shiping	Executive vice president	Incumbent	Male	45	23 August 2022	27 March 2023	0	0	0	0	0	
Li Hongtao	Vice president	Incumbent	Male	55	27 March 2020	27 March 2023	0	0	0	0	0	
Wu Yongjun	Board Secretary	Incumbent	Male	48	27 March 2020	27 March 2023	0	0	0	0	0	
Li Chunlei	CFO	Incumbent	Male	50	27 March 2020	27 March 2023	0	0	0	0	0	
Yang Bo	Vice president	Incumbent	Male	53	27 March 2020	27 March 2023	0	0	0	0	0	
Lin Hongfan	Vice president	Incumbent	Male	52	1 June 2022	27 March 2023	0	0	0	0	0	
Li Zheng	Director	Former	Male	45	1 November 2021	28 February 2022	0	0	0	0	0	
Sun Qingyan	Vice president	Former	Male	51	27 March 2020	28 February 2022	26,000	0	6,500	0	19,500	Reduction through centralized bidding
Sun Shengdian	Independent director	Former	Male	68	3 December 2018	25 July 2022	0	0	0	0	0	
Total							26,000	0	6,500	0	19,500	

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

√ Yes □ No

During the Reporting Period, the former director of the Company Mr. Li Zheng resigned the post of

director for job arrangement, and the former vice president of the Company Mr. Sun Qingyan resigned the post of vice president for job changes.

### Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Liu Fengxi	Director	Appointed	25 July 2022	Elected as Director by the shareholders' meeting
Liu Fengxi	Chairman of the Board	Appointed	25 July 2022	Elected as Chairman of the Board by the Board
Yao Wei	Director	Appointed	25 July 2022	Elected as Director by the shareholders' meeting
Zhou Bin	Director	Appointed	25 July 2022	Elected as Director by the shareholders' meeting
Ye Xingbin	Director	Appointed	21 March 2022	Elected as Director by the shareholders' meeting
Ye Xingbin	Employee director	Appointed	25 July 2022	Elected as Employee Director by the congress of workers and staff
Liu Jian	Independent director	Appointed	25 July 2022	Elected as Independent Director by the shareholders' meeting
Wang Shuguang	Independent director	Appointed	25 July 2022	Elected as Independent Director by the shareholders' meeting
Deng Chunhua	Independent director	Appointed	25 July 2022	Elected as Independent Director by the shareholders' meeting
Cai Weibin	Supervisor	Appointed	25 July 2022	Elected as Supervisor by the shareholders' meeting
Cai Weibin	Chairman of the Supervisory Committee	Appointed	25 July 2022	Elected as Chairman of the Supervisory Committee by the Supervisory Committee
Yang Guobin	Supervisor	Appointed	25 July 2022	Elected as Supervisor by the shareholders' meeting
Li Jun	Employee supervisor	Appointed	25 July 2022	Elected as Employee Supervisor by the congress of workers and staff
Cao Shiping	Executive vice president	Appointed	24 August 2022	Appointed by the Board
Lin Hongfan	Vice president	Appointed	1 June 2022	Appointed by the Board
Li Zheng	Director	Left	28 February 2022	Resigned for job arrangement
Sun Qingyan	Vice president	Left	28 February 2022	Resigned for job changes
Sun Shengdian	Independent director	Left for expiration of the term of office	25 July 2022	Expiration of the term of office for the Board

## 2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management:

### 1. Director

Liu Fengxi, male, ethnic group of Han, born in 1971, was the Chairman of the Board with a master degree. He once worked as the marketing GM for the multi-media division of Konka Group, Assistant GM and then Vice GM of Shenzhen Konka Telecommunications Technology Co., Ltd.,

Chief of the Operation Management Center of Konka Group, Assistant to President, Vice President, President, Secretary of the Party Committee, CEO and Chairman of the Board of Konka Group, Vice GM and the member of the Standing Committee of OCT Group, GM, Secretary of the Party Committee and Chairman of the Board of Shenzhen Huakang Chuangzhan Technology Holding Group Co., Ltd., Executive Director and Chairman of the Board of OCT North Investment Co., Ltd. etc. And now he is acting as the Deputy Secretary of the Party Committee, Director, GM of OCT Group, Deputy Chairman of the Board and Deputy Secretary of CPC of Shenzhen Overseas Chinese Town Co., Ltd., and the Board Chairman of Konka Group.

Yao Wei, Director, male, ethnic group of Han, bachelor degree, was born in 1975. He once served as Chief Accountant in CGN Wind Power Co., Ltd., Chief Accountant in CGN New Energy Holdings Co., Ltd., Vice GM (in charge) of Financial Department, GM of Financial Department, GM of Finance and Asset Management Department in China General Nuclear Power Corporation. Currently, he acts as the director of China Everbright Bank Co., Ltd., the member of the Standing Committee and Chief Accountant in Overseas Chinese Town Holdings Company and Director of Konka Group.

Zhou Bin, male, ethnic group of Han, born in 1979, was the CEO, director and president of the Company with a bachelor degree. He once served as the director assistant, deputy director and director in Operating Management Center in Konka Group, assistant of the president in the Board of Directors & Director in Operating Management Center in Konka Group and President of Konka Group. Now, he acts as the Chairman of Shenzhen Konka Investment Holdings Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. and Director, Secretary of the Party Committee and President & CEO in Konka Group.

Ye Xingbin, male, Han Chinese, born in 1970, was the Employee Director of the Company and holds a bachelor's degree. He previously served as a Special Director at the Overseas Chinese Town Holdings Company (OCT Group), and was a member of the Standing Committee of the Qiandongnan Prefecture of Guizhou Province, the Deputy Governor of the Prefecture Government, the Director of Shenzhen Huakang Chuangzhan Technology Holding Group Co., Ltd., and the Deputy Party Secretary of the Party Committee and Director of Konka Group. He is currently serves as the Vice Chairman of the Federation of Trade Unions Committee of Overseas Chinese Town Holdings Company, Deputy Party Secretary of the Party Committee, Chairman of the Labor Union and Employee Director of Konka Group.

## **2. Independent Director**

Mr. Liu Jian, Independent Director, is a Han Chinese man born in 1966 and holds a master's degree. His notable professional experiences include having served as an editor at the Foreign Economic and Trade University Press and the China Business Times, and also as an independent director at Wuhan Tianyuan Environmental Protection Co., Ltd. and Hisense Visual Technology Co., Ltd. In his current capacity, Mr. Liu Jian holds various positions in different organizations. He serves as the chief editor and president of the Economic Observer Newspaper, presides over the Beijing Jingguan Cultural Media Co., Ltd. as its chairman, and functions as a director and general manager of Shandong Economic Observer Newspaper Media Co., Ltd. Additionally, he takes on the role of an executive director at Beijing Jingguan Advertising Management Co., Ltd., and operates as an independent director of both the Founder Technology Group Corporation and Konka Group.

Wang Shuguang, Independent Director, male, ethnic group of Han, was born in 1971 with a doctoral degree. He served as Independent Director of Yantai Rural Commercial Bank, Jinan Rural Commercial Bank, Ningbo Yuyao Rural Commercial Bank and SDIC Zhonglu, and External Supervisor and Convener of the Board of Supervisors of Industrial Bank Co., Ltd. Currently, he serves as Professor and Doctoral Supervisor in the School of Economics of Peking University, Executive Deputy Director of the Institute for Cultural Industries, Peking University and Independent Director of Konka Group.

Deng Chunhua, Independent Director, female, ethnic group of Han, born in 1963 with a master degree of management, accounting professor and a Certified Public Accountant in China (non-practicing member). She served as Chief Accountant and Project Manager of WUYIGE Certified Public Accounts LLP. She has been teaching in the School of Accounting of Zhongnan University of Economics and Law as Assistant Lecturer, Lecturer, Associate Professor and Professor. Currently, she serves as a Master Tutor and Professor in the School of Accounting of Zhongnan University of Economics and Law, the Independent Director of Zhejiang Goldensea Hi Tech Co., Ltd, Zhejiang Jinke Tom Culture Industry Co., Ltd., Wolong Electric Group Co., Ltd., Zhejiang Youchuang Material Technology Co., Ltd. and Konka Group.

### **3. Supervisor**

Cai Weibin, Chairman of the Supervisory Committee, male, ethnic group of Han, Master's Degree, was born in 1973. He once served as vice GM, deputy secretary of the Party Committee and Secretary of Committee for Discipline Inspection in Chongqing OCT Industry Development Co., Ltd. Vice Minister of Discipline Inspection and Supervision and Director of the Discipline Inspection Office in Overseas Chinese Town Holdings Company. Currently, he acts as GM of Legal Compliance Department in Overseas Chinese Town Holdings Company and Chairman of the

### Supervisory Committee of Konka Group.

Yang Guobin, Supervisor, male, was born in 1969, Bachelor's Degree, Certified Public Accountant. He served as Deputy Director of the Finance Department of OCT Group, CFO of Konka Group and Deputy Director of the Corporate Management Department of OCT Group. Currently, he serves as a full-time Director in OCT Group and Supervisor of Konka Group.

Li Jun, male, ethnic group of Han, born in 1971, was an employee supervisor of the Company with a bachelor degree. Formerly worked as the Senior Manager of the Financial Department in Shenzhen Telecommunications Technology Co., Ltd., the Senior Manager and assistant to the chief and deputy director of Auditing and Legal Affairs Department in Konka Group, Office Director of discipline inspection commission of Konka Group, and employee supervisor of Konka Group. Presently working as the deputy secretary of discipline inspection commission of Konka Group, General Counsel, Chief of the Auditing and Legal Affairs Department and Employee Supervisor of Konka Group.

#### **4. Senior Executive**

Zhou Bin, male, ethnic group of Han, born in 1979, was the director and president of the Company with a bachelor degree. He once served as the director assistant, deputy director and director in Operating Management Center in Konka Group, assistant of the president in the Board of Directors & Director in Operating Management Center in Konka Group and President of Konka Group. Now, he acts as the Chairman of Shenzhen Konka Investment Holdings Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. and Director, Secretary of the Party Committee and President & CEO in Konka Group.

Cao Shiping, male, Han nationality, born in 1978, was the executive vice president of the Company with a master degree. Once served as the GM in Jinzhou Branch and Tianjin Branch of Konka Group Multi-media, GM in Multi-media Business Division Customer Cooperation Department, vice GM in Multi-media Marketing Business Division, vice GM in Multi-media Business Division and GM in Marketing Center, GM in Multi-media Business Division, GM in Internet Business Division and vice president of Konka Group. Now he acts as the executive vice president in Konka Group.

Li Hongtao, male, Han nationality, born in 1968, was the vice president of the Company with a bachelor degree. He successively took the post such as Assistant to GM, GM, Chairman of the Board and GM of Shenzhen Konka Telecommunication Technology Co., Ltd and Assistant to

President and vice president of Konka Group etc. He now is acting as Vice President of Konka Group.

Wu Yongjun, male, Han nationality, born in 1975, was the Board Secretary with a master degree. Formerly he worked as the senior manager of Secretariat, assistant to the chief, vice chief, chief, Securities Affairs representative and Board Secretary in Konka Group. Presently he is working as the secretary of the board of directors of Konka Group.

Li Chunlei, male, Han nationality, born in 1973, was the CFO of the Company with a master degree. Once served as the director in Real Estate Business Division in Konka Group, vice GM and GM in Kunshan Kangsheng Investment Development Co., Ltd., deputy director (preside the work) and director in Strategic Development Center, GM in Financial Center and GM in Asset Settlement Center and CFO of Konka Group. Now he acts as the CFO in Konka Group.

Yang Bo, male, Han nationality, born in 1970, was the vice president of the Company with a master degree. Once served as the director in Shenzhen Cable Television Education Financial Channel, director in the market sales and support region of US Tailiyang Communications Company, GM in Program Operating Department in Shenzhen Topway Video Communication Co., Ltd., director and GM in Shenzhen Tianhua Century Media Co., Ltd., GM in Market Sales Center in Shenzhen Topway Video Communication Co., Ltd. and vice president of Konka Group. Now he acts as the vice president in Konka Group.

Lin Hongfan, male, Han nationality, born in 1971, was the vice president of the Company with a MBA degree. Once served as the vice GM in Multi-media Marketing Business Division of Konka Group, GM of Color TV Strategy and Supply Chain Management Center, executive vice GM and GM in Multi-media Business Division of Konka Group, vice president and president assistant of Konka Group. Now he acts as the vice president in Konka Group.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Liu Fengxi	OCT Group	Director, Deputy Secretary of CPC, GM	21 May 2021		Yes
Liu Fengxi	Shenzhen Overseas Chinese Town Co., Ltd.	Deputy Chairman of the Board, Deputy Secretary of CPC	22 June 2021		
Yao Wei	OCT Group	Party Committee Standing Committee and Chief Accountant	1 July 2020		Yes

Cai Weibin	OCT Group	GM of Legal Compliance Department	1 December 2020		Yes
Yang Guobin	OCT Group	Full-time director in Board Office	7 March 2018		Yes
Notes	1. Except the above situation, other directors, supervisors and senior management didn't hold any position in the shareholders' units. 2. It is unknown the ending date of the posts of Mr. Liu Fengxi, Mr. Yao Wei, Mr. Cai Weibin and Mr. Yang Guobin held in the shareholders' units.				

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Yao Wei	China Everbright Bank Co., Ltd.	Director	5 February 2021		
Liu Jian	The Economic Observer	Chief editor and president	16 April 2001		Yes
Liu Jian	Beijing Economic Observer Culture Media Co., Ltd.	Chairman of the Board	25 May 2018		
Liu Jian	Shandong Economic Observer Media Co., Ltd.	Director, GM	28 September 2022		
Liu Jian	Beijing Economic Observer Baoguang Consulting Management Co., Ltd.	Executive director	14 September 2020		
Liu Jian	Founder Technology Group Co., Ltd.	Independent director	15 November 2018		Yes
Wang Shuguang	School of Economics of Peking University	Professor			Yes
Wang Shuguang	Institute for Cultural Industries of Peking University	Deputy director			
Deng Chunhua	Zhongnan University of Economics and Law	Professor			Yes
Deng Chunhua	Zhejiang Goldensea Hi Tech Co.,Ltd	Independent director	15 May 2019		Yes
Deng Chunhua	Zhejiang Jinke Culture Industry Co., Ltd.	Independent director	8 July 2020		Yes
Deng Chunhua	Wolong Electric Group Co., Ltd.	Independent director	7 September 2020		Yes
Deng Chunhua	Zhejiang Youchuang Material Technology Co.,Ltd.	Independent director	27 October 2020		Yes
Notes	None				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period:

Applicable  Not applicable

### 3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior management:

The salary of directors and supervisors of the Company should be submitted to the shareholders meeting for review after the approval and consent by the Board of directors. Referred to the salary level of the Directors and Supervisor of the domestic listed companies of same industry, the salary proposal of the Director and Supervisors of the Company which approved and reviewed by the 2<sup>nd</sup> Extraordinary General Meeting of 2015 were as follows: (1) the basic annual salary standard of the Board Chairman was of RMB1.2 million, the subsidy standard of other Directors (excluding the Directors serving in the Company) was of RMB0.3 million per person per year and the subsidy

standard of the Supervisors (excluding the Employee Supervisors) was of RMB0.2 million per person per year; which was executed since June 2015. (2) the above standards were all pre-tax standard with the individual income tax burdened in person as well as the Company withheld and remitted tax.

Other treatment for independent directors: travel expense when they went to attend the Board sessions, Supervisory sessions or Shareholders' General Meetings and the expenses when they were performing their duties as stipulated in the relevant regulations and the Articles of Association and other relevant systems, all these could be reported for deletion.

The Board of Directors determined the remuneration of senior management staffs referring to the following factors: a. scope of jobs and responsibility shouldered; b. actual profit of the Company; c. market remuneration level in the same industry and same area.

Remuneration of the directors, supervisors and senior management of the Company during the Reporting Period

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Liu Fengxi	Chairman of the Board	Male	52	Incumbent		Yes
Yao Wei	Director	Male	48	Incumbent		Yes
Zhou Bin	Secretary of CPC, CEO, Director, President	Male	44	Incumbent	400.19	No
Ye Xingbin	Employee Director, Deputy Secretary of CPC	Male	53	Incumbent	202.02	No
Liu Jian	Independent director	Male	57	Incumbent	12.5	No
Wang Shuguang	Independent director	Male	52	Incumbent	30	No
Deng Chunhua	Independent director	Female	60	Incumbent	30	No
Cai Weibin	Chairman of the Supervisory Committee	Male	50	Incumbent		Yes
Yang Guobin	Supervisor	Male	54	Incumbent		Yes
Li Jun	Employee Supervisor	Male	52	Incumbent	145.80	No
Cao Shiping	Executive vice president	Male	45	Incumbent	210.18	No
Li Hongtao	Vice president	Male	55	Incumbent	199.04	No
Wu Yongjun	Board Secretary	Male	48	Incumbent	195.73	No
Li Chunlei	CFO	Male	50	Incumbent	210.93	No
Yang Bo	Vice president	Male	53	Incumbent	198.33	No
Lin Hongfan	Vice president	Male	52	Incumbent	214.77	No
Sun Shengdian	Independent director	Male	68	Former	17.5	No
Li Zheng	Director	Male	45	Former		Yes
Sun Qingyan	Vice president	Male	51	Former	139.86	No
Total	--	--	--	--	2,206.85	--

## VI Performance of Duty by Independent Directors in the Reporting Period

### 1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 53 <sup>rd</sup> Meeting of the	17 January 2022	18 January 2022	Resolutions of the 53 <sup>rd</sup> Meeting of the 9 <sup>th</sup> Board of Directors

9 <sup>th</sup> Board of Directors			
The 54 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	21 February 2022	23 February 2022	Resolutions on Adjusting Remunerations of Senior Management; Resolutions on 2022 Donation Plan; Resolutions of the 54 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors
The 55 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	4 March 2022	7 March 2022	Resolutions of the 55 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors
The 56 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	28 March 2022	30 March 2022	Resolutions of the 56 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors; Resolutions on Applying for General Credit Limit from Industrial Bank Co., Ltd.; Resolutions on Applying for General Credit Limit from Shenzhen Branch, China Guangfa Bank Co., Ltd.; Resolutions on Applying for General Credit Limit from China Construction Bank (CCB); Resolutions on Applying for General Credit Limit from Shanghai Pudong Development Bank (SPD bank); Resolutions on Applying for General Credit Limit from Agricultural Bank of China (ABC); Resolutions on Applying for General Credit Limit from China Resources Bank of Zhuhai Co., Ltd. (CRBC); Resolutions on Applying for General Credit Limit from Export-Import Bank of China (EIBC); Resolutions on Applying for General Credit Limit from China Bohai Bank Co., Ltd.; Resolutions on Applying for General Credit Limit from Bank of Hangzhou; Resolutions on Applying for General Credit Limit from Shenzhen Branch, Hua Xia Bank Co., Ltd.; Resolutions on Applying for General Credit Limit from Shenzhen Rural Commercial Bank (SRCB); Resolutions on Business Plan and Financial Budget Plan for 2022; Resolutions on Formulating Documents related to Management Authorized by the Board of Directors
The 57 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	27 April 2022	28 April 2022	The 57 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors resulted in two resolutions: one concerning a new equity investment plan for 2022, and the other regarding a new fixed assets investment plan for 2022.
The 58 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	20 May 2022	21 May 2022	The 58 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors passed a resolution regarding the investment and construction of the Konka (Haimen) Science and Technology Innovation Park in the Nantong Haimen Economic and Technological Development Zone.
The 59 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	1 June 2022	2 June 2022	The 59 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors resulted in a resolution to purchase the office building of "Science and Technology Innovation Cloud Valley".
The 60 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	10 June 2022	11 June 2022	The 60 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors included a resolution on the land collection and storage in the east plant area of Henan Frestec Household Appliances Co., Ltd.
The 61 <sup>st</sup> Meeting of the 9 <sup>th</sup> Board of Directors	8 July 2022	9 July 2022	Resolutions of the 61 <sup>st</sup> Meeting of the 9 <sup>th</sup> Board of Directors
The 1 <sup>st</sup> Meeting of the 10 <sup>th</sup> Board of Directors	25 July 2022	26 July 2022	Resolutions of the 1 <sup>st</sup> Meeting of the 10 <sup>th</sup> Board of Directors

The 2 <sup>nd</sup> Meeting of the 10 <sup>th</sup> Board of Directors	23 August 2022	25 August 2022	Resolutions of the 2 <sup>nd</sup> Meeting of the 10 <sup>th</sup> Board of Directors; Resolution on the Listing Transfer of 49% Equity in Dongguan Guankang Yuhong Investment Co., Ltd.; Resolution on Applying for General Credit Limit from HSBC
The 3 <sup>rd</sup> Meeting of the 10 <sup>th</sup> Board of Directors	8 October 2022		Resolutions regarding the management team's business performance assessment outcomes. Resolutions concerning the company's 2021 bonus plan for the management team. Resolutions pertaining to the payroll liquidation plan for 2021 and the payroll budget plan for 2022. Resolution to request a comprehensive credit line from China Development Bank.
The 4 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors	27 October 2022	28 October 2022	The fourth meeting of the 10 <sup>th</sup> Board of Directors has passed two resolutions. The first resolution is about revising the Measures for the Assessment of Business Performance of Enterprise Heads of Konka Group Co., Ltd. The second resolution is about applying for a comprehensive credit line from Xiamen International Bank.
The 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors	6 December 2022	7 December 2022	Resolutions of the 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors; Resolutions on Letter of Commitment on Performance for 2022 for the Company's Management Team; Resolution on Applying for General Credit Limit from Bank of China; Resolution on Applying for General Credit Limit from Industrial and Commercial Bank of China (ICBC); Resolution on Applying for General Credit Limit from Bank of Communications; Resolution on Applying for General Credit Limit from Bank of Ningbo; Resolution on Applying for General Credit Limit from China Zheshang Bank Co., Ltd.; Resolution on Applying for General Credit Limit from Guangdong Huaxing Bank

## 2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Liu Fengxi	14	1	13	0	0	No	0
Yao Wei	14	1	13	0	0	No	0
Li Zheng	2	0	2	0	0	No	0
Zhou Bin	14	1	13	0	0	No	7
Ye Xingbin	11	1	10	0	0	No	4
Sun Shengdian	9	0	9	0	0	No	2
Liu Jian	5	0	5	0	0	No	0
Wang Shuguang	14	0	14	0	0	No	0
Deng Chunhua	14	0	14	0	0	No	0

Why any director failed to attend two consecutive board meetings:

Not applicable

## 3. Objections Raised by Directors on Matters of the Company

Indicate by tick mark whether any directors raised any objections on any matter of the Company.

Yes  No

No such cases in the Reporting Period.

#### 4. Other Information about the Performance of Duty by Directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

Yes  No

Suggestions from directors adopted or not adopted by the Company:

During the Reporting Period, the Directors of the Company vigorously attended the relevant meetings, carefully reviewed each proposal, fully played the role of "making strategies, making decisions and preventing risks, gained insight into the present situation of new businesses such as semi-conductor and new energy, the R&D and brand building progress, the operating situation, and the execution situation of the internal control construction and the resolutions of the meetings of the Board of Directors as well as the Annual General Meeting.

Directors of the Company put forward the constructive advices by use of their own professional knowledge towards the internal management. For example, to actively promote the refinement of the Company's development strategy plan and implementation thereof, to provide advices on expanding the Company's business, and to pay attention to risks control of the Company such as the cash flow and accounts receivable management. The Company carefully adopted the advices from the Directors and constantly improved and enhanced the management level of the Company.

#### VII Performance of Duties by Specialized Committees under the Board during this Reporting Period

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Audit Committee	Deng Chunhua, Yao Wei, Wang Shuguang	8	7 January 2022	The 2021 Financial statements and the Arrangement of the 2021 Annual Audit submitted by the Company's financial center (issued by the Company prior to the entry of the annual CPA)	1. The arrangement of the audit work on the 2021 Annual Report of the Company was approved. 2. It was consented that the annual financial statements shall be provided to the CPA for the annual audit. 3. It is required that ShineWing Certified Public Accountants (special general partnership) appointed by the Company should carry out the auditing in strict accordance with the requirements of the China Practice Standards for Certified Public Accountants, and should promptly communicate with the Committee if major problems are discovered.		
			4 March 2022	Conduct a review of the following documents:	No objections were raised regarding the following		

				2021 Annual Internal Audit Report of Konka Group submitted by the auditing company, Konka Group's Internal Audit Quality Self-assessment Report", and Konka Group's 2022 Audit and Project Post-evaluation Work Plan.	documents submitted by the company: 2021 Annual Internal Audit Report of Konka Group, Konka Group's Internal Audit Quality Self-assessment Report, and Konka Group's 2022 Audit and Project Post-evaluation Work Plan.		
			15 March 2022	The CPAs for annual audit were engaged for the discussion and review of the Company's financial statements after they have issued preliminary audit opinions.	No objection was made to the 2021 annual financial statements of the Company preliminarily audited by ShineWing Certified Public Accountants (special common partnership).		
			18 March 2022	Communications were made with the Internal Audit Department of the Company; the 2021 annual audit performed by ShineWing Certified Public Accountants (special common partnership) was appraised; the 2021 annual financial statements were reviewed and retention of the accounting firm was deliberated.	1. The 2021 annual audit performed by ShineWing Certified Public Accountants (special common partnership) was satisfying. 2. No objection was made to the 2021 Audit Report issued by ShineWing Certified Public Accountants (special common partnership). 3. It was proposed that ShineWing Certified Public Accountants (special common partnership) be retained for further service as the audit institution of the Company's 2022 annual financial statements.		
			27 April 2022	2022Q1 financial statements of the Company	No objection was made to the 2022Q1 financial statements of the Company.		
			23 August 2022	2022 interim financial statements of the Company	No objection was made to the 2022 interim financial statements of the Company.		
			17 October 2022	Issues related to the selection of accounting firms for the year 2022	Make a proposal to retain RSM China Certified Public Accountants (Special General Partnership) as the audit firm and internal control audit firm for the company's 2022 financial statements.		
			27 October 2022	2021Q3 financial statements of the Company	No objection was made to the 2021Q3 financial statements of the Company.		
Remuneration and Appraisal Committee	Sun Shengdian, Liu Fengxi, Li Zheng, Wang Shuguan, Deng Chunhua	5	11 February 2022	Conduct a review and potential adjustment of the compensation of senior management personnel.	Approve the adjustment of compensation standards for senior management personnel of Konka Group and endorse the submission of the proposal for review to the Company's board meeting.		
	Sun Shengdian, Liu Fengxi, Ye Xingbin,		28 March 2022	Remunerations of directors, supervisors and senior management as disclosed were audited.	Remunerations of directors, supervisors and senior management as disclosed in the Company's 2021 Annual Report were true. Remunerations of directors, supervisors and senior		

	Wang Shuguan, Deng Chunhua				management as disclosed were consistent with the Company's salary management policy and no violation was found.		
	Wang Shuguan, Yao Wei, Ye Xingbin, Liu Jian, Deng Chunhua		19 September 2022	<ol style="list-style-type: none"> <li>1. Conduct a review of the performance evaluation results of the company's management team.</li> <li>2. Review the 2021 bonus plan for the company's management team.</li> <li>3. Review the payroll settlement plan for the company's 2021 total wage bill and the budget plan for the company's 2022 total wage bill.</li> </ol>	The results of the performance evaluation of the Company's management team, the 2021 bonus plan for the Company's management team and the plan for the settlement of the company's total wage bill in 2021 and budget for the Company's total wage bill in 2022 were agreed to be submitted to the board meeting for discussion.		
			17 October 2022	Conduct a review of the <i>proposal to amend the Enterprise Leader Performance Evaluation Method for Konka Group Co., Ltd. of the company.</i>	Approve the submission of the revised "Enterprise Leader Performance Evaluation Method for Konka Group Co., Ltd." to the board meeting for discussion.		
			25 November 2022	Conduct a review of the "2022 Performance Responsibility Agreement for the Management Team of the Company."	Approve the submission of the <i>2022 Performance Responsibility Agreement for the Management Team of the Company</i> to the board meeting for discussion.		
Nomination Committee	Sun Shengdian, Liu Fengxi, Zhou Bin, Wang Shuguan, Deng Chunhua	4	22 February 2022	Selection of new directors for the ninth Board of Directors.	It was agreed that Mr. Ye Xingbin was nominated as a candidate for non-independent director of the Company's ninth Board of Directors, and the proposal would be submitted to the board meeting of the Company for deliberation.		
			23 May 2022	Appointment for the position of Vice President	Approve the appointment of Mr. Lin Hongfan as the Vice President of Konka Group and endorse the submission of this proposal for discussion to the company's Board of Directors.		
			28 June 2022	Conduct a review of the candidates for the upcoming election of the Board of Directors.	Approve the nomination of Mr. Liu Fengxi, Mr. Yao Wei, Mr. Zhou Bin, Mr. Liu Jian, Mr. Wang Shuguang, and Ms. Deng Chunhua as candidates for the 10th Board of Directors of the company, and endorse the submission of this proposal for review to the company's Board of Directors.		
	12 August 2022		Appointment for the position of Executive Vice President.	Approve the appointment of Mr. Cao Shiping as the Executive Vice President of Konka Group and endorse the submission of this proposal for discussion to the Company's Board of Directors.			
	Liu Jian, Yao Wei, Zhou Bin, Wang Shuguan, Deng Chunhua						

## VIII Performance of Duty by the Supervisory Committee

Indicate by tick mark whether the Supervisory Committee found any risk to the Company during its supervision in the Reporting Period.

Yes  No

The Supervisory Committee raised no objections in the Reporting Period.

## IX Employees

### 1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	1,755
Number of in-service employees of major subsidiaries at the period-end	12,758
Total number of in-service employees at the period-end	14,513
Total number of paid employees in the Reporting Period	14,513
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
<b>Functions</b>	
Function	Employees
Production	7,629
Sales	3,287
Technical	1,537
Financial	672
Administrative	1,388
Total	14,513
<b>Educational backgrounds</b>	
Educational background	Employees
Master and above	395
Bachelor	3,365
Junior college	3,903
High school and below	6,850
Total	14,513

### 2. Employee Remuneration Policy

The Company promulgated its remuneration system with the operating strategy of serving for the enterprise development and enhancement, and the principle of deciding the remuneration according to the post, business performance and capabilities, as well as the market competitiveness and internal fairness. And it decided the employee's remuneration level according to its business earnings, the posts and fulfillment of the business performance of the employee.

### 3. Employee Training Plans

The Company adhered to the people-oriented and paid special attention to cultivate the talents. Surrounded by the business development and the construction of talent team, the Company actively organized and carried out various training activities, and continuously perfected its talents cultivation system, as well as further enhanced the employee's professional skills and overall quality,

so as to strengthen the construction of management talents, professional talents and technical talents teams.

In 2022, the Company was driven to boost strategy and support businesses, and centered its superior resources on the cultivation of crucial core talents. Focusing on the personnel training system of "Three Tiers and Seven Brands", Konka open classes have been organized throughout the year for all employees of the Company; and organized and carried out the new employee's training & cultivation projects respectively for the graduates from campus recruiting and personnel from social recruitment. Meanwhile, it centralized to organize the pointed the training projects of general management skills and post professional knowledge, etc for the personnel from marketing, R&D, manufacturing, financial and human resources systems.

#### 4. Labor Outsourcing

Applicable  Not applicable

#### X Profit Distributions (in the Form of Cash and/or Stock)

How the profit distribution policy, especially the cash dividend policy, was formulated, executed or revised in the Reporting Period:

Applicable  Not applicable

The cash dividend policy of the Company was clearly stated in its Articles of Association, with specific and clear dividend standards and ratios. The relevant decision-making procedure and mechanism were sound; the independent directors faithfully performed their duties and played their due role; and the non-controlling interests were able to fully express their opinion and desire and their legal rights and interests were fully protected. The Company strictly followed the cash dividend policy in its Articles of Association, and the cash dividend payout of the Company was in line with its Articles of Association and the relevant resolution of the Shareholders' Meeting.

According to the requirements of the Listed Company Supervision Guideline No. 3-Listed Companies' Cash Dividend issued by the CSRC, the Company has revised the dividend payout policy in its Articles of Association, further clarifying the priority and proportion of cash dividend in dividend payouts. In order to further normalize its shareholder return mechanism, push forward the establishment of a scientific, sustained and stable shareholder return mechanism, enhance the transparency and operability of decision-making for its dividend payout policy, and effectively protect the legal rights and interests of public investors.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures	Yes

involved are in compliance with applicable regulations and transparent	
--	--

Indicate by tick mark whether the Company fails to put forward a cash dividend proposal for shareholders despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent distributable to shareholders are positive.

Applicable  Not applicable

Final Dividend Plan for the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### **XI Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XII Establishment and Execution of the Internal Control System for the Reporting Period**

#### **1. Establishment and Execution of the Internal Control System**

The Company has established and improved the Company's internal control system in accordance with the regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, following the basic principles of internal control, and on the basis of the Company's actual situation. The Company's Financial Audit Committee, and Audit and Legal Affairs Center follow the guidance of value management, seek the goal of strengthening risk management and control, continuously enhance audit supervision and internal control evaluation, thereby scrutinizing and evaluating the Company's internal control management. The Company's 2022 Annual Internal Control Self-Assessment Report comprehensively, factually and accurately reflects the actual situation of the Company's internal control. During the Reporting Period, the Company had no major or significant deficiencies in its internal control.

#### **2. Material Internal Control Weaknesses Identified for the Reporting Period**

Yes  No

### **XIII Management and Control over Subsidiaries by the Company for the Reporting Period**

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

### **XIV Internal Control Self-Evaluation Report or Independent Auditor's Report on Internal Control**

#### **1. Internal Control Self-Evaluation Report**

Disclosure date of the internal control self-evaluation report	28 March 2023
Index to the disclosed internal control self-evaluation report	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Evaluated entities' combined assets as % of consolidated total assets	90.00%
Evaluated entities' combined operating revenue as % of consolidated operating revenue	90.00%

Identification standards for internal control weaknesses

Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	<p>Those with the following characteristics should be recognized as great defect: (1) found out there were malpractices of the Directors, Supervisors and Senior Executives of the Company that formed significant influences on the financial report; (2) the Company revised the published financial report and revised the great misstatements caused by the malpractices or the mistakes; (3) CPA found out there was great misstatement of the current financial report while didn't found during the operating process of the internal control; (4) the supervision of the internal control by the Finance Audit Committee and the internal audit institution of the Company was invalid; (5) not yet revised the great defect after the reasonable period as which was discovered among the internal control assessment; (6) the significant business lacked of systematic control or the systematic control was invalid.. Those with the following characteristics should be recognized as significant defect: (1) not yet chosen or applied the accounting polices according to the generally accepted accounting standards; (2) not yet constructed the anti-spam process or control measures; (3) as for the accounts disposal of the unconventional or special transactions, there was no corresponding control mechanism or execution or the existence of the corresponding supplement control; (4) there was one or multiple defects during the control of the compile of the financial report at the period-end and could not reasonable guarantee the statement of the compiled financial report reach the real and accurate target; (5) not yet revised the significant defect after the reasonable period as which was discovered among the internal control assessment. 3. Other defects from the internal control hadn't reached the recognition standards of the great defect or significant defect should be recognized as general defect.</p>	<p>The following signs indicated there may exist great defect among the internal control of the non-financial report; (1) Negative media news appeared more frequently, causing greater damage to the Company's reputation; (2) turnover of personnel in key positions was relatively serious; (3) there were obvious deficiencies in important business control systems; and (4) important deficiencies identified in internal control evaluations were not rectified in a timely manner.</p> <p>The following signs indicated there may exist significant defect among the internal control of the non-financial report: (1) negative news occurred rather frequently which caused rather big harm to the Company's reputation; (2) the outflow of the key position personnel was rather serious; (3) there was obvious defect among the control system of the significant business; (4) the significant defect found among the internal control assessment not yet be revised in time.</p>
Quantitative standard	<p>Great defect: potential misstatement amount <math>\geq 1\%</math> of the gross profit margin of the 2022 consolidated financial report of the Company; significant defect: 0.5% of the gross profit margin of the 2022 consolidated financial report of the Company <math>\leq</math> potential misstatement amount <math>&lt; 1\%</math> of the gross profit margin of the 2022 consolidated financial report of the Company; general defect: potential misstatement amount <math>&lt; 0.5\%</math> of the gross profit margin of the 2022 consolidated financial report of the Company.</p>	Implement in accordance with the quantitative criteria of internal control defect evaluation in financial statements
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0

Number of serious weaknesses in internal control not related to financial reporting	0
---	---

## 2. Independent Auditor's Report on Internal Control

Applicable  Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We considered that, in all the significant aspects, Konka Group maintained efficient internal control of the financial report according to the C-SOX and the relevant regulations on 31 December 2022.	
Disclosure of such report	Disclosed
Disclosure date	28 March 2023
Index to such report disclosed	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

Yes  No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

Yes  No

## XV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

The Company has completed the self-inspection in accordance with the relevant requirements of the CSRC and rectified the problems identified in the self-inspection.

## Part V Environmental and Social Responsibility

### I Major Environmental Issues

Indicate by tick mark whether the Company or any of its subsidiaries is identified as a major polluter by the environmental protection authorities.

Yes  No

Policies and industry standards pertaining to environmental protection

The Company abides by environmental protection laws and regulations, such as the Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Noise Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and others. The water pollutant discharge standards include the Emission Standard of Water Pollutants for Electroplating DB44/1597-2015 and the Water Pollutant Discharge Limit Standard of Guangdong Province DB44/26-2001. The air pollutant emission standards include the Emission Standard of Volatile Organic Compounds for Printing Industry DB44/27-2001, Emission Standard of Electroplating Pollutants GB21900-2008, Emission Standard of Odorous Pollutants GB14554-93, and Emission Control Standard of Volatile Organic Compounds for Unorganized Emissions GB37822-2019.

Status of Environmental Protection Administrative License

#### 1. XingDa HongYe

XingDa HongYe received approval from the Zhongshan Environmental Protection Bureau to establish and construct its facility in 2004 (ZH.H.J. [2004] No. 61), followed by subsequent approvals under ZH.H.J.D. [2008] 06250 and ZH.H.J.D. [2010] 04469 in 2008 and 2010 respectively. After the original project of XingDa HongYe was put into production, it underwent two acceptance stages: the first stage in 2008 (H.Y [2008] 02) and the second stage in 2012 (ZH.H.Y. Report [2012] 000092).

Xingda Hongye enlisted the services of the Zhongshan Environmental Protection Science Research Institute in December 2012 to perform an environmental impact evaluation for their proposed technological upgrade and expansion initiative. Following this, on 31 December 2012, the Environmental Protection Bureau of Zhongshan City granted No. ZH.H.J.SH. (2012) 115 *Approval on the Environmental Impact Assessment Report for Technological Upgrade and Expansion Program of GuangDong XingDa HongYe Electronic Co., Ltd.* The scheme allowed for an increased production of six-layer circuit boards, eight-layer and above circuit boards, and HDI boards, while reducing the production of single-sided circuit boards. After the completion of the technological upgrade and expansion, the production capacity was expected to reach a total of 200,000 square meters for single-sided circuit boards per year, 250,000 square meters for double-sided circuit

boards per year, 300,000 square meters for four-layer circuit boards per year, 200,000 square meters for six-layer circuit boards per year, 150,000 square meters for eight-layer and above circuit boards per year, and 100,000 square meters for HDI boards per year. The technical renovation and expansion project maintained the original plating equipment and process unchanged and added a browning process to the existing production process. The additional plating capacity was all outsourced. The technical renovation and expansion project began construction in 2013, was completed in January 2018, and was commissioned from 10 February to 8 July 2018. The construction of the expansion project met the requirements of the environmental impact report approval and the conditions for environmental protection acceptance of the completed construction project. In 2021, the national pollutant discharge permit of XingDa HongYe was renewed/replaced with certificate number 91442000768405216J001P. In 2022, the national pollutant discharge permit was changed, with certificate number 91442000768405216J001P.

## 2. Boluo Konka and Boluo Konka Precision

Boluo Konka Precision Technology Co., Ltd. was approved by the Huizhou Environmental Protection Bureau in 2000 (H.S.H.J. [2000] No.23) and began production the same year. Its pollution discharge permit number is 91441322721121283N001U.

Boluo Konka enlisted the services of Huizhou Environmental Science Research Institute in January 2007 to carry out an environmental impact assessment for its expansion project. No. H.SH.H.J. [2007] J32 Approval on Environmental Impact Report for Boluo Konka's Double-sided and Multilayer Board Project was issued by the Environmental Protection Bureau of Huizhou City on 8 February 2007. The approved expansion project included the installation of electroplating equipment and processes, allowing for an increase in production capacity to 1 million square meters for single-sided circuit boards per year and 650,000 square meters for double-sided and multilayer circuit boards per year. Upon completion, the project underwent an environmental protection acceptance inspection, satisfying the requirements of the environmental impact assessment approval. The company also obtained a pollutant discharge permit in the same year and underwent a name change to Boluo Konka Precision Technology Co., Ltd.. In 2020, the company received a national pollutant discharge permit bearing certificate number 91441322799316208F001V.

The regulations for industrial emissions and the particular requirements for controlling pollutant emissions those are associated with production and operational activities.

Name of pollutant	Type of major pollutants	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
XingDa Hong	Pollution sources	PH, total copper, COD,	Discharge of	1	Main discharge	PH 6-9; total copper≤0.3mg/L; COD≤50mg/L;	GB 21900-2008 Discharge Standard For	0.4485 million	Total discharge 448,500	None

Ye	of waste water	ammonia nitrogen, total nitrogen, total phosphorus, total cyanide, total nickel, total iron, total aluminum, petroleum, suspended solids	stationary pollution sources		outlet of the waste water station	ammonia nitrogen≤8mg/L; total nitrogen≤15mg/L; total phosphorus≤0.5mg/L; total cyanide≤0.2mg/L; total nickel≤0.1mg/L; total iron≤2mg/L; total aluminum≤2mg/L; petroleum≤2mg/L; suspended solids≤30mg/L	Pollutants From Electroplating	n tons/year	tons/year; pollutant COD 19.061250 tons/year; ammonia nitrogen 3.0498 tons/year; total nitrogen 32.9792 tons/year; total phosphorus 0.2082 tons/year	
Xing Da Hong Ye	Waste gas pollutants	Sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen cyanide, nitrogen oxide, ammonia, benzene, toluene+xylene, TVOC, tin and its compounds, PM(dust)	Discharge of stationary pollution sources	14	Three on the roof of plant 1, ten on the roof of plant 2 and one on the roof of the canteen	sulfuric acid fume≤30mg/m <sup>3</sup> ; nitrogen oxide≤200mg/m <sup>3</sup> ; hydrogen chloride≤30mg/m <sup>3</sup> ; hydrogen cyanide≤0.5mg/m <sup>3</sup> ; TVOC≤90mg/m <sup>3</sup> ; benzene≤1mg/m <sup>3</sup> ; toluene+xylene≤15mg/m <sup>3</sup> ; tin and its compounds≤8.5mg/m <sup>3</sup> ; PM(dust)≤120mg/m <sup>3</sup>	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Emission standard of Volatile Organic Compounds for Printing Industry DB44/815-2010; Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second Level Standard in the Second Period, Emission standard for Odor Pollutants (GB 14554-1993) Table 2 Standard	2,986,560,000 standard cube/year	Total discharge: 2,986,560,000 standard cube/year (note: the total discharge is not stated in the latest version of national discharge permit in 2021; two exhaust towers were added in 2021; calculated based on air volume in environmental impact assessment)	None
Boluo Konka and Boluo Konka Precision	Pollution sources of waste water	PH, copper, COD, ammonia nitrogen, total nitrogen, total phosphorus	Discharge of stationary pollution sources	1	Main discharge outlet of the waste water station	1. Emission standard for pollution discharge certificate: copper≤0.5mg/L; COD≤80mg/L; ammonia nitrogen≤10mg/L	1. Discharge standard of discharge permit: Discharge Standard of Electroplating Water Pollutant for	318,300 tons/year Note: according to discharge	Total discharge amount is 318,300 tons/year; COD is 25.464 tons/year; ammonia	None

		us				<p>; total nitrogen≤20mg/L ; total phosphorus≤0.5mg/L; 2. local emission standard: copper≤0.5mg /L; COD≤30mg/L; ammonia nitrogen≤1.5mg/L; total nitrogen≤10mg/L ; total phosphorus≤0.3mg/L</p>	<p>Electroplating DB44/1597-2015 Table 1 Pearl River Delta Discharge Standard; Water Pollutant Discharge Limit Standard of Guangdong Province DB44/26-2001; 2. Local discharge standard: BFBH [2019] No. 58 Document: COD, ammonia nitrogen, total phosphorus based on "Environmental Quality Standards for Surface Water GB3838-2002 " Category IV water standard, the total nitrogen discharge reaches 50% of discharge limit requirement of the corresponding industry</p>	<p>arge permit</p>	<p>nitrogen is 4.775 tons/year; total nitrogen is 4.8 tons/year. Note: according to the discharge certificate</p>	
<p>Boluo Konka and Boluo Konka Precision</p>	<p>Waste gas pollutants</p>	<p>Sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen cyanide, nitrogen oxide, ammonia, benzene, methylbenzene, TVOC, tin and its compounds, PM</p>	<p>Discharge of stationary pollution sources</p>	<p>20</p>	<p>Six on the roof of plant 1, fourteen on the roof of plant 2 and one in sewage station</p>	<p>sulfuric acid fume≤30mg/m3 ; nitrogen oxide≤200mg/m3 ; hydrogen chloride≤30mg/m3 ; TVOCogen chl; benzenen chl; methylbenzenorides≤30; dimethylbenzene de≤30mg/; tin and its compounds≤8.5mg/m3; PM (dust) ≤≤stand i; oil fume≤2mg/m3</p>	<p>Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second Level Standard in the Second Period, Emission standard for Odor Pollutants</p>	<p>/</p>	<p>The total discharge is not stated in the latest version of national discharge permit in 2020</p>	<p>None</p>

		(dust), oil fume					(GB 14554-1993) Table 2 Standard, Emission standard of cooking fume (GB18483-2001)			
--	--	------------------	--	--	--	--	--	--	--	--

## Treatment of pollutants

### 1. XingDa HongYe

All production equipment of Guangdong Xingda Hongye Electronics Co., Ltd. has been set up with supporting environmental protection facilities according to the requirements of environmental impact assessment. The discharge of wastewater, waste gas and noise as well as the disposal of all solid wastes in the Company all met the standards during the Reporting Period.

The sewage treatment centre of Guangdong Xingda Hongye Electronics Co., Ltd. with an investment of about RMB15 million was formally put into production in June 2007, and the treatment capacity of the sewage treatment facility was 2,566 tons/day. After technical improvement and expansion, the capacity increased to 2,900 tons/day with the treatment process remaining unchanged. In 2022, RMB20 million was invested to increase a set of sewage treatment facility which had been put into operation so as to ensure stable discharge of sewage up to standard. Currently, the sewage treatment facilities are functioning well and the main pollutant discharge meets the discharge standards and environmental assessment standards. The pollutants are discharged to Fushachong after being treated at the self-built sewage treatment station.

### 2. Boluo Konka and Boluo Konka Precision

All production equipment of Boluo Konka and Boluo Konka Precision has been reported for environmental assessment, review and approval. The supporting environmental protection and pollution control facilities have been designed by pollutant type and concentration and effectively operated in a targeted manner. During the Reporting Period, the discharge standards were met in terms of industrial waste water, exhaust and factory noise, and all industrial waste generated was disposed of in compliance with environmental laws and regulations.

Boluo Konka was established in 2000. To manufacture single sided PCBs, it invested approximately RMB 5 million in constructing a sewage treatment station without the biochemical treatment function and featuring a discharge capacity of 300 tons per day. In 2007, Boluo Konka expanded its factory by starting the Phase II project, which was submitted for environmental assessment as Boluo Konka PCB Double Sided and Multi-Layer PCB Project (later the project owner was changed into Boluo Konka Precision). It spent about RMB 10 million on constructing the Phase II sewage treatment station to add the biochemical treatment function with a discharge capacity of 800 tons per day.

In 2019, according to the requirements in the documents issued by Boluo County Ecology and

Environment Bureau, the two sewage treatment stations of Boluo Konka and Boluo Konka Precision must be upgraded towards higher standards. Through comprehensive assessment of the professional environmental protection company, it was decided that the sewage treatment stations of the said companies be combined to meet the upgrading requirements. Boluo County Ecology and Environment Bureau approved the combination of the discharge outlets of the aforementioned companies, and Boluo Konka would appoint Boluo Konka Precision to treat sewage. After the combination, the discharge capacity would reach 1,100 tons per day. The aforementioned companies spent about RMB 20 million between 2019 and 2020 on upgrading the sewage treatment stations towards higher standards, and added industrial advanced processes and treatment systems, such as RO water treatment, Fenton oxidation and MBR films. After the technological improvements and expansion, the sewage treatment reaches 2,200 tons per day (with a discharge capacity of 1,100 tons per day) with a reuse rate of more than 60%. At present, the waste water treatment facilities are operating in good conditions; the discharge of major pollutants meets the discharge standards. After advanced treatment of the water reuse facilities, the water treated by the sewage stations that meets the standards will be reused in the plants, while the remaining water will be discharged to the municipal pipe network to be processed by the urban and rural water treatment factory before being discharged to the Dongjiang River.

#### Environmental self-monitoring plan

##### 1. XingDa HongYe

According to the requirements of the Environmental Protection Administration, Xingda Hongye attaches great importance to environmental monitoring management. Thus, pursuant to the Measures for Self-Monitoring and Information Disclosure of National Key Monitored Enterprises, the Report on the Environmental Impact of the Technical Improvement and Expansion Project of Guangdong Xingda Hongye Electronics Co., Ltd. and the reply opinions for environmental impact assessment, the Company has formulated the Environmental Self-Monitoring Plan and reported to the municipal environmental protection bureau for approval and record. It implements online monitoring for the PH, COD and ammonia nitrogen pollutants discharged in wastewater through real-time monitoring and an automatic frequency of every two hours, entrusts the qualified third-party online monitoring equipment operation and maintenance institute to carry out periodic maintenance on automatic monitoring equipment and monitoring data networking equipment, and entrusts the qualified third-party monitoring unit to carry out the “three wastes” project monitoring. All self-monitoring plan results will be reported and disclosed on public platforms on a periodic basis.

In the case of normal production, the results will be updated on a daily basis, with online monitoring data disclosed in real time and manual monitoring data disclosed on the Real time publicity or every 2 hours after completion. Items monitored on a monthly basis will be disclosed

by the 10th day of the month. In the case of public holidays, the operation monitoring data for the holiday period will be disclosed on the first working day after the holiday. The annual self-monitoring report for the previous year will be disclosed at the end of January each year. In the case of shutdown with days off, the number of days off will be indicated in the information bar and related proofs will be submitted to the monitoring center of the municipal environmental bureau for record. The results are disclosed on Guangdong Province Key Pollution Source Regulatory Information Platform and on National Pollution Source Monitoring Information Management and Sharing Platform for public monitoring.

#### Contingency plan for emergent environmental incident

##### 1. XingDa HongYe

In strict accordance with requirements of laws, regulations and relevant documents, such as Law of the People's Republic of China on Emergency Response and Interim Measures on Environmental Emergency Response Plan, Guangdong Xingda Hongye Electronics Co., Ltd. has established risk prevention measures and emergency response plans, kept its emergency equipment in a normal state, formulated the Contingency Plan for Emergent Environmental Incident, and put on records at Zhongshan Environmental Protection Bureau, Guangdong Province, record No.: 4420002017044M. In addition, the Company conducts a drill of major environmental pollution incident on its factory to enhance its emergency response capabilities for emergent environmental pollution incidents.

Furthermore, Guangdong Xingda Hongye Electronics Co., Ltd. has built an emergency pool (which is the comprehensive water tank in the sewage treatment station covering an area of 800m<sup>3</sup>) and set up a fire pool (500m<sup>3</sup> and located on Floor 1 of Factory Building No. 2), which serve as temporary storage pools for exterior drainage or fire drainage to eradicate accidental discharge of wastewater in the case of failed operation of the sewage transmission pipeline or fire accident due to outage or other special circumstances. The sewage transmission pipeline has been equipped with anti-corrosion and cathodic protection using anti-corrosion pipes and carbon steel pipes. Pursuant to the new discharge standards, the related discharge pipeline has been modified and the production department has been required to discharge strictly in accordance with discharge standards to cut the costs of wastewater treatment. Different types of wastewater are normally and properly treated through fine shunting. Personnel have been specially arranged to manage the chemical liquid warehouse and exert reasonable control and requirements over the liquid discharge by the plant and timely transportation of the liquid by suppliers; emergency tools such as protective masks, boots and immiscible pumps have been equipped.

##### 2. Boluo Konka and Boluo Konka Precision

Boluo Konka and Boluo Konka Precision strictly abides by Emergency Response Law of the People's Republic of China, Interim Measures for the Management of Emergency Plans for Unexpected Environmental Incidents, other related laws and regulations as well as the requirements

of relevant documents. They have established risk prevention measures and emergency plans, such as Emergency Plan for Unexpected Environmental Incidents, and have their emergency equipment run in a normal status. In addition, they have filed with Boluo County Branch of Ecology and Environment Bureau in Huizhou, Guangdong and Huizhou Ecology and Environment Bureau respectively with the file No. 441322-2020-0073-M and 441301-2021-004-M. They organize all staff to conduct drills for major environmental pollution incidents every year to improve their ability for the emergency response to unexpected environmental pollution incidents.

Boluo Konka and Boluo Konka Precision are well equipped with all necessary facilities for emergency response to unexpected incidents, including an emergency response pool of industrial waste water (500m<sup>3</sup>, under the ground of the sewage treatment station) and a firefighting reservoir (300m<sup>3</sup>, located beside the staff dormitory building). In the event of an unexpected environmental incident, such as leakage or failure of a waste water transporting pipe, the emergency response pool will prevent any accident of industrial waste water; in the event of a fire safety accident, the firefighting reservoir will be put into use. All departments are required to discharge pollutants strictly in accordance with pollutant discharge standards to reduce the costs of waste water treatment by properly and reasonably dividing solution and waste water discharged from the plants. The chemical warehouses are managed by designated personnel, with standard control and requirements over the loading and unloading of chemical products by suppliers. In terms of emergency response supplies, a full set of emergency rescue tools are prepared, including gas masks, acid and alkaline resistant boots, gloves, goggles, safety ropes, helmets, fire sand and submersible pumps.

Input in environmental governance and protection and payment of environmental protection tax  
 Nearly RMB37 million was input in environmental governance and protection and RMB32,700 of environmental protection tax was paid in 2022 in total.

Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

Applicable  Not applicable

No administrative punishments were received in the Reporting Period due to environmental issues.

Subsidiary	Reason for punishment	Violations	Penalty results	Impact of production and operation	Rectification measures
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information that should be disclosed

#### 1. XingDa HongYe

The environmental protection investment of Guangdong Xingda Hongye Electronics Co., Ltd. for 2022 was approximately RMB22 million, mainly used for the investment in Environmental governance equipment and facilities, treatment of sewage, waste gas and solid waste, as well as the maintenance and upgrading of environmental protection equipment.

#### 2. Boluo Konka and Boluo Konka Precision

Boluo Konka and Boluo Konka Precision invested approximately RMB15 million on environmental protection in 2022 in total, mainly used for the upgrading and transformation of the sewage treatment system, investments in reclaimed water reuse system, update and daily operation & management of waste gas treatment system and maintenance and renewal of equipment.

Other Environmental Information.

According to the examination by the Company, the Company and its other holding subsidiaries are not key pollutant units. All have faithfully implemented the laws and regulations related to environmental protection, such as Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste in the daily production and operation, without being punished for violations of laws and regulations during the Reporting Period.

## **II Social Responsibility**

The Company insists the principle of health, stability and sustainable development to benefit shareholders and employees and satisfy customers. In pursuit of economic profits and protection of shareholders' profits, the Company is active in protecting legal rights of debtors and employees, treating suppliers, customers and consumers in good faith, and participating in environmental protection and community establishment for harmonious development of the Company and society.

1. To protect rights of shareholders and creditors

(1) The Company protects rights of shareholders

The Company insists protection of rights for all shareholders, especially equal status and legal rights for medium and small shareholders, and make insurance of rights to be informed, participation and vote.

The Company would perform all obligations of information disclosure to ensure timely, accurate and complete information and strictly execute confidential system of registrar and insider information to guarantee justice.

The Company pays attention to repay to shareholders, and insists mutual development with investors. In the previous three years, the Company shares dividends with all shareholders. The Company strict executes dividend policies regulated in Articles of Association. All cash dividends comply with regulations in Articles of Association and requirements in shareholders' conference.

(2) The Company protects rights of creditors

In full consideration of legal rights of creditors, the Company complies with strict business rules of credit cooperation to guarantee legal rights of creditors. No damages upon rights of creditors happened.

## 2. The Company performs responsibilities to suppliers and customers

### (1) It is devoted to improve customer service quality.

The Company is insisting philosophy of customer orientation to strengthen customer service management, service consciousness for employees, service levels and to protect rights for customers. Through customer service hot-line, field visit and follow-up service, the Company has set a good corporate image for customers.

### (2) Be honest to suppliers

Following the principle of integrity and mutually beneficial cooperation, the Company keeps good cooperative relations with suppliers at each level. The corporate principle is open, fair and impartial to standardize procurement, protect suppliers' legal rights and lay solid foundation for further cooperation.

## 3. Be enthusiastic to social and public welfare undertakings

Based on the principle of appreciating and repaying the society, the Company has participated in all kinds of activities for public welfare, cooperated with society, undertaken social responsibilities actively and promoted harmonious development between enterprise and society.

## 4. Be responsible for employees

The Company insists the principle of people orientation to improve working environment, promote occupational skills, provide opportunity and platform for development and growth and encourage self upgradation and realization for employees. Mutual improvement for employees and enterprise could be achieved.

### (1) Be honest and law-abiding to protect legal rights for employees

The Company would strictly comply with laws and regulations in Labor Law and Labor Contract Law to sign labor contract with employees with fair treatment in employment, payment, promotion, training, demission and retirement. Also, the Company would pay all kinds of insurances and housing fund for employees. Regular physical examination would be organized for each year. Any problems found would require re-examination and consultation from a doctor.

The Company would improve living quality; enhance cohesive force and sense of belongings through a series of safeguard measures.

### (2) To protect occupational health for employees

The Company would establish and perfect training, safety assessment by security system to guarantee the safety and occupational health for employees. On the other hand, by promotion of the importance of safety, safety awareness would be rooted in the heart to make all employees abide by safety standards and fully play subjective initiative in protecting self-occupational safety and production safety.

### (3) To promote occupational skills by diversified professional training

The Company has always paid great attention on diversified training for employees. On the one

hand, the Company would be meticulous in training of regular business and occupational skills and carry out all requirements positively to improve professional levels by normal training management. On the other hand, the Company would establish methods of self-training platform, training instructor, theme training and lectures to provide colorful training activities. Besides the work, professional and comprehensive quality would be fully promoted.

#### 5. Be responsible for environment

The Company concerns about environmental changes and close relationships with environment by creating low carbon economy in technical innovation, from green manufacturing, green products to green industry circular economy. The Company would provide efforts in protecting global ecological environment. In June 2012, subsidized products catalogue had been released jointly by National Development and Reform Commission, Ministry of Industry and Information and Ministry of Finance.

Subsequently, the Company would undertake all social responsibilities by improving strategic management, sustainable development and enterprise economic efficiency. It would reattribute all shareholders and would protect legal rights for creditors and employees. To be honest to suppliers and customers, the Company would serve local economic development and participate in social public welfare activities and environment protection. It would undertake all responsibilities in many fields and make attributions to social, economic, and environmental sustainable development for a socialism harmonious society.

### **III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization**

In 2022, the Company continued to actively purchase the agricultural and side-line products from Tianzhu and Sansui counties in Guizhou Province under the "assistance by consumption" project, and cumulatively purchased local agricultural products worth RMB0.25 million this year. In the early days of 2022, Konka Group made a valiant decision to choose 100 "dream partners" from within to provide personalized educational aid to impoverished pupils in the counties of Tianzhu and Sansui in Guizhou. In an effort to fully embrace the national policy of targeted education assistance, the organization diligently executed precise measures and initiatives. A comprehensive policy and support system geared towards the eradication of educational poverty were established, encompassing all students with economic disadvantages, from those enrolled in compulsory education to those attending vocational schools and higher education institutions. Remarkably, the company's rate of assistance to pupils registered under the national poverty alleviation program reached an astounding 100%.

## Part VI Significant Events

### I Fulfillment of Commitments

#### 1. Commitments of the Company's De Facto Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the Period-End

Applicable  Not applicable

No such cases in the Reporting Period.

#### 2. Where there Had Been an Earnings Forecast for an Asset or Project and the Reporting Period Was still within the Forecast Period, Explain why the Forecast Has Been Reached for the Reporting Period.

Applicable  Not applicable

### II Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

### III Irregularities in the Provision of Guarantees

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Explanations Given by the Board of Directors Regarding the Latest "Modified Opinion" on the Financial Statements

Applicable  Not applicable

### V Explanations Given by the Board of Directors, the Supervisory Board and the Independent Directors (if any) Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable  Not applicable

### VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

Applicable  Not applicable

### VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable  Not applicable

Please refer to 6. Changes in the Scope of Consolidated Financial Statements for the Reporting Period of 2. Revenue and Costs of IV Core Business Analysis in Part III Operating Performance Discussion and Analysis of this Report for details.

## VIII Engagement and Disengagement of Independent Auditor

### Current independent auditor

Name of the domestic independent auditor	ShineWing Certified Public Accountants LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	220
How many consecutive years the domestic independent auditor has provided audit service for the Company	4 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Tang Qimei, Liu Lihong
How many consecutive years the certified public accountants have provided audit service for the Company	2 years ,1years
Name of the overseas independent auditor (if any)	N/A
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	0
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	N/A

### Indicate by tick mark whether the independent auditor was changed for the Reporting Period

Yes  No

### Independent auditor, financial advisor or sponsor engaged for the audit of internal controls:

Applicable  Not applicable

The Company appointed ShineWing Certified Public Accountants LLP as the internal control auditor in 2022 with RMB0.7 million of payment for the internal control audit.

### IX Possibility of Delisting after Disclosure of this Report

Applicable  Not applicable

### X Insolvency and Reorganization

Applicable  Not applicable

**No such cases in the Reporting Period.**

### XI Major Legal Matters

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Guangxin	3,137.20	No	The case has entered the execution phase.	The case has entered the execution phase. Based on the principle of prudence, the	The case is in execution.	19 September 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

Environmental Protection Equipment Technology Development Co., Ltd., requiring the latter to return equipment payment already made and pay liquidated damages.				Company has accrued corresponding impairment reserves in accordance with accounting policies.			
As the bills held by the Company failed to be paid upon maturity, the Company filed a lawsuit with the court, requesting the latter to order Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the aforesaid bills and corresponding interest to the Company.	20,000	No	The case has entered the execution phase.	The Company won and the case is in execution. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in execution.	19 September 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Because of a dispute over a purchase and sales contract, Wumart Stores, Inc. sued the Beijing Branch of the Company to the People's Court of Shijingshan District in Beijing, requiring the Beijing Branch to return the prepayment for goods.	1,783.07	No	The second instance has been concluded.	The second instance has been concluded. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The judgment has been fulfilled.	25 June 2019	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Because of a dispute over loan, the Company's subsidiary, Anhui Konka Electronic Co., Ltd., applied for arbitration with Chuzhou Arbitration Commission, requiring the respondent, Makena Electronic (Shenzhen) Co., Ltd., to assume the guarantee responsibility.	2,141.50	No	The judgment has been fulfilled.	The judgment has been fulfilled. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The judgment has been fulfilled.	19 September 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Because of a dispute over a contract, the Company filed a lawsuit with Zhengzhou Intermediate People's Court, requiring Henan Radio and Television Network Co., Ltd. to take delivery of goods, make payment for goods, and pay interest and liquidated damages according to the contract.	3,904.90	No	The case has entered the execution phase.	The case has entered the execution phase. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in execution.	19 September 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Because of a dispute over a logistics contract, Hefei Anluda Logistics Co., Ltd. sued the Company's subsidiary, Anhui Konka Tongchuang Electrical Appliances Co., Ltd. with the people's court of Nanqiao District, Huzhou, requiring it to return the performance bond, pay the transportation fee that's already incurred and interest, as well as undertake the legal cost.	1,282.8	No	The retrial has been decided.	The retrial has been decided.	The judgment has been fulfilled.	19 September 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
As a result of contractual	15,4	No	The case	The Company won	The case is in	30	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

disputes, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Limited Partnership, Shenzhen Xiangrui Yingtong Investment Management Limited Partnership, Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong, and Luo Saiyin, seeking restitution for goods received and claiming damages for breach of contract.	53.44		has entered the execution phase.	and the case is in execution. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	execution.	November 2021	w.cninfo.com.cn/new/index
On account of the infringement of the Company's trademark rights and the practice of unfair competition, a lawsuit has been instituted by the Company against Xinshang Electronics Co., Ltd., located in Fu'an City, as well as Fujian Zhaoguan Industry and Trade Co., Ltd., Jinhua Kangjia Medical Equipment Factory, and Wang Jun, seeking an injunctive order to halt the infringement, and claiming compensation for any incurred losses.	3,000	No	The case has entered the execution phase.	The Company won and the case is in execution.	The case is in execution.	30 November 2021	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
As a result of a dispute arising from a share buyback, the Company has initiated legal proceedings against Luo Zotong, Luo Jingxia, Luo Zongyin, Luo Zongwu, and Shenzhen Yaode Technology Co., Ltd. The lawsuit seeks an injunctive order to compel the defendants to pay the share buyback amount, as well as any applicable interest.	24,875.22	No	The Company won and the judgment has taken effect.	The Company won.	An application has been made to the court for enforcement.	30 November 2021	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Because of a dispute over a contract, Makena Electronic (Shenzhen) Co., Ltd. filed a lawsuit with the court, requiring the Company and the Company's subsidiary, Shenzhen Konka Electronics Technology Co., Ltd., to make payment for goods and pay interest for overdue payment.	2,662.43	No	The plaintiff has withdrawn the lawsuit.	The plaintiff has withdrawn the lawsuit.	The plaintiff has withdrawn the lawsuit.	1 December 2021	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
As a result of a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin	11,292.73	No	The case is being heard in the second trial	The case is being heard in the second trial	The case is in trial.	24 November 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

Bank Co., Ltd. and Huanjia Group Co., Ltd., seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution							
As a result of a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin Bank Co., Ltd. and Dalian Jinjia Materials Recycling Co., Ltd., seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution	9,243.37	No	The case is being heard in the second trial	The case is being heard in the second trial	The case is in trial.	24 November 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Due to a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin Bank Co., Ltd., Dalian Jinkaisxuan Renewable Resource Acquisition Chain Co., Ltd., Dalian Yingtai Paper Co., Ltd., Dalian Zhanhong Renewable Resource Recycling Co., Ltd., and Wang Jinping, seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution	3,573.17	No	The case is being heard in the second trial	The case is being heard in the second trial	The case is in trial.	24 November 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

Note: Courts or arbitration bodies ruled in favor of the Company in the following cases which are currently under enforcement. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2019-63), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 19 September 2020 (Announcement No. 2020-97), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 24 November 2022 (Announcement No. 2022-89) and the Company's periodic reports: 1. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping industrial Co., Ltd., and Shenzhen Qianhai Baoying Factoring Co., Ltd. to pay the bill and the corresponding interest to the Company; 2. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. and Tianjin International Trade Petrochemical Co., Ltd. to pay the bill and the corresponding interest to the Company; 3. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. Qingdao Bonded Zhongshe International Trading Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. to pay the bill and the corresponding interest to the Company; 4. As a consequence of the non-payment of a bill upon its expiry, Kongka Factoring has instituted legal proceedings before the court. The lawsuit seeks an injunctive order mandating Tahe Group Co., Ltd., Fuzhou Taijia Industrial Co., Ltd., and Xiamen Lianchuang Microelectronics Co., Ltd. to remit payment for the bill amount, along with the corresponding interest, to Kongka Factoring.; 5. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the bill and the corresponding interest to the Company; 6. Due to dispute arisen from a logistics contract, the Company's subsidiary Anhui Konka filed a lawsuit to request the freight forwarder Shanghai Triangle

Link Logistics Co., Ltd. Shenzhen Branch to make compensation; 7. Due to contract dispute, the Company's subsidiary Shenzhen Nianhua applied for arbitration to request the respondent Fang Xianglong and Jiang Yan to make compensation for corresponding annual profit and fund possession cost; 8. Due to payment dispute, the Company's subsidiary Hong Kong Konka applied for an arbitration to Shenzhen Court of International Arbitration to request the respondent Makena Electronic (Hong Kong) to pay for goods and liquidated damages; 9. Because of a dispute over capital increase, the Company's subsidiary, Shenzhen Konka Investment Holding Co., Ltd., applied for arbitration with the Shenzhen Court of International Arbitration (SCIA), requesting the respondents, Elion Resources Group and Elion Ecological Co., Ltd., to perform the repurchase obligation; 10. As a result of a dispute stemming from an international sale of goods contract, Anhui Konka Electronic Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Maoxinyuan Electronics (Hong Kong) Co., Ltd. The lawsuit seeks an injunctive order compelling the respondent to pay the applicant the overdue payment interest losses; 11. As a result of a dispute arising from an international sale of goods contract, Anhui Kangzhi Trade Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against B&L TECHNOLOGY CO., LIMITED. The lawsuit seeks an injunctive order compelling the respondent to pay the purchase price, as well as any penalties for breach of contract. 12. Because of a dispute over an agency agreement, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co., Ltd., Lin Yuanqin, Huang Ruirong, Chuangfu Shopping Centre Real Estate Development (Huizhou) Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets.

The following cases have been disclosed in current announcements and periodic reports and are currently in trial. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2020-97) and the Announcement on Accumulated Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48) and the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 24 November 2022 (Announcement No. 2022-89) and the Company's periodic reports: 1. The customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIA E COMERCIO S.A (Brazil) was insolvent, and obtained the approval of the judicial reorganization application of Cotia Third Civil Court of the Court of Sao Paulo, Brazil in May 2013. As the creditor of H-BUSTER, Hong Kong Konka filed the debt declaration documents, and in August 2014, the amount confirmed of debt was USD2.78 million. 2. Due to the Jiangxi Xinxin Jian'an Engineering Co., Ltd. (hereinafter referred to as the "Jiangxi Xinxin"), Jiangxi Shanshi Technology Development Co., Ltd. (hereinafter referred to as the "Jiangxi Shanshi"), Jiangxi Zhongyi Decoration Materials Co., Ltd. (hereinafter referred to as the "Jiangxi Zhongyi") failed to repay the loan and its interest of China Great Wall AMC Jiangxi Branch (hereinafter referred to as the "Great Wall Jiangxi Branch"), the Great Wall Jiangxi Branch sued to the court, and required Jiangxi Xinxin, Jiangxi Shanshi, Jiangxi Zhongyi to repay RMB300 million with RMB108,000 liquidated damages, and RMB13.65 million of interest. Meanwhile, 9 guarantors including Jiangxi Konka, Xinfeng Microcrystalline and Nanocrystal are required to undertake joint liability guaranty. The judgment of first instance required that Jiangxi Xinxin, Jiangxi Zhongyi and Jiangxi Shanshi shall repay the principal, interest and liquidated damages to Great Wall Jiangxi Branch and the guarantors bear the joint liability for satisfaction to the debts. The defendants have appealed against the first instance judgment. Later, the court of second instance ruled that the case should be returned to the court of first instance for retrial. 3. Because of a dispute over an agency agreement, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd., sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., and Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets, and the case was heard in the second trial; 4. Because of a dispute over an Agency Agreement, the Company's subsidiary, Anhui Konka Electronics Technology Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets, and the case was heard in the second trial; 5. Because of a dispute over an Agency Agreement, the Company's subsidiary, Anhui Konka Electronics Technology Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 6. Because of a dispute over an Agency Agreement, the Company's subsidiary, Hainan Konka Material Technology Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen

Meisenyuan Plastic Electronics Co., Ltd., Jiangsu Huadong Hardware Zone Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 7. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Jinshunda Material Recycling Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 8. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Xinjie Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 9. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Tianxing Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 10. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Huanjia Mingtai (Dalian) Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 11. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Lankao Shunjia Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 12. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Shunhenghui Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 13. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Jiaxin Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 14. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Shengxiang Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 15. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Jiade Renewable Resources Co., Ltd, Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 16. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Zhijie Renewable Resource Recycling Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 17. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Xinkai Renewable Resource Recycling Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 18. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Huanjia Chengxin Eco-protection Technology Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 19. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Xincheng Renewable Resource Recycling Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 20. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Guozheng Eco-protection Technology Co., Ltd., Huanjia Group Co., Ltd., Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return the advance payment and pay liquidated damages, and the case was heard in the second trial. 21. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Dongguan Konka Electronic Co., Ltd., filed a lawsuit with the People's Court of Nanshan District in Shenzhen, requesting Dongguan Gaoneng High Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trade Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trade Co., Ltd. and Huang Zhihao to make the overdue payment for goods and pay corresponding liquidated damages, and the case was heard in the second trial; 22. In view of a dispute arising from a commission

contract, Shenzhen Konka Pengrun Technology & Industry Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Guang'an Ouchishi Electronic Technology Co., Ltd., Guan Hongshao, Huaying Gaoke De Electronic Technology Co., Ltd., Huaying Gaoke Long Electronic Technology Co., Ltd., Guizhou Jiaguida Technology Co., Ltd., Sichuan Hongrongyuan Property Co., Ltd., Du Xinyu, Lin Bolong, and Wang Shisheng, seeking an order for the defendants to pay the purchase price and claiming damages for breach of contract; 23. In view of a dispute arising from a loan contract, the Company has initiated legal proceedings against Yantai Kangyue Investment Co., Ltd., seeking an order for the defendant to repay the loan and interest; 24. Due to a dispute arising from a guarantee contract, Hong Kong Konka Limited, a subsidiary of the Company, has initiated legal proceedings against Xu Xiang, Zheng Baoyao, Ke Hanhua, and Shenzhen Jinzhong Industry Co., Ltd., seeking an order for the defendants to assume guarantee liability; 25. As a result of a dispute arising from an international sale of goods contract, Jiaxin Technology Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Dingxin Electronic Technology (Hong Kong) Co., Ltd., Chen Wenhuan, and Chen Baohong, seeking an order for the defendants to pay for the goods and claiming damages for breach of contract; 26. As a result of a dispute arising from a guarantee contract, Anhui Konka Electronic Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Maoxinyuan Electronics (Shenzhen) Co., Ltd., seeking an order for the defendant to assume joint guarantee liability to the plaintiff, and the case was heard in the second trial; 27. Due to a dispute arising from an installment purchase contract, Wu Rong has instituted legal proceedings against the Company and its subsidiary, Shenzhen Konka Electronics Technology Co., Ltd., seeking an order for the payment of the purchase price and overdue payment interest to the plaintiff; 28. As a result of a dispute arising from a contract, Shenzhen Oriental Entrepreneurship Investment Co., Ltd. has initiated legal proceedings against the Company, seeking an order for the payment of the repurchase amount and claiming damages for breach of contract.

## XII Punishments and Rectifications

Applicable  Not applicable

**No such cases in the Reporting Period.**

## XIII Credit Quality of the Company as well as its Controlling Shareholder and De Facto Controller

Applicable  Not applicable

## XIV Major Related-Party Transactions

### 1. Continuing Related-Party Transactions

Applicable  Not applicable

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB '0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB '0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Purchase of commodities and services	Property management, utilities, office leases	Negotiated price	Market price	7,120.55	0.72%	10,000	Not	Cash	N/A	30 March 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
OCT Enterprises Co., Ltd and	Under the same actual controller	Sales of goods and	Sales of TVs, intelligent termin	Negotiated price	Market price	17,867.70	1.75%	20,000	Not	Cash	N/A	30 March 2022	

its subsidiaries		services	als, etc. and charging installation fees of smart TV terminals and other fees.										
Total				--	--	24,988.25	--	30,000	--	--	--	--	--
Large-amount sales return in detail				N/A									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period				The Company has published the Forecasting Public Notice on Routine Related-party Transaction for Y2022 on Securities Times, Shanghai Securities News, and China Securities Journal as well as the Internet website designated by CSRC <a href="http://http://www.cninfo.com.cn/new/index">http://http://www.cninfo.com.cn/new/index</a> on 30 March 2022. In the Reporting Period, the basis for pricing, transaction price, transaction amount and settlement methods of raw materials purchased by the Company were basically in accordance with the forecast. The total amount was RMB249,882,500.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

## 2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Interests

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Related Transactions Regarding Joint Investments in Third Parties

Applicable  Not applicable

Refer to 7. Other Major Related-Party Transactions of this section for details.

## 4. Credits and Liabilities with Related Parties

Applicable  Not applicable

Indicate by tick mark whether there were any credits and liabilities with related parties for non-operating purposes.

Yes  No

Credits receivable with related parties:

Related party	Related relationship	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
Chuzhou Kangjin Health Industry	Subsidiary of controlling	Demand of business development	Not	15,773.64	0	15,773.64	7.00%	695.90	0

Development Co., Ltd.	shareholder	ent							
Effects of credits with related parties on the Company's operating results and financial conditions		No effect to the normal operation of the Company. Other shareholders of the Company and Chuzhou Kangjin Health Industry Development Co., Ltd. offer financial assistance under the same conditions in accordance to their shareholding ratio.							

#### Liabilities payable with related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
OCT Enterprises Co., Ltd.	Controlling shareholder	The Company applies entrusted loan to it	1,091.00	0	1,091.00	3.85%	21.02	0
			100,000.00	0	100,000.00	3.85%	2,297.25	0
			20,000.00	0	20,000.00	3.85%	598.54	0
			0	150,000.00	18,909.00	3.85%	5,585.46	131,091.00
			0	50,000.00	0	3.85%	1,213.82	50,000.00
			0	70,000.00	0	3.85%	1,646.94	70,000.00
			0	100,000.00	100,000.00	3.85%	10.69	0
Effects of liabilities with related parties on the Company's operating results and financial conditions		The Company applies entrusted loan from OCT Enterprises Co., Ltd. which meets the needs of the company's existing business development and reduces the financing cost.						

#### 5. Transactions with Related Finance Companies

Applicable  Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

#### 6. Transactions with Related Parties by Finance Companies Controlled by the Company

Applicable  Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

#### 7. Other Major Related-Party Transactions

Applicable  Not applicable

(1) The Company's Counter-Guarantees to Affiliated Companies: On 21 February 2022, the 54th meeting of the 9th Board of Directors and the first extraordinary general meeting of shareholders in 2022 held on 22 March 2022 approved the proposal Shenzhen Konka Telecommunications Technology Co., Ltd. Providing Counter-Guarantees to Shenzhen Overseas Chinese Town Co., Ltd. Due to the need for business development, Shenzhen Overseas Chinese Town Co., Ltd. provided a full joint and several liability guarantee for the 800 million yuan financing of Yibin Overseas Chinese Town Sanjiang Real Estate Co., Ltd., a joint venture of Shenzhen Konka Communication Technology Co., Ltd. Therefore, Shenzhen Konka Communication Technology Co., Ltd. provides a counter guarantee of no more than 160 million yuan to Shenzhen Overseas Chinese Town Co., Ltd.

based on its shareholding ratio in Yibin Overseas Chinese Town Sanjiang Real Estate Co., Ltd. The counter guarantee method is joint liability guarantee, and the validity period of the guarantee amount is three years. During the reporting period, Shenzhen Konka Communication Technology Co., Ltd. provided a counter guarantee of 100 million yuan to Shenzhen Overseas Chinese Town Co., Ltd. based on its shareholding ratio.

(2) Application for Comprehensive Credit Limit from China Everbright Bank Co., Ltd.: The 56th meeting of the 9th Board of Directors on 28 March 2022, approved the proposal Application for Comprehensive Credit Limit from China Everbright Bank Co., Ltd. The Company applied for a comprehensive credit limit not exceeding RMB1.5 billion from China Everbright Bank Co., Ltd. to meet its daily operating capital needs. During the reporting period, the Company signed a credit agreement with China Everbright Bank Co., Ltd. for a credit amount of RMB1 billion.

(3) Counter-guarantees for Bank Credit Facilities Application: The 56th meeting of the 9th Board of Directors on 28 March 2022 and the 2021 Annual General Meeting of Shareholders on 25 April 2022, approved the proposal *Providing Counter-guarantees for Bank Credit Facilities Application by the Company*. To reduce financing costs, Overseas Chinese Town Holdings Company (“OCT Group” for short) provided a full, unconditional, and irrevocable joint and several liability guarantee (the “Guarantee”) for the Company’s bank credit facilities application, not exceeding RMB2.5 billion. In turn, the Company plans to offer counter-guarantees to Overseas Chinese Town Group of an equal amount and term, with an anticipated counter-guarantee amount not exceeding RMB2.5 billion, and a guarantee limit valid for a maximum of three years.

(4) Guarantee Limits for Affiliated Companies: The 57th meeting of the 9th Board of Directors on 27 April 2022 and the second extraordinary general meeting of shareholders in 2022 on 16 May 2022, passed the proposals *Providing Guarantee Limits for Kunshan Kangsheng Investment Development Co., Ltd.* and *Providing Guarantee Limits for Chuzhou Konka Technology Industry Development Co., Ltd.* According to its shareholding proportion, the Company intends to increase the credit guarantee limit for Kunshan Kangsheng Investment Development Co., Ltd. (“Kunshan Kangsheng Company”) by RMB49 million, with a guarantee limit valid for three years. Other shareholders of Kunshan Kangsheng Company will provide guarantees for Kunshan Kangsheng Company based on their respective shareholding proportions, together with the Company. As a result, the total guarantee limit provided by the Company for Kunshan Kangsheng Company will increase to RMB294 million. The Company also plans to provide a credit guarantee limit of RMB98 million for Chuzhou Konka Technology Industry Development Co., Ltd. (“Chuzhou Konka Company”) according to its shareholding proportion, with a guarantee limit valid for three years. Other shareholders of Chuzhou Konka Company will provide guarantees for Chuzhou Konka Company based on their respective shareholding proportions, together with the Company.

(5) Capital increase in related joint stock company: At the 59th meeting of the 9th Board of

Directors held on June 1, 2022, the Company reviewed and approved the Proposal on Increasing the Capital of Chuzhou Kangjin Health Industry Development Co., Ltd. In order to satisfy the capital needs of Chuzhou Kangjin Health Industry Development Co., Ltd. (Chuzhou Kangjin) the Company made a capital increase of RMB157.7359 million to Chuzhou Kangjin (consideration of RMB1 for RMB1 of registered capital) together with Shanghai OCT Co., Ltd. in proportion to their shareholding percentages in Chuzhou Kangjin. Upon the capital increase, the registered capital of Chuzhou Kangjin would increase from RMB30 million to RMB351.91 million. And the Company's shareholding percentage in Chuzhou Kangjin would remain unchanged. During the Reporting Period, the Company has completed the capital increase in Chuzhou Kangjin Health Industry Development Co., Ltd.

#### Index to the public announcements about the said related-party transactions disclosed

Title of public announcement	Disclosure date	Disclosure website
Announcement on a Capital Increase to Chuzhou Kangjin Health Industry Development Co., Ltd. and the Related-party Transaction	2 June 2022	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Announcement on the Provision of Guarantee Line for Joint Stock Company and the Related-party Transaction	28 April 2022	
Announcement on the Application to China Everbright Bank for Comprehensive Credit Line & the Related-party Transaction	30 March 2022	
Announcement on the Provision of Counter-guarantee for the Application to Bank for Credit Line & the Related-party Transaction	30 March 2022	
Announcement on the Termination of the Asset Acquisition by Share Offering and Cash Payment and Raising the Matching Funds & the Related-party Transaction	7 March 2022	
Announcement on the Provision of Counter-guarantee by Shenzhen Konka Telecommunications Technology Co., Ltd. to Shenzhen Overseas Chinese Town Co., Ltd. & the Related-party Transaction	23 February 2022	

## XV Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Contracting

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Leases**

√ Applicable □ Not applicable

Note to leases

No significant leases in the Reporting Period.

The rent of Konka Development Building has received RMB69,716,914.02 in the Reporting Period.

The project bringing about gains or losses as over 10% of total profit in the Reporting Period

□ Applicable √ Not applicable

No such cases in the Reporting Period.

**2. Major Guarantees**

√ Applicable □ Not applicable

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Shandong Econ Technology Co., Ltd.	28 April 2022	50,000	19 May 2022	1,749	Joint-liability	No	Not	One year	Not	Not
			17 May 2022	3,747	Joint-liability	No	Not	One year	Not	Not
			18 May 2022	4,997	Joint-liability	No	Not	One year	Not	Not
			28 June 2022	250	Joint-liability	No	Not	One year	Not	Not
			8 July 2022	2,498	Joint-liability	No	Not	One year	Not	Not
			27 July 2022	749	Joint-liability	No	Not	One year	Not	Not
			16 August 2022	25	Joint-liability	No	Not	One year	Not	Not
			6 September 2022	200	Joint-liability	No	Not	One year	Not	Not
			30 September 2022	3,747	Joint-liability	No	Not	Two years	Not	Not
			23 November 2022	2,748	Joint-liability	No	Not	One year and a half	Not	Not
Shenzhen Overseas Chinese Town Co., Ltd.	23 February 2022	16,000	31 May 2022	10,000	Joint-liability	No	Not	One year	Not	Yes
Foshan Zhujiang	28 April 2022	1,372	17 May 2022	980	Joint-liability	No	Not	Six years	Not	Not

Media Creative Park Cultural Development Co., Ltd.					y					
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not
Jiangxi Zhongyi Decoration Materials Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not
Jiangxi Shanshi Technological Development Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not
Overseas Chinese Town Holdings Company	30 March 2022	270,000	8 September 2022	60,000	Joint-liability	No	Not	Three years	Not	Yes
			18 October 2022	60,000	Joint-liability	No	Not	Three years	Not	Yes
Total approved line for such guarantees in the Reporting Period (A1)		651,872		Total actual amount of such guarantees in the Reporting Period (A2)					151,690	
Total approved line for such guarantees at the end of the Reporting Period (A3)		785,572		Total actual balance of such guarantees at the end of the Reporting Period (A4)					181,690	
Guarantees provided between the Company and subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Anhui Tongchuang	23 May 2018 and 19 September 2018	55,000	28 October 2021	3,000	Joint-liability	No	Not	One year and a half	Not	Not
			14 April 2022	5,000	Joint-liability	No	Not	One year	Not	Not
			2 June 2022	3,000	Joint-liability	No	Not	One year	Not	Not
			5 July 2022	5,000	Joint-liability	No	Not	One year	Not	Not
			19 October 2022	10,000	Joint-liability	No	Not	One year	Not	Not
Hong Kong Konka	31 October 2018 and 28 April 2022	90,000	9 February 2022	10,000	Joint-liability	No	Not	One year	Not	Not
Boluo Precision	31 March 2018 and 28 April 2022	125,000	19 August 2020	2,480	Joint-liability	No	Not	Three years	Not	Not
			25 August 2022	3,000	Joint-liability	No	Not	One year	Not	Not
Electronics Technology	19 September 2018	350,000	24 November 2022	8,500	Joint-liability	No	Not	One year	Not	Not
			10 October 2022	50,000	Joint-liability	No	Not	One year	Not	Not
Dongguan Konka	19 September 2018 and 24 March 2021	90,000	18 March 2022	5,000	Joint-liability	No	Not	One year	Not	Not
			23 June 2021	80,000	Joint-liability	No	Not	Ten years	Not	Not

XingDa HongYe	19 September 2018	10,000	23 February 2022	5,800	Joint-liability	No	Other shareholder of XingDa HongYe provides a counter guarantee for the Company for 49% of the guarantee line	Two years	Not	Not
			25 December 2020	2,000	Joint-liability	No		Three years	Not	Not
			31 May 2021	750	Joint-liability	No		Two years	Not	Not
Jiangxi Konka	31 October 2018	60,000	6 November 2020	10,000	Joint-liability	No	Other shareholder of Jiangxi Konka provides a counter guarantee for the Company for 49% of the guarantee line	Three years	Not	Not
			26 June 2022	6,000	Joint-liability	No		One year	Not	Not
			29 September 2020	10,000	Joint-liability	No		Three years	Not	Not
			21 December 2020	5,000	Joint-liability	No		Two years and a half	Not	Not
			10 March 2022	990	Joint-liability	No		Two years	Not	Not
			30 December 2020	1,000	Joint-liability	No		Three years	Not	Not
Xinfeng Microcrystalline	30 March 2019	25,000	19 May 2020	5,000	Joint-liability	No	Other shareholder of Xinfeng Microcrystalline provides a counter guarantee for the Company for 49% of the guarantee line	Three years	Not	Not
			8 December 2020	2,100	Joint-liability	No		Three years	Not	Not
			29 December 2022	7,200	Joint-liability	No		One year	Not	Not
			29 June 2022	7,200	Joint-liability	No		One year	Not	Not
Jiangxi High Transparent Substrate	30 March 2019	45,000	8 January 2020	5,000	Joint-liability	No	Other shareholder of Jiangxi High Transparent Substrate provides a counter guarantee for the Company for 49% of the	Three years	Not	Not
			10 March 2022	990	Joint-liability	No		Two years	Not	Not
			14 July 2020	6,000	Joint-liability	No		Three years	Not	Not

							guarantee line			
Sichuan Konka	31 March 2018 and 24 March 2021	65,000	22 March 2022	4,000	Joint-liability	No	No	One year	Not	Not
Ningbo Khr Electric Appliance	28 April 2022	12,000	12 August 2021	6,000	Joint-liability	No	No	Two years	Not	Not
			12 July 2022	6,000	Joint-liability	No	No	One year	Not	Not
Yibin Kangrun	24 October 2020	10,000	13 November 2020	10,000	Joint-liability	No	Other shareholder of Yibin Kangrun provides a counter guarantee for the Company for 33% of the guarantee line	Four years	Not	Not
Telecommunication Technology	28 April 2022	20,000	20 May 2022	7,500	Joint-liability	No	No	One year	Not	Not
Anhui Konka	28 April 2022	110,000	10 August 2021	28,000	Joint-liability	No	Other shareholder of Anhui Konka provides a counter guarantee for the Company for 22% of the guarantee line	Ten years	Not	Not
			29 October 2021	7,000	Joint-liability	No		Five years	Not	Not
			13 September 2022	10,000	Joint-liability	No		One year	Not	Not
			18 August 2022	5,500	Joint-liability	No		One year	Not	Not
			22 August 2022	18,000	Joint-liability	No		One year	Not	Not
			24 October 2022	7,000	Joint-liability	No		Four years	Not	Not
Konka Circuit	24 March 2021	50,000	24 May 2021	20,000	Joint-liability	No	No	Three years and a half	Not	Not
Mobile Interconnection	28 April 2022	10,000	11 August 2022	7,000	Joint-liability	No	No	One year	Not	Not
Liaoyang Kangshun	24 March 2021 and 28 April 2022	20,000	19 January 2022	5,000	Joint-liability	No	No	One year	Not	Not
Konka Xinyun	24 March 2021	30,000	12 July 2021	20,000	Joint-liability	No	No	Five years	Not	Not
			26 May 2022	6,000	Joint-liability	No	No	Two years	Not	Not
Yibin Smart	24 March 2021	10,000	31 March 2022	980	Joint-liability	No	No	One year	Not	Not
Chongqin	24 March	55,60	13 December	38,00	Joint-	No	No	Fifteen	Not	Not

g Konka	2021	0	2022	0	liability			years		
Frestec Smart Home	28 April 2022	12,240	6 July 2022	10,200	Joint-liability	No	No	Eight years	Not	Not
Konka Soft Electronic	28 April 2022	19,000	19 December 2022	975	Joint-liability	No	No	Four years	Not	Not
Total approved line for such guarantees in the Reporting Period (B1)					334,470	Total actual amount of such guarantees in the Reporting Period (B2)			260,835	
Total approved line for such guarantees at the end of the Reporting Period (B3)					1,607,180	Total actual balance of such guarantees at the end of the Reporting Period (B4)			484,165	
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Anhui Electrical Appliance		13,500	3 July 2020	13,500	Mortgage, pledge	Lands, house property, equity interests	No	Three years	Not	Not
Boluo Precision		12,449	6 July 2021	12,449	Mortgage	House property	No	Two years	Not	Not
Total approved line for such guarantees in the Reporting Period (C1)					0	Total actual amount of such guarantees in the Reporting Period (C2)			0	
Total approved line for such guarantees at the end of the Reporting Period (C3)					25,949	Total actual balance of such guarantees at the end of the Reporting Period (C4)			25,949	
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)					986,342	Total actual guarantee amount in the Reporting Period (A2+B2+C2)			412,525	
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)					2,418,701	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)			691,804	
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets					90.55%					
Of which:										
Balance of guarantees provided for shareholders, actual controller and their related parties (D)									130,000	
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)									691,804	
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)									309,784	
Total of the three amounts above (D+E+F)									691,804	
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)									N/A	
Provision of external guarantees in breach of the prescribed procedures (if any)									N/A	

Compound guarantees:

None

### 3. Cash Entrusted for Wealth Management

#### (1) Cash Entrusted for Wealth Management

√ Applicable □ Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Unrecovered overdue amount with provision for impairment
Trust financial products	Self-owned	10,000.00	10,000.00	0	0
Total		10,000.00	10,000.00	0	0

High-risk entrusted wealth management with significant single amount or low security and poor liquidity:

Applicable  Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted wealth management

Applicable  Not applicable

## (2) Entrusted Loans

Applicable  Not applicable

No such cases in the Reporting Period.

## 4. Other Major Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## XVI Other Significant Events

Applicable  Not applicable

(I) Corporate bond issue: Currently, the public offering of corporate bonds of RMB1.2 billion was completed on 14 July 2022; as for the non-public offering of corporate bonds of RMB1.8 billion, RMB1.2 billion of corporate bonds have been issued respectively on 8 September 2022 and 18 October 2022. As for the rest of corporate bonds of RMB0.6 billion, relevant matters are being promoted as planned.

(II) Initiation and establishment of funds: The total units of the Oriental-Konka Industry M&A Fund worth RMB1,001,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.95% of the total units. By the date of this report (31 December 2022), Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB487,344,000. The fund invested in Jiangxi Yahua Electronic Materials Co., Ltd., Genew Technologies Co., Ltd., etc.

The total units of the Kunshan-CITIC-Konka Emerging Industry Development Investment Fund worth RMB1,006,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.7% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB195.21 million. The fund invested in UNIONTECH, Hercules Microsystems (HME), etc.

The total units of the Tongxiang Wuzhen Jiayu Digital Economic Industry Fund worth RMB500 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB200 million, accounting

for 40% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB200,000,000. The fund invested in Feidi Technology (Shenzhen) Co., Ltd., CASICloud-Tech Co., Ltd.

The total units of Yancheng Kangyan Industry Investment Fund worth RMB3 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1201,500,000, accounting for 40.05% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB217,360,000. The fund invested in Anhui Zhongdian Xingfa and Xinlong Co., Ltd. and Chongqing YPFun Technology Co., Ltd., etc.

The total units of Yibin Kanghui Electronic Information Industry Equity Investment Fund worth RMB1,002,000,000. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB401 million, accounting for 40.02% of the total units. By the issuance date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB104 million. The fund invested in Talkweb Information System Co., Ltd.

The total units of Chongqing Kangxin Equity Investment Fund worth RMB2 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1 billion, accounting for 50% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB148,248,300. The fund invested in Shanghai Veiglo Information Technology Co., Ltd. Jiangxi Taide Wisdom Technology Co., Ltd., etc.

### (III) Disclosure index of significant information

Announcement No.	Date	Title	Page on newspaper	Website link
2022-01	8 January 2022	Announcement on Progress of Asset Acquisition and Funds Raising by Issuance of Shares and Cash Payment and Progress of Related Transaction Plan After Disclosure	Securities Daily B76, Shanghai Securities News 28, etc.	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
2022-02	18 January 2022	Announcement on Resolutions of 53th Meeting of the Ninth Board of Directors	Securities Daily B22, Shanghai Securities News 84, etc.	
2022-03	18 January 2022	Announcement on Proposed introduction of Strategic Investors by Controlling Company	Securities Daily B22, Shanghai Securities News 84, etc.	
2022-04	25 January 2022	2021 Result Forecast	Securities Daily B31, Shanghai Securities News 29, etc.	
2022-05	25 January 2022	Announcement on Progress of Security for Controlling Company	Securities Daily B31, Shanghai Securities News 29, etc.	
2022-06	9 February 2022	Announcement on Progress of Asset Acquisition and Funds Raising by Issuance of Shares and Cash Payment and Progress of Related Transaction Plan After Disclosure	Securities Daily B31, Shanghai Securities News 36, etc.	
2022-07	17 February 2022	Announcement on the Change of the Signatory Certified Public Accountant	Securities Daily B37, Shanghai Securities News 16, etc.	
2022-08	23 February 2022	Announcement on Resolutions of 54th Meeting of the Ninth Board of Directors	Securities Daily B38, Shanghai Securities News 33, etc.	

2022-09	23 February 2022	Announcement on Providing Financial Assistance to Shandong Econ Technology Co., Ltd. at Shareholding Ratio	Securities Daily B38, Shanghai Securities News 33, etc.
2022-10	23 February 2022	Announcement on Providing Counter Guarantee to and Conducting Connected Transaction with Shenzhen Overseas Chinese Town Co., Ltd. by Shenzhen Konka Telecommunications Technology Co., Ltd.	Securities Daily B38, Shanghai Securities News 33, etc.
2022-11	23 February 2022	Announcement on Progress of Guarantee Provision for GuangDong XingDa HongYe Electronic Co., Ltd.	Securities Daily B38, Shanghai Securities News 33, etc.
2022-12	1 March 2022	Announcement on Resignation of the Company's Director	Securities Daily B48, Shanghai Securities News 60, etc.
2022-13	1 March 2022	Announcement on Resignation of the Company's Vice President	Securities Daily B48, Shanghai Securities News 60, etc.
2022-14	7 March 2022	Announcement on Resolutions of 55th Meeting of the Ninth Board of Directors	Securities Daily B3, Shanghai Securities News 28, etc.
2022-15	7 March 2022	Announcement on Resolutions of 19th Meeting of the Ninth Board of Directors	Securities Daily B3, Shanghai Securities News 28, etc.
2022-16	7 March 2022	Announcement on Providing Financial Assistance to Sichuan Chengrui Real Estate Co., Ltd. at Shareholding Ratio	Securities Daily B3, Shanghai Securities News 28, etc.
2022-17	7 March 2022	Notice on Convening 2022 First Extraordinary General Meeting	Securities Daily B3, Shanghai Securities News 28, etc.
2022-18	7 March 2022	Announcement on the Termination of Asset Acquisition and Funds Raising by Issuance of Shares or Cash Payment and Related Transaction Matters	Securities Daily B3, Shanghai Securities News 28, etc.
2022-19	23 March 2022	Announcement on Resolutions of 2022 First Extraordinary General Meeting	Securities Daily B54, Shanghai Securities News 60, etc.
2022-20	24 March 2022	Announcement on the Postponement of the Replacement of the Board of Directors and the Board of Supervisors	Securities Daily B14, Shanghai Securities News 16, etc.
2022-21	25 March 2022	Announcement on Proposed Introduction of Strategic Investors by Controlling Company	Securities Daily B60, Shanghai Securities News 84, etc.
2022-22	30 March 2022	2021 Annual Report of Mercedes-Benz Group AG	
2022-23	30 March 2022	Announcement on Resolutions of 56th Meeting of the Ninth Board of Directors	Securities Daily B55, Shanghai Securities News 57, etc.
2022-24	30 March 2022	Announcement on Resolutions of 20th Meeting of the Ninth Board of Directors	Securities Daily B55, Shanghai Securities News 57, etc.
2022-25	30 March 2022	Announcement on Expected Routine Connected Transactions in 2022	Securities Daily B56, Shanghai Securities News 57, etc.
2022-26	30 March 2022	Announcement on Plan of Profit Distribution for 2022	Securities Daily B55, Shanghai Securities News 59, etc.
2022-27	30 March 2022	Notice on Convening 2021 Shareholders' General Meeting	Securities Daily B55, Shanghai Securities News 57, etc.
2022-28	30 March 2022	Announcement on Accrual of Asset Impairment Reserves for 2021	Securities Daily B55, Shanghai Securities News 57, etc.
2022-29	30 March 2022	Announcement on Providing Counter Guarantee and Conducting Connected Transaction for Applying for Bank Credit Business	Securities Daily B55, Shanghai Securities News 59, etc.
2022-30	30 March 2022	Announcement on Issuing the Plan for the Company's Private Offering of Corporate Bonds and Providing Counter Guarantee for OCT Group	Securities Daily B56, Shanghai Securities News 59, etc.
2022-31	30 March 2022	Announcement on Applying for a Comprehensive Line of Credit to and Conducting Connected Transactions with China Everbright Bank	Securities Daily B56, Shanghai Securities News 57, etc.
2022-32	30 March 2022	Abstract of 2021 Annual Report	Securities Daily B55, Shanghai Securities News 57, etc.
2022-33	1 April 2022	Announcement on Completion of Industrial and Commercial Registration of Changes for Capital Increase of Hefei KONSEMI Storage Technology Co., Ltd.	Securities Daily B92, Shanghai Securities News 92, etc.
2022-34	1 April 2022	Announcement on Holding 2021 Online Result Release	Securities Daily B92, Shanghai Securities News 92, etc.
2022-35	1 April	Announcement on Progress of Security for Controlling	Securities Daily B100, Shanghai

	2022	Company	Securities News 92, etc.
2022-36	26 April 2022	Announcement on Resolutions of 2021 Shareholders' General Meeting	Securities Daily B219, Shanghai Securities News 236, etc.
2022-37	28 April 2022	2022Q1 Report	Securities Daily B181, Shanghai Securities News 193, etc.
2022-38	28 April 2022	Notice on Convening 2022 Second Extraordinary General Meeting	Securities Daily B183, Shanghai Securities News 194, etc.
2022-39	28 April 2022	Announcement on Resolutions of 57th Meeting of the Ninth Board of Directors	Securities Daily B181, Shanghai Securities News 193, etc.
2022-40	28 April 2022	Announcement on Proposed Sale of Some of Equity in Chutian Dragon Co., Ltd.	Securities Daily B183, Shanghai Securities News 194, etc.
2022-41	28 April 2022	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Daily B182, Shanghai Securities News 194, etc.
2022-42	28 April 2022	Announcement on External Guarantee	Securities Daily B181, Shanghai Securities News 193, etc.
2022-43	28 April 2022	Announcement on Providing Security Limit to and Conducting Connected Transaction with Shareholding Company	Securities Daily B182, Shanghai Securities News 194, etc.
2022-44	17 May 2022	Announcement on Resolutions of 2022 Second Extraordinary General Meeting	Securities Daily B91, Shanghai Securities News 76, etc.
2022-45	21 May 2022	Announcement on Resolutions of 58th Meeting of the Ninth Board of Directors	Securities Daily B16, Shanghai Securities News 25, etc.
2022-46	21 May 2022	Announcement on Transfer of 100% of Equity in Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Securities Daily B16, Shanghai Securities News 25, etc.
2022-47	2 June 2022	Announcement on Resolutions of 59th Meeting of the Ninth Board of Directors	Securities Daily B16, Shanghai Securities News 41, etc.
2022-48	2 June 2022	Announcement on Increasing Capital to and Conducting Connected Transaction with Chuzhou Kangjin Health Industrial Development Co., Ltd.	Securities Daily B16, Shanghai Securities News 41, etc.
2022-49	2 June 2022	Announcement on Progress in the Provision of External Guarantee	Securities Daily B16, Shanghai Securities News 41, etc.
2022-50	2 June 2022	Announcement on Distribution of 2022 Annual Equity	Securities Daily B71, Shanghai Securities News 52, etc.
2022-51	11 June 2022	Announcement on Resolutions of 60th Meeting of the Ninth Board of Directors	Securities Daily B23, Shanghai Securities News 41, etc.
2022-52	11 June 2022	Notice on Convening 2022 Third Extraordinary General Meeting	Securities Daily B23, Shanghai Securities News 41, etc.
2022-53	11 June 2022	Announcement on Revision of the Articles of Association and other systems of the Company	Securities Daily B22, Shanghai Securities News 41, etc.
2022-54	18 June 2022	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Daily B22, Shanghai Securities News 20, etc.
2022-55	25 June 2022	Announcement on Voluntary Information Disclosure for Signing Cooperation Framework Agreement with Hangzhou Hemai Power Electronics Co., Ltd.	Securities Daily B71, Shanghai Securities News 60, etc.
2022-56	28 June 2022	Announcement on Resolutions of 2022 Third Extraordinary General Meeting	Securities Daily B57, Shanghai Securities News 52, etc.
2022-57	28 June 2022	Announcement on Progress in Transfer of 100% of Equity in Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Securities Daily B57, Shanghai Securities News 52, etc.
2022-57	9 July 2022	Announcement on Resolutions of 61 <sup>st</sup> Meeting of the Ninth Board of Directors	Securities Daily B16, Shanghai Securities News 81, etc.
2022-58	9 July 2022	Announcement on Resolutions of 22 <sup>nd</sup> Meeting of the Ninth Supervisory Committee	Securities Daily B16, Shanghai Securities News 81, etc.
2022-59	9 July 2022	Notice on Convening 2022 Fourth Extraordinary General Meeting	Securities Daily B15, Shanghai Securities News 81, etc.
2022-60	9 July 2022	Statement of Independent Director Candidate (Liu Jian)	Securities Daily B15, Shanghai Securities News 81, etc.
2022-61	9 July 2022	Statement of Independent Director Candidate (Deng Chunhua)	Securities Daily B15, Shanghai Securities News 81, etc.
2022-62	9 July 2022	Statement of Independent Director Candidate (Wang Shuguang)	Securities Daily B15, Shanghai Securities News 81, etc.
2022-63	9 July 2022	Statement of Independent Director Nominee (Deng Chunhua)	Securities Daily B16, Shanghai Securities News 81, etc.

2022-64	9 July 2022	Statement of Independent Director Nominee (Liu Jian)	Securities Daily B15, Shanghai Securities News 81, etc.
2022-65	9 July 2022	Statement of Independent Director Nominee (Wang Shuguang)	Securities Daily B15, Shanghai Securities News 81, etc.
2022-66	15 July 2022	Announcement on Performance Forecast for H1 2022	Securities Daily B17, Shanghai Securities News 84, etc.
2022-67	23 July 2022	Announcement on Overdue Shareholder Loan to Affiliated Company	Securities Daily B13, Shanghai Securities News 33, etc.
2022-68	23 July 2022	Announcement on Progress Update on Bid for Land Use Rights	Securities Daily B17, Shanghai Securities News 33, etc.
2022-69	26 July 2022	Announcement on Resolutions of the 2022 Fourth Extraordinary General Meeting	Securities Daily B37, Shanghai Securities News 52, etc.
2022-70	26 July 2022	Announcement on Election of Employee Directors and Employee Supervisors	Securities Daily B37, Shanghai Securities News 52, etc.
2022-71	26 July 2022	Announcement on Resolutions of 1 <sup>st</sup> Meeting of the Tenth Board of Directors	Securities Daily B37, Shanghai Securities News 52, etc.
2022-72	26 July 2022	Announcement on Resolutions of 1 <sup>st</sup> Meeting of the Tenth Supervisory Committee	Securities Daily B37, Shanghai Securities News 52, etc.
2022-73	18 August 2022	Announcement on Receipt of SZSE No Objection Letter for 2022 Corporate Bond Listing Qualification	Securities Daily B14, Shanghai Securities News 108, etc.
2022-74	20 August 2022	Announcement on Progress in the Provision of External Guarantee	Securities Daily B64, Shanghai Securities News 16, etc.
2022-75	25 August 2022	Summary of 2022 Interim Report	Securities Daily B2, Shanghai Securities News 20, etc.
2022-76	25 August 2022	2022 Interim Report	Securities Daily B2, Shanghai Securities News 20, etc.
2022-77	25 August 2022	Announcement on Resolutions of 2 <sup>nd</sup> Meeting of the Tenth Board of Directors	Securities Daily B2, Shanghai Securities News 20, etc.
2022-78	9 September 2022	Announcement on Issuance Results of Non-public Offering of Corporate Bonds (Tranche I) in 2022	Securities Daily A12, Shanghai Securities News 25, etc.
2022-79	15 September 2022	Announcement on Progress in the Provision of External Guarantee	Securities Daily B33, Shanghai Securities News 105, etc.
2022-80	1 October 2022	Announcement on Majority-owned Subsidiary Receiving Government Grants	Securities Daily B79, Shanghai Securities News 33, etc.
2022-81	19 October 2022	Announcement on Issuance Results of Non-public Offering of Corporate Bonds (Tranche II) in 2022	Securities Daily B99, Shanghai Securities News 81, etc.
2022-82	20 October 2022	Announcement on Progress in the Provision of External Guarantee	Securities Daily B59, Shanghai Securities News 57, etc.
2022-83	28 October 2022	2022 Q3 Report	Securities Daily B221, Shanghai Securities News 84, etc.
2022-84	28 October 2022	Announcement on Resolutions of 4 <sup>th</sup> Meeting of the Tenth Board of Directors	Securities Daily B221, Shanghai Securities News 84, etc.
2022-85	28 October 2022	Notice on Convening 2022 Fifth Extraordinary General Meeting	Securities Daily B221, Shanghai Securities News 84, etc.
2022-86	28 October 2022	Announcement on Appointment of Audit Firms for 2022 Financial Statements and Internal Control Audit	Securities Daily B221, Shanghai Securities News 84, etc.
2022-87	1 November 2022	Announcement on Participation in 2022 Shenzhen Online Group Reception Day for Listed Company Investors	Securities Daily B28, Shanghai Securities News 68, etc.
2022-88	15 November 2022	Announcement on Resolutions of the 2022 Fifth Extraordinary General Meeting	Securities Daily B75, Shanghai Securities News 52, etc.
2022-89	24 November	Announcement on Accumulative Lawsuits and Arbitrations	Securities Daily B33, Shanghai Securities News 33, etc.

	2022		
2022-90	24 November 2022	Announcement on Progress of Security for Controlling Company	Securities Daily B33, Shanghai Securities News 33, etc.
2022-91	7 December 2022	Announcement on Resolutions of 5 <sup>th</sup> Meeting of the Tenth Board of Directors	Securities Daily B8, Shanghai Securities News 50, etc.
2022-92	7 December 2022	Announcement on Financial Assistance to Sichuan Hongxinchen Real Estate Development Co., Ltd. Based on Shareholding Proportion	Securities Daily B8, Shanghai Securities News 50, etc.
2022-93	7 December 2022	Announcement on Loans Provided to Shareholders by Subsidiary Company Based on Equity Proportion	Securities Daily B8, Shanghai Securities News 50, etc.
2022-94	7 December 2022	Notice on Convening 2022 Sixth Extraordinary General Meeting	Securities Daily B8, Shanghai Securities News 50, etc.
2022-95	17 December 2022	Announcement on Progress of Security for Controlling Company	Securities Daily B44, Shanghai Securities News 44, etc.
2022-96	24 December 2022	Announcement on Resolutions of the 2022 Sixth Extraordinary General Meeting	Securities Daily B40, Shanghai Securities News 57, etc.

### XVII Significant Events of Subsidiaries

Applicable  Not applicable

## Part VII Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	19,500	0.00%				-19,500	-19,500	0	0.00%
1.3 Shares held by other domestic investors	19,500	0.00%				-19,500	-19,500	0	0.00%
Shares held by domestic natural persons	19,500	0.00%				-19,500	-19,500	0	0.00%
2. Unrestricted shares	2,407,925,908	100.00%				19,500	19,500	2,407,945,408	100.00%
2.1 RMB-denominated ordinary shares	1,596,574,300	66.31%				19,500	19,500	1,596,593,800	66.31%
2.2 Domestically listed foreign shares	811,351,608	33.69%						811,351,608	33.69%
3. Total shares	2,407,945,408	100.00%						2,407,945,408	100.00%

Reasons for the share changes:

Applicable  Not applicable

During the Reporting Period, Mr. Sun Qingyan resigned as the Vice President of the Company for personal reasons, and the 19,500 shares held by him in the Company locked up at the beginning of the year shall be fully released after six months upon his resignation according to the applicable laws and regulations.

Approval of the share changes:

Applicable  Not applicable

Transfer of share ownership:

Applicable  Not applicable

Effects of the share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable  Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable  Not applicable

## 2. Changes in Restricted Shares

Applicable  Not applicable

Name of shareholder	Beginning restricted shares	Unlocked in the current period	Increase in restricted shares in the current period	Ending restricted shares	Reason for restriction	Date of unlocking
Sun Qingyan	19,500	19,500	0	0	Over six months upon his resignation	1 September 2022
Total	19,500	19,500	0	0	--	--

## II Issuance and Listing of Securities

### 1. Securities (Exclusive of Preferred Shares) Issued in the Reporting Period

Applicable  Not applicable

### 2. Changes to Total Shares, Shareholder Structure and Asset and Liability Structures

Applicable  Not applicable

### 3. Existing Staff-Held Shares

Applicable  Not applicable

## III Shareholders and Actual Controller

### 1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	86,602	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	86,570	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/d decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Shares
OVERSEAS TOWN CHINESE HOLDINGS COMPANY	State-owned legal person	21.75%	523,746,932	0	0	523,746,932		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.48%	180,001,110	0	0	180,001,110		
WANG JINGFENG	Domestic natural person	4.36%	105,000,000	-6,111,100	0	105,000,000		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.46%	59,227,225	-73,100	0	59,227,225		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0	0	57,289,100		

GAOLING FUND,L.P.	Foreign legal person	2.19 %	52,801,250	0	0	52,801,250		
NAM NGAI	Foreign natural person	0.96 %	23,019,800	452,260	0	23,019,800		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.81 %	19,457,720	19,457,720	0	19,457,720		
BOCOM INTERNATIONAL SECURITIES LIMITED	Foreign legal person	0.78 %	18,896,037	0	0	18,896,037		
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.63 %	15,138,506	6,426,947	0	15,138,506		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Holdings Company (OCT Group), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and OCT Group are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the period-end	Shares by type						
		Type	Shares					
OVERSEAS CHINESE TOWN HOLDINGS COMPANY	523,746,932	RMB-denominated ordinary stock	523,746,932					
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	180,001,110	Domestically listed foreign stock	180,001,110					
WANG JINGFENG	105,000,000	RMB-denominated ordinary stock	105,000,000					
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	59,227,225	Domestically listed foreign stock	59,227,225					
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign stock	57,289,100					
GAOLING FUND,L.P.	52,801,250	Domestically listed foreign stock	52,801,250					
NAM NGAI	23,019,800	Domestically listed foreign stock	23,019,800					
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,457,720	Domestically listed foreign stock	19,457,720					
BOCOM INTERNATIONAL SECURITIES LIMITED	18,896,037	Domestically listed foreign stock	18,896,037					
HONG KONG SECURITIES CLEARING COMPANY LTD.	15,138,506	RMB-denominated ordinary stock	15,138,506					
Related or acting-in-concert parties among	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first							

top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	majority shareholder Overseas Chinese Town Holdings Company (OCT Group), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and OCT Group are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	Wang Jingfeng holds 105,000,000 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd.

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a central state-owned legal person

Type of the controlling shareholder: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Overseas Chinese Town Holdings Company	Zhang Zhengao	11 November 1985	91440300190346175T	Export of textile, light industrial products, etc; import of self-used goods in Shenzhen, mechanical equipment, light industrial products, etc. as approved by the relevant authorities of Shenzhen (under Government Document JMB [92] WJMGTSZZ No. A19024); compensation trade; investment in tourism and relevant cultural industry (including art performance, entertainment and their services, etc), industry, real estate, commerce & trade, packaging, decoration and investment in printing industry. The convert of export commodities into domestic sale and the domestic sales of import commodities. Travelling, rental of warehouses, culture and art, bonded warehouse of car donation, convention and exhibition services (the projects involved in license management can be operated after getting the relevant license first ); sales of automobile (sedan car included)
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	As of 31 December 2022, Overseas Chinese Town Holdings Company directly held 47.01% equity of Shenzhen Overseas Chinese Town Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ. 000069) and indirectly held 0.96% equity of Shenzhen Overseas Chinese Town Co., Ltd. through OCT Capital Investment Management Co., Ltd. Meanwhile, Shenzhen Overseas Chinese Town Co., Ltd. indirectly held 70.94% equity of OCT (Asia) Holdings Ltd. (a company listed on the main Board of Hong Kong Stock Exchange, 3366.HK). Overseas Chinese Town Holdings Company indirectly held 53.88% equity of Yunnan Tourism Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002059).Overseas Chinese Town Holdings Company held 7.77% equity of China Everbright Bank Company Limited (a company listed on the main Board of Shanghai Stock Exchange (SH.601818) and the main Board of Hong Kong Stock Exchange (6818.HK). Overseas Chinese Town Holdings Company indirectly held 2.74% equity of Zhejiang Century Huatong Group Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002602) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd. Overseas Chinese Town Holdings Company indirectly held 11.12% of equity of Jiangsu Guoxin Corporation Limited (a company listed in Shenzhen Stock Exchange, SZ. 002608) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd..			

Change of the controlling shareholder in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Actual Controller and Its Acting-in-Concert Parties

Nature of the actual controller: Central institution for state-owned assets management

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in	Date of	Unified social	Principal
---------------------------	--------------------------------	---------	----------------	-----------

	charge	establishment	credit code	activity
State-owned Assets Supervision and Administration Commission of the State Council	Zhang Yuzhuo		Not applicable	Not applicable
Actual controller's holdings in other listed companies at home or abroad in the Reporting Period				Not applicable

Change of the actual controller during the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

Applicable  Not applicable

**4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them**

Applicable  Not applicable

**5. Other 10% or Greater Corporate Shareholders**

Applicable  Not applicable

**6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers**

Applicable  Not applicable

**IV Specific Implementation of Share Repurchases in the Reporting Period**

Progress on any share repurchases:

Applicable  Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

Applicable  Not applicable

## **Part VIII Preference Shares**

Applicable  Not applicable

No Preference shares in the Reporting Period.

## Part IX Corporate Bonds

√ Applicable □ Not applicable

### I Enterprise Bonds

□ Applicable √ Not applicable

No enterprise bonds in the Reporting Period.

### II Corporate Bonds

√ Applicable □ Not applicable

#### 1. Basic Information of the Corporate Bonds

Unit: RMB

Name	Abbr.	Code	Issue date	Value date	Due date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption	Trade place
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche I)	21 Konka 01	114894	8 January 2021	8 January 2021	8 January 2024	1,000,000,000.00	4.46%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche II)	21 Konka 02	133003	21 May 2021	21 May 2021	21 May 2024	500,000,000.00	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche III)	21 Konka 03	133040	9 July 2021	9 July 2021	9 July 2024	800,000,000.00	3.95%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Corporate bonds publicly offered to professional investors in 2022 of Konka Group Co., Ltd. (Tranche I) (Variety I)	22 Konka 01	149987	14 July 2022	14 July 2022	14 July 2025	1,200,000,000.00	3.23%	Interests shall be paid every year and the principals shall be	Shenzhen Stock Exchange

									repaid when expired.	
Privately placed corporate bonds in 2022 of Konka Group Co., Ltd (Tranche I) (Variety I)	22 Konka 03	133306	8 September 2022	8 September 2022	8 September 2025	600,000,000.00	3.30%		Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche II)	22 Konka 05	133333	18 October 2022	18 October 2022	18 October 2025	600,000,000.00	3.50%		Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	“21 Konka 01”, “21 Konka 02”, “21 Konka 03”, “22 Konka 03” and “22 Konka 05” were placed privately to professional investors meeting the requirements of management method for investors eligibility of Shenzhen Stock Exchange, which not exceeding 200 persons. “22 Konka 01” was offered publicly to professional institutional investors meeting the requirements of Measures for the Administration of Issuing and Trading Corporate Bonds and opening a qualified A-share securities account in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.									
Applicable trade mechanism	Comprehensive protocol trading platform: Match-and-deal, click-and-deal, inquire-and-deal, bid-and-deal, and negotiate-and-deal									
Risk of delisting (if any) and countermeasures	No									

### Overdue bonds

Applicable  Not applicable

## 2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

Applicable  Not applicable

## 3. Intermediary

Did the intermediary change during the Reporting Period?

Yes  No

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
21 Konka 01 21 Konka 02 21 Konka 03	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	ZTF Securities Co., Ltd.	Centralized Business, Finance and Business District, Zone B, Zhongtian Exhibition City, North Changling Road, Guanshanhu District, Guiyang, Guizhou (North)	/	Qian Xi, Cai Dan	0755-28777990
	United Ratings	No.2 Jianwai Street,	/	Liu Qi	010-85679696

	Co., Ltd.	Chaoyang District, Beijing			
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	Ruihua Certified Public Accountants (Special General Partnership)	4/F, Building 2, Yard 16, Xisihuan Middle Road, Haidian District, Beijing	Liu Guibin	Liu Guibin	010-88219191
	Shinewing Certified Public Accountants (Special General Partnership)	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	028-62922886
22 Konka 01	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	ZTF Securities Co., Ltd.	Centralized Business, Finance and Business District, Zone B, Zhongtian Exhibition City, North Changling Road, Guanshanhu District, Guiyang, Guizhou (North)	/	Qian Xi, Cai Dan	0755-28777990
	United Ratings Co., Ltd.	No.2 Jianwai Street, Chaoyang District, Beijing	/	Liu Qi	010-85679696
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	Shinewing Certified Public Accountants (Special General Partnership)	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Guo Dongchao, Liu Lihong, Zhan Miaoling, Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	028-62922886
22 Konka 03 22 Konka 05	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	ZTF Securities Co., Ltd.	Centralized Business, Finance and Business District, Zone B, Zhongtian Exhibition City, North Changling Road, Guanshanhu District, Guiyang, Guizhou (North)	/	Qian Xi,	0755-28777990
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	Shinewing Certified Public Accountants (Special General Partnership)	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Guo Dongchao, Liu Lihong, Zhan Miaoling, Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	020-28309500

	Partnership)			
--	--------------	--	--	--

#### 4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
21 Konka 01	1,000,000,000.00	1,000,000,000.00	0			Yes
21 Konka 02	500,000,000.00	500,000,000.00	0			
21 Konka 03	800,000,000.00	800,000,000.00	0			
22 Konka 01	1,200,000,000.00	1,200,000,000.00	0			
22 Konka 03	600,000,000.00	600,000,000.00	0			
22 Konka 05	600,000,000.00	600,000,000.00	0			

The raised funds were used for project construction

Applicable  Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable  Not applicable

#### 5. Adjustment of Credit Rating Results during the Reporting Period

Applicable  Not applicable

#### 6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

Applicable  Not applicable

OCT Group provides full, unconditional and irrevocable joint liability guarantee for "21 Konka 01", "21 Konka 02", "21 Konka 03", "22 Konka 01", "22 Konka 03" and "22 Konka 05". The Credit Enhancement Mechanisms, Redemption Plans and Other Redemption Security Measures during the Reporting Period are executed according to agreement. No change occurred.

#### III Debt Financing Instruments of Non-financial Enterprises

Applicable  Not applicable

No such cases in the Reporting Period.

#### IV Convertible Corporate Bonds

Applicable  Not applicable

No such cases in the Reporting Period.

#### V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

Applicable  Not applicable

Item	Details of loss	Reason for loss	Impact on the company's production, operation and solvency
Net profit attributable to shareholders of listed companies	During the Reporting Period, the Company's net profit loss attributable to shareholders of listed companies was RMB1.471 billion, accounting for 14.42% of the net assets at the end of the previous year.	1. In 2022, while the scale of the consumer electronics business declined, the gross profit of the Company's consumer electronics business declined significantly and incurred a certain amount of loss due to factors such as fluctuations in raw material prices, increasingly fierce market competition, continued low average retail prices of consumer electronics products and rising shipping costs. 2. In 2022, the Company's semiconductor business continued to grow in R&D investment, but as it was still in the small-volume industrialization stage, it was not able to achieve the corresponding revenue and profit in 2022, which affected the overall earnings performance of the Company. 3. In 2022, in order to effectively revitalize the assets and further focus on the main business, the Company took the initiative to divest and liquidate the assets that are not strong enough to contribute to the development of the main business and make low contribution to the expansion of the industrial chain, and based on the principle of prudence, the Company recorded credit and asset impairment on some of the receivables and inventory that may be impaired. The Company made impairment provisions of RMB1,245 million for assets such as accounts receivable and inventories, resulting in a decline in profitability. 4. Due to the macroeconomic environment, the Company proactively contracted its industrial park and investment business in 2022, resulting in a significant decline in related earnings. RMB4,047 million of gain or loss on disposal of non-current assets was incurred in 2021 due to the disposal of equity interests in some of the Company's subsidiaries. The gain or loss on disposal of non-current assets in 2022 was RMB755 million, with a decrease of 81.33% year-on-year.	The Company will base on its main business, adhere to the platform professional operation, implement lean management, advocate long-term value, focus on efficiency improvement, continue to promote cost reduction and efficiency, cost control and efficiency, and continue to optimize the industrial structure. For the consumer electronics business, the Company will continue to promote the reform and upgrade of the color TV business and expand and strengthen the white TV business, so as to achieve a balance point in the sustainable development of the core consumer electronics business in the restructuring and enhance the market voice, industry status and premium level. For the semiconductor business, the Company will focus on core semiconductor technology breakthroughs, accelerate the pace of semiconductor industrialization and enhance market effectiveness. The loss for the reporting period will not affect the normal production and operation of the Company and the repayment of debts due.

## VI Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable  Not applicable

## VII Whether there was any Violation of Rules and Regulations during the Reporting Period

Yes  No

## VIII The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Unit: RMB'0,000

Item	31 December 2022	31 December 2021	Increase/decrease
Current ratio	118.17%	88.92%	32.89%
Asset-liability ratio	77.74%	74.42%	3.32%
Quick ratio	88.59%	71.36%	24.15%
	2022	2021	Increase/decrease
Net profit after deducting non-recurring profit or loss	-266,555.04	-325,079.81	18.00%

Debt/EBITDA ratio	-3.45%	13.59%	-17.04%
Times interest earned	-1.99	2.38	-183.61%
Times interest earned of cash	0.42	2.33	-81.97%
Times interest earned of EBITDA	-1.12	2.97	-137.71%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

## Part X Financial Statements

### I Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	24 March 2023
Name of the independent auditor	ShineWing Certified Public Accountants (Special General Partnership)
Reference number of audit report	XYZH//2023GZAA7B0025
Name of the certified public accountants	Tang Qimei, Liu Lihong

### Independent Auditor's Report

XYZH//2023GZAA7B0025

**All shareholders of Konka Group Co., Ltd.:**

#### I. Opinion

We have audited the accompanying financial statements of Konka Group Co., Ltd. (the "Konka Group"), which comprise the Company's and consolidated balance sheets of the parent company as at 31 December 2022, the Company's and consolidated income statements of the parent company, the Company's and consolidated cash flow statements of the parent company, the Company's and consolidated statements of changes in shareholders' equity of the parent company for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements attached were prepared in line with the regulations of Accounting Standards for Business Enterprises in all significant aspects which gave a true and fair view of the consolidated and parent financial position of the Company as at 31 December 2022 and the consolidated and parent business performance and cash flow of the Company for 2022.

#### II. Basis for Opinion

We conducted our audit in accordance with Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. In accordance with professional ethics for certified public accountants, we are independent with Foshan Huaxin Packing Co., Ltd. and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Current Period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>1. Recognition of operating revenues</b>	
<b>Key audit matters</b>	<b>Countermeasures of audit</b>
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 47. In 2022, Konka Group's consolidated financial statements confirmed operating income of RMB29,607.8543 million, the mainly revenue comes from the electronic business, trading business, and environmental protection business, etc. Due to the importance of revenue to the financial statements as a whole, and the inherent misstatement risk of management's manipulation of revenue recognition in order to achieve specific goals or expectations, we make revenue recognition a key audit matter.</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Obtain signed sales contracts, analyze relevant provisions, and evaluate whether the revenue recognition of Konka Group is in compliance with the Accounting Standards for Business Enterprises;</p> <p>(3) Obtain the sales list of Konka Group products, examine the customers' information registered with the industrial and commercial administration, inquire the relevant personnel of Konka Group, and identify whether any of the customers is a related party to Konka Group;</p> <p>(4) Perform analytical procedures on revenue and costs, evaluate the rationality of sales revenue and gross profit margin changes;</p> <p>(5) Examine materials such as important sales contracts, orders, invoices, goods ownership transfer certificates, bank receipts, invoices; regarding the industry trade business, learn about trading backgrounds and business nature to decide whether Konka Group is the main responsibility entity or an agent; select important customers, verify the transaction amounts and balances in writing to verify the truthfulness, completeness and accuracy of revenue;</p> <p>(6) Conduct a cut-off test on sales revenue.</p>
<b>2. Recognition of investment income</b>	
<b>Key audit matters</b>	<b>Countermeasures of audit</b>
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 54. In 2022, Konka Group's consolidated financial statements confirmed investment income of RMB936.0064 million. Mainly for the disposal of investment income generated by long-term equity investment, the gains from the remeasurement of the remaining equity at equity method on the day of the loss of control rights at fair value. Since the amount of investment income is significant, we</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Obtaining relevant decision-making documents for the disposal of the target company's equity, as well as equity transfer agreements and transaction documents, conducting interviews with the company's management and selected equity transferees to understand the commercial background and rationality of the equity transfer, in order to determine the authenticity of the equity transfer;</p> <p>(3) Obtain Konka Group's customer list, examine the customers' information registered with the industrial and commercial administration, inquire the relevant personnel of Konka Group, and identify whether any of the customers is a related party to Konka Group;</p> <p>(4) Perform analytical procedures on revenue and costs, evaluate the rationality of sales revenue and gross profit margin changes;</p>

<b>1. Recognition of operating revenues</b>	
<b>Key audit matters</b>	<b>Countermeasures of audit</b>
confirm the recognition of investment income as a key audit matter.	(5) Examine materials such as important sales contracts, orders, invoices, goods ownership transfer certificates, bank receipts, invoices; regarding the industry trade business, learn about trading backgrounds and business nature to decide whether Konka Group is the main responsibility entity or an agent; select important customers, verify the transaction amounts and balances in writing to verify the truthfulness, completeness and accuracy of revenue; and  (6) Conduct a cut-off test on sales revenue.

#### **IV. Other Information**

The management of the Company is responsible for the other information. The other information comprises all of the information included in the annual report for 2022 other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **V. Responsibility of Management and Those Charged with Governance for the Financial Statements**

The management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprises to make them a fair presentation and designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **VI. CPA's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of major misstatement of financial statements due to fraud or errors, design and implement audit procedures to deal with these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Since fraud may involve collusion, forgery, intentional omissions, misrepresentation, or overriding internal control, the risk of failing to detect a major misstatement due to fraud is higher than the risk of failing to detect a major misstatement due to error.
- (2) Understand the internal control related to auditing in order to design appropriate auditing procedures.
- (3) Evaluate the appropriateness of management's selection of accounting policies and the rationality of accounting estimates and related disclosures.
- (4) To draw conclusions on the appropriateness of the management's use of continuous operation assumptions. At the same time, based on the audit evidence obtained, a conclusion can be drawn on whether there is a material uncertainty that may cause significant doubts about Konka Group's ability to continue operations. If we conclude that there are significant uncertainties, the auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in the audit report; if the disclosures are insufficient, we should issue a non-reserved opinion. Our conclusion is based on the information available as of the date of the audit report. However, future events or circumstances may prevent Konka Group from continuing its operations.
- (5) Evaluate the overall presentation, structure, and content of the financial statements, and evaluate whether the financial statements fairly reflect related transactions and events.
- (6) Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities in Konka Group to express audit opinions on the financial statements. We are responsible for guiding, supervising and executing group audits, and assume full responsibility for audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Current Period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants  
(Special General Partnership)

CPA: (Engagement Partner)

CPA:

Beijing·China

24 March 2023

## II Financial Statements

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

### 1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

31 December 2022

Unit: RMB

Item	31 December 2022	1 January 2022
Current assets:		
Monetary assets	5,988,095,490.71	6,489,553,211.24
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	1,059,737,243.54	1,777,477,481.28
Accounts receivable	2,036,734,836.22	3,397,729,481.07
Accounts receivable financing	237,187,228.44	71,490,688.54
Prepayments	389,947,652.39	631,400,953.86
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,442,124,845.58	1,837,459,705.64
Including: Interest receivable	3,878,580.64	2,573,082.79
Dividends receivable	272,999.43	
Financial assets purchased under resale agreements		
Inventories	4,409,767,756.22	4,068,537,809.18
Contract assets		
Assets held for sale		
Current portion of non-current assets	14,630,000.00	28,105,523.78
Other current assets	2,038,841,225.83	2,299,963,391.24
Total current assets	17,617,066,278.93	20,601,718,245.83
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	800,400.00	18,495,499.14
Long-term equity investments	6,351,232,955.58	5,902,588,939.51
Investments in other equity instruments	23,841,337.16	23,841,337.16
Other non-current financial assets	2,639,662,273.32	2,293,361,603.68
Investment property	802,407,844.60	776,525,061.54
Fixed assets	4,114,029,693.38	4,010,295,277.14
Construction in progress	1,990,361,377.07	1,490,777,831.39
Productive living assets		
Oil and gas assets		
Right-of-use assets	50,019,838.68	71,210,415.37
Intangible assets	1,116,739,707.27	975,295,916.08
Development costs		16,870,310.70
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	387,309,503.07	297,497,383.39
Deferred income tax assets	1,190,454,750.62	725,315,725.10
Other non-current assets	1,710,245,378.26	2,648,530,490.12
Total non-current assets	20,399,301,794.12	19,272,802,525.43

Total assets	38,016,368,073.05	39,874,520,771.26
Current liabilities:		
Short-term borrowings	7,579,559,304.97	9,920,675,121.08
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,054,573,822.04	1,116,336,958.91
Accounts payable	2,659,946,562.93	3,784,315,091.41
Advances from customers	825.69	
Contract liabilities	601,044,358.35	652,910,408.02
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	348,608,204.05	410,747,084.80
Taxes payable	291,102,679.36	295,825,170.41
Other payables	1,895,711,373.34	1,788,177,748.59
Including: Interest payable	29,590,464.00	174,383,177.08
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	409,220,030.69	5,089,586,269.32
Other current liabilities	68,449,783.71	109,742,188.24
Total current liabilities	14,908,216,945.13	23,168,316,040.78
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	8,906,931,402.89	3,529,140,539.09
Bonds payable	4,792,392,044.13	2,293,698,899.30
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	36,586,639.16	42,532,869.63
Long-term payables	7,964,127.18	140,687,570.78
Long-term employee benefits payable	4,894,209.73	5,111,296.75
Provisions	159,395,579.55	106,276,535.85
Deferred income	334,844,966.31	206,302,424.92
Deferred income tax liabilities	89,535,936.97	76,894,581.97
Other non-current liabilities	314,233,260.08	104,610,663.76
Total non-current liabilities	14,646,778,166.00	6,505,255,382.05
Total liabilities	29,554,995,111.13	29,673,571,422.83
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	365,247,361.05	234,389,963.10
Less: Treasury stock		
Other comprehensive income	-14,265,181.63	-20,336,087.87
Specific reserve		
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General reserve		
Retained earnings	3,637,291,770.33	5,229,098,788.94
Total equity attributable to owners of the Company as the parent	7,640,399,721.99	9,095,278,436.41
Non-controlling interests	820,973,239.93	1,105,670,912.02
Total owners' equity	8,461,372,961.92	10,200,949,348.43

Total liabilities and owners' equity	38,016,368,073.05	39,874,520,771.26
Legal representative: Zhou Bin	CFO: Li Chunlei	Head of the financial department: Ping Heng

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

Unit: RMB

Item	31 December 2022	1 January 2022
<b>Current assets:</b>		
Monetary assets	3,987,295,740.42	4,809,203,282.52
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	353,764,106.66	912,584,879.70
Accounts receivable	4,473,878,994.50	4,468,684,877.11
Accounts receivable financing		6,250,000.00
Prepayments	2,105,477,988.44	1,617,640,913.05
Other receivables	10,342,326,355.05	10,925,066,231.53
Including: Interest receivable	3,878,580.64	2,002,526.91
Dividends receivable	393,563,347.61	383,943,256.80
Inventories	173,658,748.80	192,035,723.31
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,581,440,821.79	1,736,172,492.35
<b>Total current assets</b>	<b>23,017,842,755.66</b>	<b>24,667,638,399.57</b>
<b>Non-current assets:</b>		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	9,100,689,137.42	8,633,142,223.64
Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	396,353,137.96	200,326,093.02
Investment property	439,835,051.61	455,475,442.43
Fixed assets	418,021,638.28	398,611,899.13
Construction in progress	481,659,536.66	304,489,347.00
Productive living assets		
Oil and gas assets		
Right-of-use assets	1,341,125.40	4,023,376.21
Intangible assets	65,620,126.31	55,814,854.54
Development costs		
Goodwill		
Long-term prepaid expense	36,665,581.09	31,718,868.00
Deferred income tax assets	1,127,531,647.49	711,814,124.48
Other non-current assets	458,931.60	
<b>Total non-current assets</b>	<b>12,086,116,129.18</b>	<b>10,813,356,443.81</b>
<b>Total assets</b>	<b>35,103,958,884.84</b>	<b>35,480,994,843.38</b>
<b>Current liabilities:</b>		
Short-term borrowings	2,217,049,472.22	4,259,749,597.92
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	890,526,510.04	1,126,421,923.99
Accounts payable	6,918,579,963.57	8,297,778,584.91
Advances from customers		
Contract liabilities	2,445,363,632.98	740,817,658.30
Employee benefits payable	90,137,022.47	128,148,938.08
Taxes payable	4,095,684.11	8,022,098.02

Other payables	3,941,891,644.62	4,155,006,946.60
Including: Interest payable	29,271,307.22	171,516,416.71
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	151,933,839.55	4,715,415,917.78
Other current liabilities	7,129,729.38	11,124,209.72
Total current liabilities	16,666,707,498.94	23,442,485,875.32
Non-current liabilities:		
Long-term borrowings	8,261,287,052.44	3,161,298,604.12
Bonds payable	4,792,392,044.13	2,293,698,899.30
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		1,664,232.11
Long-term payables		
Long-term employee benefits payable		
Provisions	83,666,032.25	572,097.48
Deferred income	43,377,324.62	36,243,964.61
Deferred income tax liabilities		
Other non-current liabilities	42,948,698.55	43,677,187.49
Total non-current liabilities	13,223,671,151.99	5,537,154,985.11
Total liabilities	29,890,378,650.93	28,979,640,860.43
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	241,044,390.55	110,696,992.60
Less: Treasury stock		
Other comprehensive income	-1,500,000.00	-1,500,000.00
Specific reserve		
Surplus reserves	1,260,024,039.76	1,260,024,039.76
Retained earnings	1,306,066,395.60	2,724,187,542.59
Total owners' equity	5,213,580,233.91	6,501,353,982.95
Total liabilities and owners' equity	35,103,958,884.84	35,480,994,843.38

### 3. Consolidated Income Statement

Unit: RMB

Item	2022	2021
1. Revenue	29,607,854,255.27	49,106,513,669.58
Including: Operating revenue	29,607,854,255.27	49,106,513,669.58
Interest revenue		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	32,164,076,308.01	51,466,453,430.94
Including: Cost of sales	28,788,638,393.88	47,401,884,981.53
Interest costs		
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	119,339,820.01	107,078,675.16
Selling expense	1,240,144,735.77	1,428,062,895.37

Administrative expense	949,647,590.28	960,449,117.12
R&D expense	543,882,024.89	616,335,488.01
Finance costs	522,423,743.18	952,642,273.75
Including: Interest expense	913,721,408.10	1,003,080,641.99
Interest income	237,115,652.09	169,492,982.89
Add: Other income	928,712,500.81	1,353,534,580.11
Return on investment (“-” for loss)	936,006,397.44	4,216,806,949.38
Including: Share of profit or loss of joint ventures and associates	123,392,731.97	78,926,555.74
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)	-40,731,333.54	52,490,907.33
Credit impairment loss (“-” for loss)	-949,885,019.53	-1,107,273,681.31
Asset impairment loss (“-” for loss)	-295,395,852.33	-643,102,386.02
Asset disposal income (“-” for loss)	9,580,708.29	571,964.16
3. Operating profit (“-” for loss)	-1,967,934,651.60	1,513,088,572.29
Add: Non-operating income	125,139,042.00	82,601,532.35
Less: Non-operating expense	224,724,245.84	24,444,724.35
4. Profit before tax (“-” for loss)	-2,067,519,855.44	1,571,245,380.29
Less: Income tax expense	-297,356,565.55	764,544,554.19
5. Net profit (“-” for net loss)	-1,770,163,289.89	806,700,826.10
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-1,770,163,289.89	806,700,826.10
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent	-1,471,409,748.21	905,352,997.68
5.2.1 Net profit attributable to non-controlling interests	-298,753,541.68	-98,652,171.58
6. Other comprehensive income, net of tax	7,669,161.80	-6,210,784.44
Attributable to owners of the Company as the parent	6,070,906.24	-3,753,045.45
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	6,070,906.24	-3,753,045.45
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-2,814,803.62	1,182,217.31
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	8,885,709.86	-4,935,262.76
6.2.7 Other		
Attributable to non-controlling interests	1,598,255.56	-2,457,738.99
7. Total comprehensive income	-1,762,494,128.09	800,490,041.66
Attributable to owners of the Company as the parent	-1,465,338,841.97	901,599,952.23
Attributable to non-controlling interests	-297,155,286.12	-101,109,910.57

8. Earnings per share		
8.1 Basic earnings per share	-0.6111	0.3760
8.2 Diluted earnings per share	-0.6111	0.3760

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Ping Heng

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

Unit: RMB

Item	2022	2021
1. Operating revenue	1,811,783,519.02	2,866,801,648.83
Less: Cost of sales	1,962,490,364.97	2,801,504,839.24
Taxes and surcharges	15,338,452.88	12,498,811.40
Selling expense	366,876,186.97	424,186,040.12
Administrative expense	336,016,963.92	382,489,529.42
R&D expense	72,787,542.14	97,574,600.53
Finance costs	285,666,822.84	483,733,481.27
Including: Interest costs	819,229,878.82	839,889,878.68
Interest revenue	353,261,761.47	452,535,196.29
Add: Other income	54,121,427.81	39,245,757.36
Return on investment (“-” for loss)	538,946,392.20	3,464,665,015.66
Including: Share of profit or loss of joint ventures and associates	138,908,805.41	94,791,865.50
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)	-44,886,112.74	-12,011,365.31
Credit impairment loss (“-” for loss)	-711,816,020.43	-1,004,145,022.47
Asset impairment loss (“-” for loss)	-355,291,000.36	-556,453,134.90
Asset disposal income (“-” for loss)	6,034,182.85	
2. Operating profit (“-” for loss)	-1,740,283,945.37	596,115,597.19
Add: Non-operating income	91,504,267.54	13,373,472.37
Less: Non-operating expense	64,661,744.87	18,967,155.53
3. Profit before tax (“-” for loss)	-1,713,441,422.70	590,521,914.03
Less: Income tax expense	-415,717,523.01	265,929,368.36
4. Net profit (“-” for net loss)	-1,297,723,899.69	324,592,545.67
4.1 Net profit from continuing operations (“-” for net loss)	-1,297,723,899.69	324,592,545.67
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		1,182,217.31
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		
5.2.7 Other		
6. Total comprehensive income	-1,297,723,899.69	325,774,762.98
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	2022	2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	31,247,109,491.35	49,515,088,981.33
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	622,846,091.66	419,652,399.70
Cash generated from other operating activities	1,597,087,027.13	2,016,982,305.72
Subtotal of cash generated from operating activities	33,467,042,610.14	51,951,723,686.75
Payments for commodities and services	29,639,887,809.19	46,186,429,808.61
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	1,800,638,478.78	1,952,798,829.91
Taxes paid	585,416,375.42	862,563,882.08
Cash used in other operating activities	1,969,402,988.58	2,141,174,772.04
Subtotal of cash used in operating activities	33,995,345,651.97	51,142,967,292.64
Net cash generated from/used in operating activities	-528,303,041.83	808,756,394.11
2. Cash flows from investing activities:		
Proceeds from disinvestment	875,506,214.56	711,179,541.54

Return on investment	128,778,266.85	98,795,653.56
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	9,239,243.90	235,061,583.74
Net proceeds from the disposal of subsidiaries and other business units	297,094,350.04	2,569,725,512.90
Cash generated from other investing activities	3,988,535,308.42	2,388,474,099.33
Subtotal of cash generated from investing activities	5,299,153,383.77	6,003,236,391.07
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	3,613,087,559.62	6,639,941,735.82
Payments for investments	877,816,559.18	841,389,150.64
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		96,500,200.00
Cash used in other investing activities	482,014,454.76	1,110,357,931.34
Subtotal of cash used in investing activities	4,972,918,573.56	8,688,189,017.80
Net cash generated from/used in investing activities	326,234,810.21	-2,684,952,626.73
3. Cash flows from financing activities:		
Capital contributions received	87,895,628.12	149,069,787.60
Including: Capital contributions by non-controlling interests to subsidiaries	87,895,628.12	149,069,787.60
Borrowings raised	20,760,552,594.08	23,661,013,892.77
Cash generated from other financing activities	525,285,976.82	1,019,124,723.01
Subtotal of cash generated from financing activities	21,373,734,199.02	24,829,208,403.38
Repayment of borrowings	19,821,101,947.09	19,372,566,049.47
Interest and dividends paid	1,025,755,719.07	963,157,376.97
Including: Dividends paid by subsidiaries to non-controlling interests	110,680,000.00	49,620,733.43
Cash used in other financing activities	859,164,470.60	928,627,586.95
Subtotal of cash used in financing activities	21,706,022,136.76	21,264,351,013.39
Net cash generated from/used in financing activities	-332,287,937.74	3,564,857,389.99
4. Effect of foreign exchange rates changes on cash and cash equivalents	27,920,961.23	-18,370,051.58
5. Net increase in cash and cash equivalents	-506,435,208.13	1,670,291,105.79
Add: Cash and cash equivalents, beginning of the period	5,968,347,219.03	4,298,056,113.24
6. Cash and cash equivalents, end of the period	5,461,912,010.90	5,968,347,219.03

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

Item	Unit: RMB	
	2022	2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	7,297,996,873.73	5,382,231,744.24
Tax rebates	230,063,490.93	146,315,048.47
Cash generated from other operating activities	372,486,582.46	354,644,830.80
Subtotal of cash generated from operating activities	7,900,546,947.12	5,883,191,623.51
Payments for commodities and services	7,900,208,310.15	4,801,085,160.78
Cash paid to and for employees	312,957,158.05	305,846,589.21
Taxes paid	44,490,340.42	17,618,283.94
Cash used in other operating activities	927,360,896.15	1,090,364,534.12
Subtotal of cash used in operating activities	9,185,016,704.77	6,214,914,568.05
Net cash generated from/used in operating activities	-1,284,469,757.65	-331,722,944.54
2. Cash flows from investing activities:		
Proceeds from disinvestment	572,941,738.40	3,791,610,018.69
Return on investment	70,285,307.27	416,108,161.42
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	66,770.14	250,499.51

Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	6,707,788,692.79	5,806,654,263.21
Subtotal of cash generated from investing activities	7,351,082,508.60	10,014,622,942.83
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	219,097,737.67	193,906,338.75
Payments for investments	896,121,280.49	516,428,500.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	6,311,902,161.21	8,187,892,613.35
Subtotal of cash used in investing activities	7,427,121,179.37	8,898,227,452.10
Net cash generated from/used in investing activities	-76,038,670.77	1,116,395,490.73
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	17,271,455,216.03	16,431,809,395.06
Cash generated from other financing activities	15,043,752,843.76	12,359,266,361.42
Subtotal of cash generated from financing activities	32,315,208,059.79	28,791,075,756.48
Repayment of borrowings	15,948,765,699.19	15,084,306,762.28
Interest and dividends paid	814,951,365.94	782,072,702.29
Cash used in other financing activities	15,040,575,205.97	11,934,250,317.89
Subtotal of cash used in financing activities	31,804,292,271.10	27,800,629,782.46
Net cash generated from/used in financing activities	510,915,788.69	990,445,974.02
4. Effect of foreign exchange rates changes on cash and cash equivalents	597,369.19	-3,272,298.44
5. Net increase in cash and cash equivalents	-848,995,270.54	1,771,846,221.77
Add: Cash and cash equivalents, beginning of the period	4,682,608,814.76	2,910,762,592.99
6. Cash and cash equivalents, end of the period	3,833,613,544.22	4,682,608,814.76

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

2022

Unit: RMB

Item	2022														
	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 reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the prior year	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,098,788.94		9,095,278,436.41	1,105,670,912.02	10,200,949,348.43
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 year	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,098,788.94		9,095,278,436.41	1,105,670,912.02	10,200,949,348.43
3. Increase/ decrease in the period ("—" for decrease)					130,857,397.95		6,070,906.24				-1,591,807,018.61		-1,454,878,714.42	-284,697,672.09	-1,739,576,386.51
3.1 Total comprehensive income							6,070,906.24				-1,471,409,748.21		-1,465,338,841.97	-297,155,286.12	-1,762,494,128.09
3.2 Capital increased and reduced by owners					130,857,397.95								130,857,397.95	123,636,214.83	254,493,612.78
3.2.1 Ordinary shares increased by owners														87,895,628.12	87,895,628.12
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					130,857,397.95								130,857,397.95	35,740,586.71	166,597,984.66
3.3 Profit distribution											-120,397,270.40		-120,397,270.40	-110,680,000.00	-231,077,270.40
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	-110,680,000.00	-231,077,270.40
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															



3.2.3 Share-based payments included in owners' equity														
3.2.4 Other				4,204,653.01								4,204,653.01	-1,095,027,352.89	-1,090,822,699.88
3.3 Profit distribution								32,459,254.57	-273,253,795.37	-240,794,540.80			-42,123,733.44	-282,918,274.24
3.3.1 Appropriation to surplus reserves								32,459,254.57	-32,459,254.57					
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)									-240,794,540.80	-240,794,540.80			-42,123,733.44	-282,918,274.24
3.3.4 Other														
3.4 Transfers within owners' equity													-28,270,953.74	-28,270,953.74
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													-28,270,953.74	-28,270,953.74
3.5 Specific reserve														
3.5.1 Increase in the period														
3.5.2 Used in the period														
3.6 Other									1,628,195.00	1,628,195.00				1,628,195.00
4. Balance as at the end of the period	2,407,945,408.00			234,389,963.10		-20,336,087.87	1,244,180,364.24	5,229,098,788.94	9,095,278,436.41	1,105,670,912.02				10,200,949,348.43

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

2022

Unit: RMB

Item	2022											Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	O t h e r	
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the prior year	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,542.59		6,501,353,982.95
Add: Adjustment for change in accounting policy												

Adjustment for correction of previous error											
Other adjustments									23.10		23.10
2. Balance as at the beginning of the year	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,565.69	6,501,354,006.05
3. Increase/ decrease in the period (“-” for decrease)					130,347,397.95					-1,418,121,170.09	-1,287,773,772.14
3.1 Total comprehensive income										-1,297,723,899.69	-1,297,723,899.69
3.2 Capital increased and reduced by owners					130,347,397.95						130,347,397.95
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					130,347,397.95						130,347,397.95
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 period	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,306,066,395.60	5,213,580,233.91

2021

Unit: RMB

Item	2021											Total owners’ equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	O t h e r	
		Preferre d shares	Perpetu al bonds	Other								
1. Balance as at the end of the 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										320,463,787.20		320,463,787.20

2. Balance as at the beginning of the year	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,672,848,792.29	6,418,247,120.89
3. Increase/ decrease in the period (“-” for decrease)					-1,873,360.12		1,182,217.31		32,459,254.57	51,338,750.30	83,106,862.06
3.1 Total comprehensive income							1,182,217.31			324,592,545.67	325,774,762.98
3.2 Capital increased and reduced by owners					-1,873,360.12						-1,873,360.12
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					-1,873,360.12						-1,873,360.12
3.3 Profit distribution									32,459,254.57	-273,253,795.37	-240,794,540.80
3.3.1 Appropriation to surplus reserves									32,459,254.57	-32,459,254.57	
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 period	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,542.59	6,501,353,982.95

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### I. Company Profile

#### 1. Establishment

Konka Group Co., Ltd. (hereinafter referred to as the Company and the “Group” when including subsidiaries), 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 31 December 2022, 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 Group was mainly engaged in the production and sales of colour TVs, white goods, etc.; as well as the operation of 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 24 March 2023.

### II. Consolidation scope

The Company has a total of 127 subsidiaries included in the consolidation scope including Shenzhen Konka Electronics Technology Co., Ltd., Anhui Konka Electronic Co., Ltd. and Dongguan Konka Electronic Co., Ltd. The consolidation scope of the Company for the Reporting Period increased by 20 entities including Jiangxi Konka High-tech Park Operation and Management Co., Ltd., Shangrao Konka Electronic Technology Innovation Co., Ltd. and Konka Photovoltaic Technology Co., Ltd. due to incorporation or acquisition and decreased by 13 households including Xi'an Huasheng Jiacheng Real Estate Co., Ltd. and Hefei KONSEMI Storage Technology Co., Ltd. due to losing control or cancellation compared to the same period of last 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
-----	----------------	--------------

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>No.</b>	<b>Corporate name</b>	<b>Abbreviation</b>
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
2	Anhui Konka Zhilian E-Commerce Co., Ltd.	Anhui Zhilian
3	Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
4	Chengdu Konka Smart Technology Co., Ltd.	Chengdu Konka Smart
5	Chengdu Konka Electronic Co., Ltd.	Chengdu Konka Electronic
6	Nantong Hongdin Smart Technology Co., Ltd.	Nantong Hongdin
7	Shenzhen Youzhihui Technology Co., Ltd.	Youzhihui
8	Xiaojia Technology Co., Ltd.	Xiaojia Technology
9	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun Smart
10	Liaoyang Kangshun Renewable Resources Co., Ltd.	Liaoyang Kangshun Renewable
11	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka
12	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Chuzhou Konka
13	Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Xi'an Huasheng
14	GuangDong XingDa HongYe Electronic Co., Ltd.	XingDa HongYe
15	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	Shanghai Xinfeng
16	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
17	Suining Konka Flexible Electronic Technology Co., Ltd.	Konka Flexible Electronic
18	Suining Konka Hongye Electronics Co., Ltd.	Konka Hongye Electronics
19	Boluo Konka Precision Technology Co., Ltd.	Boluo Precision
20	Boluo Konka PCB Co., Ltd.	Boluo Konka
21	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
22	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
23	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
24	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
25	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
26	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
27	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
28	Shenzhen Konka Investment Holdings Co., Ltd.	Konka Investment
29	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
30	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
31	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
32	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
33	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
34	Konka Factoring (Shenzhen) Co., Ltd.	Konka Factoring
35	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
36	Konka Financial Leasing (Tianjin) Co., Ltd.	Konka Leasing
37	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
38	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation
39	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
40	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
41	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.	Mobile Interconnection
42	Sichuan Konka Smart Terminal Technology Co., Ltd.	Sichuan Konka
43	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
44	Shenzhen KONSEMI Co., Ltd.	Shenzhen KONSEMI
45	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
46	Hefei KONSEMI Storage Technology Co., Ltd.	Hefei KONSEMI
47	Hefei Yihe Electronic Co., Ltd.	Yihe Electronic
48	Kowin Memory Technology (Shenzhen) Co., Limited	Kowin Memory (Shenzhen)
49	Kowin Memory Technology (Hong Kong) Co., Limited	Kowin Memory (Hong Kong)
50	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
51	Konka Industrial and Trade Technology (Shenzhen) Co.,	Industrial and Trade

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
	Ltd.	Technology
52	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
53	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Huazhong
54	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
55	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
56	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
57	Anhui Konka Electronic Co., Ltd.	Anhui Konka
58	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
59	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
60	Konka Mobility Co., Limited	Konka Mobility
61	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
62	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
63	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
64	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
65	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
66	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Yibin Kangrun Environmental Protection
67	Ningbo Khr Electric Appliance Co., Ltd.	Ningbo Khr Electric Appliance
68	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
69	Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Jiangxi High Transparent Substrate
70	Jiangsu Konka Special Material Technology Co., Ltd.	Jiangsu Konka Special Material
71	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline
72	Konka Huanjia Environmental Technology Co., Ltd.	Konka Huanjia

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>No.</b>	<b>Corporate name</b>	<b>Abbreviation</b>
73	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
74	Shaanxi Konka Intelligent Appliance Co., Ltd.	Shaanxi Konka Intelligent
75	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
76	Jiaxin Technology Co., Ltd.	Jiaxin Technology
77	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
78	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
79	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
80	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
81	Jiali International (Hong Kong) Limited	Jiali International
82	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
83	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
84	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
85	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
86	Yantai Laikang Industrial Development Co., Ltd.	Yantai Laikang
87	Hainan Konka Material Technology Co., Ltd.	Konka Material
88	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
89	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
90	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
91	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
92	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
93	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
94	Konka (Europe) Co., Ltd.	Konka Europe
95	Hong Kong Konka Limited	Hong Kong Konka

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>No.</b>	<b>Corporate name</b>	<b>Abbreviation</b>
96	Hongdin International Trading Limited	Hongdin Trading
97	Konka North America LLC	Konka North America
98	Kanghao Technology Co., Ltd.	Kanghao Technology
99	Hongdin Invest Development Limited	Hongdin Invest
100	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
101	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited	Chain Kingdom Memory Technologies (Shenzhen)
102	Hongjet (Hong Kong) Company Limited	Hongjet
103	Xi'an Feihe Real Estate Development Co., Ltd.	Xi'an Feihe
104	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
105	Jiangxi Konka Industrial Park Development Co. Ltd.	Jiangxi Konka Industrial Park
106	Ruichang Kangrui Real Estate Co., Ltd.	Ruichang Kangrui Real Estate
107	Konka Industrial Development (Wuhan) Co., Ltd.	Industrial development in Wuhan
108	Shenzhen Kangxiaoja Digital Information Technology Co., Ltd.	Kangxiaoja Digital
109	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
110	Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	Yijiakang Smart Terminal
111	Guizhou Kangkai Material Technology Co., Ltd.	Guizhou Kangkai Material Technology
112	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material Technology
113	Guizhou Kanggui Energy Co., Ltd.	Guizhou Kanggui Energy
114	Guangdong Xinwei Semiconductor Co., Ltd.	Guangdong Xinwei
115	Chongqing Kangxingrui Renewable Resources Co., Ltd.	Kangxinrun Renewable Resources
116	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Material

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
		Technology
117	Sichuan Chengrui Real Estate Co., Ltd.	Sichuan Chengrui
118	Chongqing Jiarun Real Estate Co., Ltd.	Chongqing Jiarun
119	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
120	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun
121	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Jiangxi Konka High-tech Park
122	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
123	Guizhou Konka New Energy Material Technology Co., Ltd.	Guizhou Konka New Energy
124	Zhejiang Konka Electronic Technology Co., Ltd.	Zhejiang Konka Electronic
125	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industry
126	Sichuan Hongxinchen Real Estate Development Co., Ltd.	Sichuan Hongxinchen
127	Xi'an Konka Intelligent Appliance Co., Ltd.	Xi'an Konka Intelligent
128	Xi'an Konka Network Technology Co., Ltd.	Xi'an Konka Network
129	Xi'an Kanghong Technology Industry Development Co., Ltd.	Xi'an Kanghong Technology Industry
130	Xi'an Konka Intelligent Technology Development Co., Ltd.	Xi'an Konka Intelligent Technology
131	Chongqing Fangbing Real Estate Co., Ltd.	Chongqing Fangbing Real Estate
132	Chongqing Konka Low Carbon Technology Co., Ltd.	Chongqing Konka Low Carbon
133	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	Kanghong Xintong
134	Songyang Konka Smart Industry Operation Management Co., Ltd.	Songyang Industry Operation
135	Shenzhen Kangyan Technology Co., Ltd.	Kangyan Technology
136	Konka Photovoltaic Technology Co., Ltd.	Konka Photovoltaic Technology
137	Songyang Konka Intelligent Technology Development Co., Ltd.	Songyang Konka Intelligent
138	Konka North China (Tianjin) Technology Co., Ltd.	Konka North China
139	Zhongshan Kanghong Electronic Technology Co., Ltd.	Zhongshan Kanghong
140	Shenzhen Konka Digital Technology Development Co.,	Digital Technology

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
	Ltd.	

### 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 Group 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 Group has a recent history of profitable operations supported by financial resources and considers it reasonable to prepare the financial statements on a going concern basis.

### IV. Important Accounting Policies and Estimations

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

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

#### 2. Fiscal Period

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

#### 3. Operating Cycle

The normal operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents by the Group. An operating cycle for the Group is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

#### 4. Recording Currency

The Group adopted RMB 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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 all controlled subsidiaries and structural entities.

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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group without any earlier than the time when the Group 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 Group before the merger, the confirmed relevant profit and loss on the same party with the Group 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 Group 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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group disposes of the equity investment in a subsidiary Group 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 Group until the loss of control right belong to a package transaction, the transactions shall be treated as transactions of the disposal of the subsidiary Group 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 Group classifies joint arrangements into joint operations and joint ventures. For a joint operation, the Group, 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 Group's stake in the joint operation; recognizes relevant income and expense according to the Group's stake in the joint operation. When the Group purchases or sells the assets not constituting business with the joint operation, the Group 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 Group'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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

### (1) Foreign currency transaction

As for foreign currency transaction, the Group 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 Group 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 Group 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 Group classified the financial assets meeting the following conditions at the same time as financial assets at amortized cost: ①The business mode of the Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group 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 Group 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 Group 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 Group 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 Group for strategic purpose, with no control, joint control or significance influence, and with no active market quotation.

The Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

financial assets shall be recorded into the current profit or loss.

The contingent consideration recognized by the Group 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 Group 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 Group'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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

rate. The Group 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 Group 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 Group. If the Group (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 Group, 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 Group 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 Group 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 Group preferred level 1 input, and applied level 3 input at last. Level 1 input was applicable for listed stock and bond held by the Group, 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 Group) and held-for-trading financial assets (mainly financial products held by the Group). The level attributed to the fair value measurement result was

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

determined according to the lowest level of the input with much significance to fair value measurement in general.

The Group 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 Group 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 Group'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 Group has the statutory right to set off recognized amount which is currently executable; (2) The Group 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 Group distinguishes the financial liabilities and equity instruments according to the following principles: (1) If the Group 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 Group's own equity instrument, it is necessary to consider whether the Group'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 Group 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 Group'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 Group has taken into account all terms and conditions reached between the Group members and

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

the holders of financial instruments. If the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group shall measure the provision for loss based on the specific expected credit loss amount during the entire period of existence; if not, the Group 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 Group shall take all reasonable and well-founded information into consideration, including the forward-looking information.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

For the financial instrument of lower credit risk on the balance sheet day, the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Basis
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 Group 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 Group 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 Group 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.
Related party combination	The accounts receivable from the other entities within the Group

### 14. Accounts Receivable Financing

The Group'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 Group 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 Group 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 Group 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 Group 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 Group shall divide them into different combinations based on the specific credit risk features:

Item	Basis
Aging Combination	This portfolio is other receivables with aging as the credit risk

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Basis
	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 from the other entities within the Group

### 16. Long-term Receivables

By determining whether the credit risk of long-term account receivables increases remarkably after the initial recognition, the Group 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 Group 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

### 17. Inventories

The Group's inventories mainly include raw materials, products in process, semi-finished products, Products on hand, 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group to receive consideration after transferring goods to customers, and this right depends on factors other than the passage of time. If the Group 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 Group has the right to receive payment as a contract assets.

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

For the method of determining the expected credit loss of contract assets, see the above-mentioned measurement method for impairment losses of receivables.

The Group 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 Group will recognize the difference as an impairment loss and debit the "asset impairment loss". Credited "Contract asset impairment provision". On the contrary, the Group recognizes the difference as an impairment gain and keeps the opposite accounting records.

If the Group 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 Group'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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

and a current or expected contract Directly related, including direct labor, direct materials, manufacturing expenses, clearly the cost borne by the customer, and other costs incurred only due to the contract; this cost increases the Group'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 Group 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 Group will not incur without obtaining the contract. The Group'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 Group'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 Group 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 Group'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 Group's long-term equity investments mainly consist of investments in subsidiaries, associated enterprises, and joint ventures.

The Group'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 Group 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 Group holds less than 20% of the voting rights of the investee, it also needs to

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

judge whether the Group 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 Group. 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 Group'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 Group 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 Group'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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group is regarded as the cost of investment.

The Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group, 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group 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 Group 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 Group 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. 27. "Long-term assets impairment".

The Group'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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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 Group'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 Group and their cost can be measured reliably. The Group's fixed assets include buildings and constructions, machinery and equipment, electronic equipment, transportation equipment, and other equipment.

The Group 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 Group'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.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

### 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. Right-of-Use Assets

The right-of-use assets refer to the right of the Group as the lessee to use the leased assets during the lease term.

#### (1) Initial measurement

After the commencement date of the lease term, the Group uses the cost for initial measurement of right-of-use assets. The cost includes the following four items: a) The initial measurement amount of lease liabilities; b) If there is a lease incentive for the lease payment paid on or before the commencement date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted; c) The initial direct expenses incurred are the incremental costs incurred in reaching the lease; d) The costs expected to be incurred for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

terms, except those incurred for the production of inventories.

### (2) Follow-up measurement

After the commencement date of the lease term, the Group adopts the cost model to carry out follow-up measurement of the right-of-use assets, that is, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses. If the Group re-measures the lease liabilities according to the relevant provisions of the lease standards, the book value of the right-of-use assets shall be adjusted accordingly.

### (3) Depreciation of right-of-use assets

From the commencement date of the lease term, the Group has accrued depreciation on the right-of-use assets. Right-of-use assets are usually depreciated from the month when the lease term begins. The accrued depreciation amount is included in the cost of related assets or current profits and losses according to the use of the right-of-use assets.

When determining the depreciation method of the right-of-use assets, the Group makes a decision based on the expected consumption mode of the economic benefits related to the right-of-use assets, and accrues depreciation for the right-of-use assets on the straight-line method.

When determining the depreciation period of the right-of-use assets, the Group follows the following principles: If the ownership of the leased assets can be reasonably determined when the lease term expires, depreciation shall be accrued within the remaining service life of the leased assets; if it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, depreciation shall be accrued within the shorter of the lease term and the remaining service life of the leased asset.

### (4) Impairment of right-of-use assets

If the right-of-use assets are impaired, the Group carries out subsequent depreciation according to the book value of the right-of-use assets after deducting the impairment loss.

## 26. Intangible Assets

The Group'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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

assets with finite useful lives are reviewed at the end of each year. Accounting estimation methods are used when changes are required.

(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.

### 27. 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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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.

### 28. Long-term Deferred Expenses

The Long-term deferred expenses of the Group 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.

### 29. Contract Liabilities

Liabilities of contracts refer to the Group'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 Group 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.

### 30. Employee Compensation

Salaries of staff of the Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group. 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 Group 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 Group 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 Group 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 Group 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.

### 31. Lease Liabilities

#### (1) Initial measurement

The Group initially measures the lease obligation at the present value of the lease payments outstanding at the commencement date of the lease term.

##### 1) Lease payments

Lease payments refer to the amount paid by the Group to the lessor related to the right to use the leased assets during the lease term, including: a) Fixed payment amount and substantial fixed payment amount. If there is lease incentive, deduct the amount related to lease incentive; b) The variable lease payment amount depending on the index or ratio, which is determined according to the index or ratio on the commencement date of the lease term at the initial measurement; c) When the Group reasonably determines the exercise price of the purchase option when it will exercise it; d) The lease term reflects the amount to be paid to exercise the termination option when the Group will exercise the termination option; e) The amount expected to be paid based on the residual value of the guarantee provided by the Group.

##### 2) Rate of discount

When calculating the present value of the lease payments, the Group uses the interest rate implicit in

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

lease as the rate of discount, which is the interest rate at which the sum of the present value of the lessor's lease receipts and the present value of the unsecured residual value equals the sum of the fair value of the leased asset and the lessor's initial direct expenses. If the Group fails to determine the interest rate implicit in lease, the incremental interest rate on borrowing will be used as the rate of discount. The incremental interest rate on borrowing shall mean the interest rate payable by the Group to borrow funds under similar mortgage conditions during similar periods to acquire assets close to the value of the right-of-use assets under similar economic circumstances. The interest rate is related to the following matters: a) The Group's own situation, that is, the Company's solvency and credit status; b) The term of "loan", that is, the lease term; c) The amount of "borrowed" funds, that is, the amount of lease liabilities; d) "Mortgage conditions", that is, the nature and quality of the underlying assets; e) Economic environment, including the jurisdiction where the lessee is located, the valuation currency, the time when the contract is signed, etc. The incremental borrowing rate is based on the Group's latest asset-based lending interest rate for similar assets and adjusted to take into account the above factors.

### (2) Follow-up measurement

After the commencement date of the lease term, the Group carries out follow-up measurement of lease liabilities according to the following principles: a) When recognizing the interest of lease liabilities, the Group will increase the carrying amount of lease liabilities; b) When paying the lease payments, the Group will reduce the book amount of the lease liability; c) When the lease payments changes due to revaluation or lease change, the Group will remeasure the book value of lease liability.

The Group calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them (except those that shall be capitalized) in profit or loss for the current period. Periodic rate refers to the rate of discount adopted by the Group when initially measuring lease liabilities, or the revised rate of discount adopted by the Group when lease liabilities need to be remeasured according to the revised rate of discount due to changes in lease payments or lease changes.

### (3) Re-measurement

After the commencement date of the lease term, the Group re-measures the lease liability based on the present value of the changed lease payment and adjusts the book value of the right-of-use assets accordingly when the following circumstances occur. If the carrying value of the right-of-use assets has been reduced to zero, but the lease obligations still need to be further reduced, the Group will include the remaining amount in profit or loss for the current period. a) The actual fixed payment amount changes (in this case, the original rate of discount is used for discount); b) The estimated amount payable of the residual value changes (in this case, the original rate of discount is used for discount); c) The index or ratio used to determine the lease payment changes (in this case, the revised rate of discount is used for discount); d) The evaluation result of the purchase option changes (in this case, the revised rate of discount is adopted for discount); e) The evaluation result or actual exercise of the lease renewal option or the lease termination option changes (in this case, the revised rate of discount is adopted for discount).

## 32. Provisions

The Group should recognize the related obligation as a provision for liability when the obligation

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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.

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

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

#### (1) Revenue recognition principle

The Group 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 Group 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:

- ① The customer obtains and consumes the economic benefits brought by the Group's performance at the same time the Group performs the contract.
- ② The customer can control the products under construction during the performance of the Group.
- ③ The goods produced during the performance of the Group have irreplaceable uses, and the Group 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 Group recognizes revenue according to the performance progress during that period. When the performance progress cannot be reasonably determined, if the cost incurred by the Group 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.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

For performance obligations performed at a certain point in time, the Group 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 Group considers the following signs:

- ① The Group enjoys the current right to receive payment for the goods or services.
- ② The Group has transferred the legal ownership of the product to the customer.
- ③ The Group has transferred the goods in kind to the customer.
- ④ The Group has transferred the main risks and rewards of the ownership of the product to the customer.
- ⑤ The customer has accepted the goods or services.

The Group 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 Group's unconditional right to collect consideration from customers is listed as receivables. The Group'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 Group 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.
- ② The transaction price is the amount of consideration that the Group 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 Group 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.
- ③ If there is variable consideration in the contract, such as cash discounts and price guarantees in part of the contract between the Group and its customers, the Group 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.
- ④ For the consideration payable to customers, the Group 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,

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

unless the consideration payable is for Obtain other clearly distinguishable products from customers.

⑤ For sales with a sales return clause, when the customer obtains control of the relevant product, the Group 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 Group 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 Group 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 Group 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.

⑦ According to contractual agreements, legal provisions, etc., the Group 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 Group 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 Group 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 Group considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Group's commitment to perform the tasks.

⑧ When the construction contract between the Group and the customer is changed: ① If 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 Group will The contract change shall be treated as a separate contract for accounting treatment; ② If the contract change does not fall into the above-mentioned circumstance ①, and there is a

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group 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 Group'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 Group 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 Group 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 Group'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.

## 34. Government Grants

The government grants of the Group 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 Group 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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 Group 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 Group. 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 Group 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.
- (2) Where the government allocates the funds directly to the Group, the grants are offset against borrowing costs.

Where the government grants that the Group 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.

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

The Group'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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

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.

The Group 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.

### 36. Leasing

#### (1) Identification of leases

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. On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right allowing the control over the use of one or more assets that have been identified within a certain period, in exchange for a consideration, such contract is a lease or includes a lease. In order to determine whether a party to the contract transfers the right allowing the control over the use of the identified assets for a certain period of time, the Group assesses whether the customers in the contract are entitled to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

If a contract contains multiple single leases at the same time, the Group will split the contract, and conduct accounting treatment of each single lease respectively. If a contract contains both lease and non-lease parts at the same time, the Group will split the lease and non-lease parts for accounting treatment.

#### (2) The Group as lessee

##### 1) Lease recognition

On the commencement date of the lease term, the Group recognizes the right-of-use assets and lease obligations in respect of the lease. For the recognition and measurement of right-of-use assets and lease liabilities, please refer to Note IV "25. Right-of-use assets" and "31. Lease liabilities".

##### 2) Lease change

A lease change refers to a change in the scope, consideration, and term of lease outside the original contract clauses, including the addition or termination of the one or several rights to use lease assets, and the extension or reduction of the lease term specified in the contract. The effective date of lease change refers to the date when both parties reach an agreement on lease change.

If the lease changes and the following conditions are met at the same time, the Group will account for the lease change as a separate lease: a) The lease change expands the lease scope or extends

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

the lease term by increasing the right to use one or more leased assets; b) The increased consideration is equivalent to the separate price of the expanded lease scope or the extended lease term adjusted according to the contract conditions.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group will allocate the consideration of the changed contract in accordance with the relevant provisions of the lease standards and re-determine the changed lease term. The revised rate of discount is used to discount the changed lease payments to remeasure the lease liability. When calculating the present value of the changed lease payments, the Group uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Group adopts the incremental borrowing rate of the lessee on the effective date of the lease change as the rate of discount. With regard to the impact of the above-mentioned lease liability adjustment, the Group conducts accounting treatment according to the following situations: a) The lessee will correspondingly reduce the book value of the right-of-use assets and include the profit or loss of the lease terminated in part or whole in the current profit or loss, if the lease change narrows the scope of lease or shortens the lease term. b) The lessee will correspondingly adjust the book value of the right-of-use assets, if other lease changes result in the re-measurement of the lease obligation.

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

For short-term leases with a lease term not exceeding 12 months and low-value asset leases with lower value when single leased assets are brand new assets, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group 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.

### (3) The Group as lessor

On the basis that (1) the contract assessed is a lease or includes a lease, the Group, as the lessor, classifies leases into finance leases and operating leases on the lease commencement date.

If a lease substantially transfers virtually all risks and rewards associated with ownership of the leased asset, the lessor classifies the lease as a finance lease and leases other than finance leases as operating leases.

The Group usually classifies a lease that falls under any one or more of the following circumstances as a finance lease: a) When the lease term expires, the ownership of the leased asset is transferred to the lessee; b) The lessee has the option to purchase the leased asset(s). As the agreed purchase price is low enough compared with the fair value of the leased asset(s) at the time the option is expected to be exercised, it can be reasonably determined at the inception of the lease that the lessee will exercise the option; c) Although the ownership of the assets is not transferred, the lease term accounts for most of the service life of the leased assets; d) On the lease commencement date, the present value of lease receipts is almost equivalent to the fair value of leased assets; e) The leased assets are special in nature, and only the lessee can use them without major renovation. The Group may also classify a lease that falls under any one or more of the following circumstances as a finance lease: a) If the lessee cancels the lease, losses to the lessor caused by the cancellation will be borne by the lessee; b) The gains or losses arising from the fluctuation of the fair value of the residual value of assets belong to the lessee; c) The lessee has the ability to continue leasing until the next term at a rent far below the market level.

### 1) Accounting treatment of finance leases

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

### Initial measurement

On the commencement date of the lease term, the Group recognizes the finance lease receivables for the finance lease and derecognizes the leased asset of the finance lease. It recognizes the net investment in the lease as the entry value of the finance lease, when initially measuring the finance lease receivable.

The net investment in the lease is the sum of the net value of the unguaranteed residual value and the lease receivable not received on the commencement date of the lease term at the interest rate implicit in lease. Lease collection amount refers to the amount that the lessor should collect from the lessee for transferring the right to use the leased assets during the lease term, including: a) Fixed payment amount and substantial fixed payment amount that the lessee needs to pay. If there is lease incentive, deduct the amount related to lease incentive; b) The variable lease payment depending on the index or ratio, which is determined according to the index or ratio on the commencement date of the lease term at the initial measurement; c) The exercise price of the purchase option, provided that it is reasonably determined that the lessee will exercise the option; d) The amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; e) The residual value of guarantee provided to the lessor by the lessee, the party related to the lessee and an independent third party that has the financial ability to fulfill the guarantee obligation.

### Follow-up measurement

The Group calculates and confirms the interest income at a fixed periodic rate in each period in the lease term. Periodic rate refers to the rate of discount implicit in lease adopted to determine the net investment in the lease (in the case of sublease, if the interest rate implicit in lease of sublease cannot be determined, the rate of discount implicit in original lease is adopted (adjusted according to the initial direct expenses related to sublease)), or the revised rate of discount determined in accordance with the relevant provisions where the change of the finance lease is not accounted for as a separate lease and meets the condition that the lease will be classified as a finance lease if the change became effective on the lease commencement date.

### Accounting treatment of lease change

If the lease changes and the following conditions are met at the same time, the Group will account for the lease change as a separate lease: a) The lease change expands the lease scope by increasing the right to use one or more leased assets; b) The increased consideration is equivalent to the separate price of the expanded lease scope adjusted according to the contract conditions.

If the change of finance lease is not accounted for as a separate lease, and the condition that the lease will be classified as an operating lease if the change takes effect on the lease commencement date is met, the Group will account for it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the leased asset.

## 2) Accounting treatment of operating leases

### Treatment of rent

The Group recognizes lease receipts from operating leases as rental income on a straight-line basis during each period of the lease term.

### Incentives provided

If the Group provides a rent-free period, it allocates the total rentals over the entire lease term without deducting the rent-free period by the straight-line method, and also recognizes rental

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

income during the rent-free period. If certain expenses of the lessee are borne, the Group allocates the balance of rental income over the lease term after such expenses are deducted from the gross rental income.

### Initial direct cost

Initial direct expenses incurred by the Group in connection with operating leases shall be capitalized to the cost of the leased underlying asset and recorded in the profits and losses of the current period in stages over the lease term on the same basis of recognition as rental income.

### Depreciation

For the fixed assets in the assets under operating lease, the Group adopts the depreciation policy of similar assets to calculate and distill depreciation. For other assets under operating lease, the Group amortizes them in a systematic and reasonable manner.

### Variable lease payments

Variable lease payments made by the Group in relation to operating leases that are not included in the lease receivable are included in the current profit or loss when they are actually incurred.

### Change of operating leases

If an operating lease changes, the Group will regard it as a new lease for accounting treatment from the effective date of the change. The advance receipt or the lease receivable related to the lease prior to the change is recognized as the payment receivable of the new lease.

## 37. Changes in Main Accounting Policies and Estimates

### (1) Changes of accounting policies

On 30 December 2021, the Ministry of Finance ("MOF") issued Accounting Standard for Business Enterprises ("ASBE") Interpretation No. 15 (Caikui [2021] No. 35) ("ASBE Interpretation No. 15").

① The Group implemented the provisions of ASBE Interpretation No. 15 "Accounting for the sale of products or by-products produced by an enterprise before a fixed asset reaches its intended useable state or in the course of research and development" issued by the Ministry of Finance with effect from 1 January 2022, and the change in accounting policy has no impact on the Company's financial statements.

② The Group has implemented the provisions of ASBE Interpretation No. 15 "Judgment on Loss-making Contracts" since 1 January 2022, and the change in accounting policy has no impact on the Company's financial statements.

### (2) Changes in Accounting Estimates

No such cases in the Reporting Period.

## V. Taxation

### 1. Main Taxes and Tax Rate

Category of taxes	Basis	Specific situation of the taxes rate
-------------------	-------	--------------------------------------

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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 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.	1%、3%、5%、6%、9%、13%
Urban maintenance and construction tax	The circulating tax actually paid	Paid at 5%: Dongguan Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Konka Precision, Boluo Konka, Ningbo Kanghanrui, Jiangsu Konka Smart, Yibin Kangrun, Yibin Kangrun Medical, Yibin Kangrun Environmental Protection, Jiangkang (Shanghai) Technology. Paid at 3.5%: Konka Capital. Paid at 1%: Jiangxi Konka, Jiangxi High Transparent Substrate. 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%/ See 2.Tax Preference and Approved Documents for details

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

Name of entity	Income tax rate
Xiaojia Technology, Electronic Technology, Anhui Konka, Anhui Tongchuang, Xinfeng Microcrystalline, Xingda Hongye, Jiangxi Konka, Jiangxi High Transparent Substrate, Wankaida, Chengdu Konka Electronic	15%

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of entity	Income tax rate
Hong Kong Konka, Konka Electrical Appliances International Trading, Jiali International, Kangjietong, Jiaxin Technology, Jiaxin Technology, Konka Electrical Appliances Investment,, Konka Mobility, Kowin Memory (Hong Kong)	16.5%
Chain Kingdom Memory Technologies	8.25%/16.5%
Konka Europe	15%
Kanghao Technology	22.5%
Konka North America	21%
The Company as the Parent and other subsidiaries	25%

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 the No. 8 announcement in 2021 and No 13 announcement in 2022 issued by State Taxation Administration: Notice on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises, the annual taxable income of small and profitable enterprises is not The portion exceeding RMB1 million will be reduced to 12.5% 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 25% Include the taxable income and pay corporate income tax at a rate of 20%.

(2) On 19 December 2022, Xiaojia Technology, a subsidiary of the Company, received the "Certificate of High-tech Enterprise" jointly issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Taxation Bureau of the State Administration of Taxation, with the certificate number GR202244203274, which is valid for three years. According to the relevant tax regulations, Xiaojia Technology will enjoy the relevant preferential tax policies regarding high-tech enterprises for three consecutive years from 2022 to 2024, and pay enterprise income tax at a preferential tax rate of 15%.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

(3) On 19 December 2022, Electronic Technology, a subsidiary of the Company, received the Certificate of High-Tech Enterprise jointly issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Taxation Bureau of the State Administration of Taxation, with the certificate number GR202244205867, which is valid for three years. In accordance with the relevant tax regulations, Electronic Technology is entitled to the relevant tax incentives for three consecutive years from 2022 to 2024 to enjoy the relevant tax preferential policies on high-tech enterprises and pay enterprise income tax at a preferential tax rate of 15%.

(4) On 18 October 2022, Anhui Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province and the Taxation Bureau of Anhui Province of the State Administration of Taxation, with the certificate number GR202234002272, which is valid for three years. In accordance with the relevant tax regulations, Anhui Konka is entitled to the relevant tax incentives for three consecutive years from 2022 to 2024 to enjoy the relevant tax preferential policies on high-tech enterprises and pay enterprise income tax at a preferential tax rate of 15%.

(5) On 18 October 2022, Anhui Tongchuang, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province and the Taxation Bureau of Anhui Province of the State Administration of Taxation, with the certificate number GR202234000798, which is valid for three years. In accordance with the relevant tax regulations, Anhui Tongchuang is entitled to the relevant tax incentives for three consecutive years from 2022 to 2024 to enjoy the relevant tax preferential policies on high-tech enterprises and pay enterprise income tax at a preferential tax rate of 15%.

(6) On 4 November 2022, Xinfeng Microcrystalline, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Jiangxi Province, the Department of Finance of Jiangxi Province and the Taxation Bureau of Jiangxi Province of the State Administration of Taxation, with the certificate number GR202236000999, which is valid for three years. In accordance with the relevant tax regulations, Xinfeng Microcrystalline shall enjoy the relevant tax incentives for three consecutive years from 2022 to 2024. According to the relevant tax regulations, Xinfeng Microcrystalline is entitled to the relevant tax incentives for three consecutive years from 2022 to 2024 to enjoy the relevant tax preferential policies on high-tech enterprises and pay enterprise income tax at a preferential tax rate of 15%.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(7) On 20 December 2021, XingDa HongYe, a subsidiary of the Company, obtained the "High-tech Enterprise Certificate" jointly issued by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and Guangdong Provincial Tax Service of State Taxation Administration (No. GR202144002737), which will be valid for three years. According to relevant tax regulations, XingDa HongYe enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2021 to 2023, and pays enterprise income tax at a reduced rate of 15%.

(8) 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%.

(9) On 14 September 2020, Jiangxi High Transparent Substrate, 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%.

(10) 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%.

(11) 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 60% of its gross income in the current year, is entitled to a reduced corporate income tax rate of 15%. Chongqing Kangxingrui and Chengdu Konka Electronic, subsidiaries of the Company, are eligible for this preferential tax policy.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(12) 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, Electronics Technology and Anhui Tongchuang all enjoy this preferential policy.

### VI. Notes to Major Items in the Consolidated Financial Statements of the Company

Regarding the following disclosures in relation to the financial statements, unless otherwise specified, the period-begin refers to 1 January 2022, the period-end refers to 31 December 2022, this period refers to the period from 1 January 2022 to 31 December 2022 and the last year refers to the period from 1 January 2021 to 31 December 2021. The monetary unit is RMB.

#### 1. Monetary Assets

Item	Ending balance	Beginning balance
Cash on hand	14.78	363.22
Bank deposits	5,473,400,175.52	5,968,346,855.81
Other monetary assets	514,695,300.41	521,205,992.21
<b>Total</b>	<b>5,988,095,490.71</b>	<b>6,489,553,211.24</b>
Of which: total amount deposited overseas	137,008,617.40	167,359,880.91

Note: The ending balance of other monetary funds mainly includes margin deposits, financial supervision account funds, WeChat, Alipay and other platform accounts and other deposits subject to use restrictions. For details, see "Note VI, 65, Assets with Restricted Ownership or Use Rights".

#### 2. Notes Receivable

##### (1) Notes Receivable Listed by Category

Item	Ending balance	Opening balance
Bank's acceptance bill	709,558,838.75	1,215,753,215.01
Commercial acceptance bill	350,178,404.79	561,724,266.27
<b>Total</b>	<b>1,059,737,243.54</b>	<b>1,777,477,481.28</b>

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

Item	Amount
Bank's acceptance bill	504,958,051.41

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount
Commercial acceptance bill	
<b>Total</b>	<b>504,958,051.41</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	1,062,929,117.11	
Commercial acceptance bill		35,251,562.48
<b>Total</b>	<b>1,062,929,117.11</b>	<b>35,251,562.48</b>

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

No such cases in the Reporting Period.

(5) Listed by Withdrawal Methods for Bad Debt Provision

Category	Ending balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	1,067,029,648.07	100.00	7,292,404.53	0.68	1,059,737,243.54
Of which: Bank acceptance bill	709,558,838.75	66.50			709,558,838.75
Commercial acceptance bill	357,470,809.32	33.50	7,292,404.53	2.04	350,178,404.79
<b>Total</b>	<b>1,067,029,648.07</b>	<b>100.00</b>	<b>7,292,404.53</b>	<b>0.68</b>	<b>1,059,737,243.54</b>

(Continued)

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Category	Beginning balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	1,789,175,291.65	100.00	11,697,810.37	0.65	1,777,477,481.28
Of which: Bank acceptance bill	1,215,753,215.01	67.95			1,215,753,215.01
Commercial acceptance bill	573,422,076.64	32.05	11,697,810.37	2.04	561,724,266.27
<b>Total</b>	<b>1,789,175,291.65</b>	<b>100.00</b>	<b>11,697,810.37</b>	<b>0.65</b>	<b>1,777,477,481.28</b>

In the group, the provision for expected credit loss on commercial acceptance bills was made according to aging

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	357,470,809.32	7,292,404.53	2.04
<b>Total</b>	<b>357,470,809.32</b>	<b>7,292,404.53</b>	<b>2.04</b>

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

Category	Beginning balance	Chaged amount				Ending balance
		Withdrawal	Collected or reversed	Write-off or verified	Other	
Commercial acceptance bill	11,697,810.37	8,112,015.62	12,517,421.46			7,292,404.53
Bank's						

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Category	Beginning balance	Changed amount				Ending balance
		Withdrawal	Collected or reversed	Write-off or verified	Other	
acceptance bill						
<b>Total</b>	<b>11,697,810.37</b>	<b>8,112,015.62</b>	<b>12,517,421.46</b>			<b>7,292,404.53</b>

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

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

### 3. Accounts Receivable

(1) Accounts Receivable Listed by Withdrawal Methods for Bad Debts

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable, for which the independent provision for expected credit losses	1,487,466,561.80	40.11	1,350,460,284.27	90.79	137,006,277.53
Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups					
Of which: aging group	2,221,448,326.94	59.89	321,719,768.25	14.48	1,899,728,558.69
Subtotal of groups	2,221,448,326.94	59.89	321,719,768.25	14.48	1,899,728,558.69
<b>Total</b>	<b>3,708,914,888.74</b>	<b>100.00</b>	<b>1,672,180,052.52</b>	<b>45.09</b>	<b>2,036,734,836.22</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(Continued)

Category	Beginning balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	With drawal proportion (%)	
Accounts receivable, for which the independent provision for expected credit losses	1,608,537,820.30	33.82	1,061,967,130.77	66.02	546,570,689.53
Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups					
Of which: aging group	3,148,039,065.69	66.18	296,880,274.15	9.43	2,851,158,791.54
Subtotal of groups	3,148,039,065.69	66.18	296,880,274.15	9.43	2,851,158,791.54
<b>Total</b>	<b>4,756,576,885.99</b>	<b>100.00</b>	<b>1,358,847,404.92</b>	<b>28.57</b>	<b>3,397,729,481.07</b>

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.	299,136,676.70	293,153,943.17	98.00	Expected to be difficult to recover

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	160,000,000.00	80.00	Agreement reorganization
Shenzhen Yaode Technology Co., Ltd.	143,135,135.62	121,664,865.28	85.00	Expected to be difficult to recover
Guangan Ouqishi Electronic Technology Co., Ltd.	113,230,553.53	110,965,942.46	98.00	Expected to be difficult to recover
Guangxi BG New Materials Co., Ltd.	83,396,556.37	81,728,625.24	98.00	Expected to be difficult to recover
Zhongfu Tiangong Construction Group Co., Ltd.	71,589,096.65	53,691,822.49	75.00	Expected to be difficult to recover
Gome Customization (Tianjin) Home Appliances Co., Ltd.	59,569,295.02	35,741,577.01	60.00	Higher credit risk
No. 1 Engineering Company Ltd. of CCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	100.00	Expected to be difficult to recover
Xingda Hongye (Hk) Limited	51,902,301.95	51,902,301.95	100.00	Expected to be difficult to recover
China Energy Power Fuel Co., Ltd.	50,000,000.00	50,000,000.00	100.00	Expected to be difficult to recover
Others	350,285,645.96	326,389,906.67	93.18	Expected to be difficult to recover
<b>Total</b>	<b>1,487,466,561.80</b>	<b>1,350,460,284.27</b>		

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

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	1,627,108,997.86	33,193,023.51	2.04
1 to 2 years	160,485,489.75	16,080,646.09	10.02
2-3 years	172,032,450.77	39,034,163.05	22.69
3-4 years	80,892,519.74	52,483,066.78	64.88

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Over 4 years	180,928,868.82	180,928,868.82	100.00
<b>Total</b>	<b>2,221,448,326.94</b>	<b>321,719,768.25</b>	14.48

This portfolio is recognized based on the aging characteristics of accounts receivable, and the withdrawal proportion of bad debt provision is recognized based on the historical loss rate and forward-looking factors.

### (2) Accounts Receivable Listed by Aging

Aging	Ending balance
Within 1 year	1,708,338,208.62
1 to 2 years	163,165,760.88
2 to 3 years	267,210,849.90
3 to 4 years	671,539,902.08
Over 4 years	898,660,167.26
Subtotal	<b>3,708,914,888.74</b>
Less: bad debt provision	1,672,180,052.52
<b>Total</b>	<b>2,036,734,836.22</b>

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

Category	Beginning balance	Changed amount	
		Withdrawal	Collected or reversed
Bad debt provision of accounts receivable	1,358,847,404.92	454,228,913.77	17,074,349.72
<b>Total</b>	<b>1,358,847,404.92</b>	<b>454,228,913.77</b>	<b>17,074,349.72</b>

(Continued)

Category	Changed amount		Ending balance
	Write-off or verified	Decrease for other reasons	
Bad debt provision of accounts receivable	134,980,802.82	-11,158,886.37	1,672,180,052.52
<b>Total</b>	<b>134,980,802.82</b>	<b>-11,158,886.37</b>	<b>1,672,180,052.52</b>

Note: The debt restructuring of Tianjin Property Group Finance Co., Ltd. resulted in a decrease of RMB 100,000,000.00. Other reasons for the reduction of RMB 11,219,324.62 due to exchange rate changes, and RMB 60,438.25 due to the loss of control.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**(4) Accounts receivable actually verified during the Reporting Period**

Item	Amount verified
Actually verified accounts receivable	34,980,802.82

Of which the verification of significant accounts receivable:

Name of entity	Nature	Verification Amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
ASANZO GROUP JOINT STOCK COMPANY	Payment for goods	6,572,331.70	Expected to be unrecoverable	Approved by the Board of Directors	No
A SANZO VIETNAM ELECTRONIC JOINT STOCK COMPANY	Payment for goods	4,683,514.23	Expected to be unrecoverable	Approved by the Board of Directors	No
Xi'an Huajin Technology Trade Co., Ltd.	Payment for goods	4,508,000.00	Expected to be unrecoverable	Approved by the Board of Directors	No
Shantan Innovations	Payment for goods	2,951,754.15	Expected to be unrecoverable	Approved by the Board of Directors	No
ASANZO MEDIA AND ENT	Payment for goods	2,127,153.73	Expected to be unrecoverable	Approved by the Board of Directors	No
Shenzhen Zhongbailong Industrial Development Co., Ltd.	Payment for goods	2,086,034.00	Expected to be unrecoverable	Approved by the Board of Directors	No
<b>Total</b>		<b>22,928,787.81</b>			

**(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 RMB1,100,214,633.59, accounting for 29.66% of total closing balance of account receivable, the relevant ending balance of bad debt provision withdrawn was RMB584,194,373.72.

**(6) Accounts Receivable Derecognized due to the Transfer of Financial Assets**

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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(7) Amount of Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Accounts Receivable

There is no amount of assets and liabilities formed due to the transfer of accounts receivable and continued involvement in Reporting Period.

### 4. Accounts Receivable Financing

Item	Ending balance	Beginning balance
Notes Receivable	237,187,228.44	71,490,688.54
<b>Total</b>	<b>237,187,228.44</b>	<b>71,490,688.54</b>

### 5. Prepayments

(1) Age of prepayments

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	332,218,631.50	85.20	602,386,221.38	95.41
1 to 2 years	52,945,431.22	13.58	20,098,838.22	3.18
2-3 years	4,191,405.92	1.07	8,614,486.12	1.36
Over 3 years	592,183.75	0.15	301,408.14	0.05
<b>Total</b>	<b>389,947,652.39</b>	<b>100.00</b>	<b>631,400,953.86</b>	<b>100.00</b>

Note: The amount of prepayments aged over one year at the end of the period is RMB 57,729,020.89, accounting for 14.80% of the total balance of prepayments of the Company, and consists mainly of unsettled payments.

(2) Prepayments to Suppliers from Top 5 Prepaid Parties Classified based on the Ending Balance

The total amount of prepayments with top 5 ending balance collected by prepaid party was RMB143,766,927.84, accounting for 36.87% of the total ending balance of prepayments.

### 6. Other Receivables

Item	Ending balance	Opening balance
Interests receivable	3,878,580.64	2,573,082.79
Dividends receivable	272,999.43	
Other Receivables	1,437,973,265.51	1,834,886,622.85
<b>Total</b>	<b>1,442,124,845.58</b>	<b>1,837,459,705.64</b>

#### 6.1 Interests Receivable

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## (1) Category of Interests Receivable

Item	Ending balance	Opening balance
Interest on term deposits	3,878,580.64	2,002,526.91
Factoring interest		570,555.88
<b>Total</b>	<b>3,878,580.64</b>	<b>2,573,082.79</b>

## (2) Withdrawal of Bad Debt Provision for Interests Receivable

The Group did not have impaired interests receivable.

## 6.2 Dividends Receivable

## (1) Category of Dividends Receivable

Item (or investee)	Ending balance	Opening balance
Chongqing Qingjia Electronics Co., Ltd.	272,999.43	
<b>Total</b>	<b>272,999.43</b>	

## 6.3 Other Receivables

## (1) Classified by Account Nature

Nature	Ending carrying balance	Opening carrying balance
Deposit and margin	1,411,807,968.60	1,356,193,440.22
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	176,571,471.89	173,487,141.27
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Others	1,523,970,760.63	1,489,929,312.88
<b>Total</b>	<b>3,264,749,543.12</b>	<b>3,172,009,236.37</b>

## (2) Withdrawal of Bad Debt Provision for Other Receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 1 January 2022	17,419,904.57	182,212,040.32	1,137,490,668.63	1,337,122,613.52

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
In the Reporting Period, carrying amount of other receivables on 1 January 2022	-8,819,408.46	5,698,496.85	3,120,911.61	
——Transferred to the Phase II	-8,819,408.46	8,819,408.46		
——Transferred to the Phase III		-3,120,911.61	3,120,911.61	
——Transferred back to the Phase II				
——Transferred back to the Phase I				
Provision made in the current period		197,326,914.52	324,641,320.72	521,968,235.24
Amount transferred back in the current year	4,783,363.92		49,010.00	4,832,373.92
Write-off				
Verification		2,368,413.91	27,727,482.07	30,095,895.98
Other changes	2,658,242.31	-44,543.56		2,613,698.75
Balance as at 31 December 2022	6,475,374.50	382,824,494.22	1,437,476,408.89	1,826,776,277.61

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.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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	Withd rawal proportion	
Other receivables with significant individual amount and make independent provision for expected credit loss	1,461,191,467.51	44.76	1,437,476,408.89	98.38	23,715,058.62
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Of which: Aging group	1,342,397,234.31	41.12	372,315,645.78	27.74	970,081,588.53
Low-risk group	461,160,841.30	14.12	16,984,222.94	3.68	444,176,618.36
Subtotal of groups	1,803,558,075.61	55.24	389,299,868.72	21.59	1,414,258,206.89

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion	
<b>Total</b>	<b>3,264,749,543.12</b>	<b>100.00</b>	<b>1,826,776,277.61</b>	<b>55.95</b>	<b>1,437,973,265.51</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	1,458,258,132.07	45.97	1,137,490,668.63	78.00	320,767,463.44
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Of which: Aging group	1,494,744,336.27	47.13	188,949,294.11	12.64	1,305,795,042.16
Low-risk group	219,006,768.03	6.90	10,682,650.78	4.88	208,324,117.25
Subtotal of groups	1,713,751,104.30	54.03	199,631,944.89	11.65	1,514,119,159.41

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Category	Beginning balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion	
<b>Total</b>	<b>3,172,009,236.37</b>	<b>100.00</b>	<b>1,337,122,613.52</b>	<b>42.15</b>	<b>1,834,886,622.85</b>

(4) Listed by aging

Aging	Ending balance
Within 1 year	531,774,524.39
1 to 2 years	551,601,162.73
2-3 years	688,602,155.02
3-4 years	1,096,771,140.67
4-5 years	201,058,646.10
Over 5 years	194,941,914.21
<b>Subtotal</b>	<b>3,264,749,543.12</b>
Less: bad debt provision	1,826,776,277.61
<b>Total</b>	<b>1,437,973,265.51</b>

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision withdrawn this year was RMB517,135,861.32, mainly because the expected credit loss of the advanced deposit and quality reparations receivable for the whole duration was withdrawn because the supplier of the subsidiary Konka Huanjia was in abnormal business status and could not make delivery or refund the advanced deposit in the short term. There was a decrease amounting to RMB122,818.70 due to a loss of controlling right over the subsidiary, an increase amounting to RMB2,736,517.45 due to exchange rate changes, and a decrease of RMB30,095,895.98 due to verified writeoffs.

(6) Other Receivables Actually Written off in the Reporting Period

Item	Amount written off
Other receivables actually written off	35,665,095.98

(7) Other Receivables with Top 5 Ending Balances Collected by Arrears Party

The total amount of other receivables with top 5 ending balance collected by arrears party in the Reporting Period was RMB1,467,347,627.97, accounting for 44.95% of the total ending balance

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB547,785,002.00.

**(8) Other Receivables Derecognized due to the Transfer of Financial Assets**

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

**(9) Amount of Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables**

There were no assets or liabilities formed due to the transfer and the continued involvement of other receivables during the Reporting Period.

**7. Inventories****(1) Category of Inventories**

Item	Ending balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Raw materials	1,168,223,234.28	64,695,751.94	1,103,527,482.34
Semi-finished products	145,186,803.18	37,339,815.90	107,846,987.28
Products on hand	3,316,097,782.82	270,664,206.34	3,045,433,576.48
Commissioned products	2,862,799.75		2,862,799.75
Contract performance costs	254,159.33		254,159.33
Development costs	149,842,751.04		149,842,751.04
<b>Total</b>	<b>4,782,467,530.40</b>	<b>372,699,774.18</b>	<b>4,409,767,756.22</b>

(continued)

Item	Beginning balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Raw materials	1,297,747,452.36	56,921,789.83	1,240,825,662.53
Semi-finished products	188,626,889.60	36,212,915.54	152,413,974.06
Products on hand	2,925,212,679.95	252,742,763.86	2,672,469,916.09

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Commissioned products	2,574,097.17		2,574,097.17
Contract performance costs	254,159.33		254,159.33
Development costs			
<b>Total</b>	<b>4,414,415,278.41</b>	<b>345,877,469.23</b>	<b>4,068,537,809.18</b>

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

Item	Beginning balance	Increased	
		Withdrawn or transferred back	Others
Raw materials	56,921,789.83	70,103,713.00	
Semi-finished products	36,212,915.54	2,165,316.60	
Products on hand	252,742,763.86	84,294,399.03	
Commissioned products			
Contract performance costs			
Development costs			
<b>Total</b>	<b>345,877,469.23</b>	<b>156,563,428.63</b>	

(Continued)

Item	Decreased		Ending balance
	Write-off	Other	
Raw materials	61,949,071.27	380,679.62	64,695,751.94
Semi-finished products	1,038,416.24		37,339,815.90
Products on hand	65,588,454.19	784,502.36	270,664,206.34
Commissioned products			
Contract performance costs			
Development costs			
<b>Total</b>	<b>128,575,941.70</b>	<b>1,165,181.98</b>	<b>372,699,774.18</b>

Specific basis for determining the realizable net value and reasons for inventory falling price reserves and impairment provision for contract performance costs transferred back or written off during the Reporting Period:

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Specific basis for withdrawal of inventory falling price reserves	Reasons for write-off of inventory falling price reserves in the Reporting Period
Raw materials	The realizable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Semi-finished products	The realizable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Products on hand	The realizable net value was lower than the carrying value	They have been sold in the Reporting Period

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

Item	Ending balance	Beginning balance	Nature
Current portion of long-term receivable	14,630,000.00	28,105,523.78	Finance leasing amount
<b>Total</b>	<b>14,630,000.00</b>	<b>28,105,523.78</b>	

### 9. Other Current Assets

Item	Ending balance	Beginning balance
Principal and interests of entrusted loans to associated enterprises	1,544,592,633.44	1,624,197,904.35
Prepayments and deductible taxes, and refund of tax for export receivable	457,991,464.58	649,198,781.95
Expenses to be deferred	17,278,894.58	
Costs receivable for returning goods	14,214,651.96	21,501,882.70
Others	4,763,581.27	5,064,822.24
<b>Total</b>	<b>2,038,841,225.83</b>	<b>2,299,963,391.24</b>

### 10. Long-term Receivables

Item	Ending balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount			
Of which: unrealized financing income			
Cash deposits of long-term receivables	15,430,400.00		15,430,400.00

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		
	Carrying amount	Bad debt provision	Carrying value
Long-term receivables of projects with franchise rights			
Less: Long-term receivables due within one year (See Note VI-8 for details.)	14,630,000.00		14,630,000.00
<b>Total</b>	<b>800,400.00</b>		<b>800,400.00</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	10,960,622.92		10,960,622.92
Of which: unrealized financing income	390,068.94		390,068.94
Cash deposits of long-term receivables	35,640,400.00		35,640,400.00
Long-term receivables of projects with franchise rights			
Less: Long-term receivables due within one year (See Note VI-8 for details.)	28,105,523.78		28,105,523.78
<b>Total</b>	<b>18,495,499.14</b>		<b>18,495,499.14</b>

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 11. Long-term Equity Investments

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly "Konka Ventures Development (Shenzhen) Co., Ltd.")	4,895,096.41				68,062.48	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,642,793.07				43,797.97	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	10,468,555.83				123,048.04	
Shenzhen Kangyue Enterprise Co., Ltd.	32,504,265.03				-271,849.15	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.	4,179,700.00				-1,345,332.96	
Kangkai Technology Service (Chengdu) Co., Ltd.	228,931.64				-19,883.32	
Puchuang Jiakang Technology Co, Ltd.	1,836,583.36				1,821,901.35	
Chongqing Qingjia Electronics Co.,	15,034,341.13				437,734.72	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Ltd.						
Shenzhen Jielunte Technology Co., Ltd.	94,278,354.91				5,470,240.06	
Panxu Intelligence Co., Ltd.	52,366,635.10				1,801,410.64	-2,775,874.28
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	5,077,777.37				2,405,086.69	
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)	467,638,787.38	5,076,700.00			11,190,298.97	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	3,528,077.43				-315.79	
Shenzhen RF-LINK Technology Co., Ltd.						
Anhui Kaikai Shijie E-commerce Co., Ltd.	418,721,305.96					
Kunshan Kangsheng Investment Development Co., Ltd.	317,101,869.51				-3,617,175.94	
Chutian Dragon Co., Ltd.	647,490,626.93		141,928,645.31		22,575,475.16	
Helongjiang Longkang Zhijia	1,117,531.32		1,157,647.82		40,116.50	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Technology Co., Ltd.						
Shaanxi Silu Yunqi Smart Technology Co., Ltd.	14,113,227.58				-779,528.80	
Shenzhen Kanghongxing Smart Technology Co., Ltd.						
Shenzhen Zhongbing Konka Technology Co., Ltd.						
Shenzhen Bosser New Materials Co., Ltd.	60,453,041.59		61,777,797.03		1,324,755.44	
Shenzhen Yaode Technology Co., Ltd.						
Wuhan Tianyuan Environmental Protection Co., Ltd.	325,645,840.91				29,420,000.00	
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02					
Chuzhou Kangjin Health Industrial Development Co., Ltd.	118,122,798.37	157,735,900.00				
Nantong Kangjian Technology Industrial Park Operations and	116,294,808.94				-8,984,779.08	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Management Co., Ltd. (formerly “Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.”)						
Chuzhou Kangxin Health Industry Development Co., Ltd.	185,277,588.25				-1,966,765.00	
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly “Dongguan Konka Investment Co., Ltd.”)	539,103,920.30				-17,762,197.93	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	2,395,748.73				-2,395,748.73	
Shandong Econ Technology Co., Ltd.	1,024,944,000.00				85,859,095.13	
Dongguan Kangjia New Materials Technology Co., Ltd.	6,920,620.00				31,031.72	
Chongqing E2info Technology Co., Ltd. (formerly “Shenzhen E2info Network Technology Co., Ltd.”)	1,018,795,584.41		23,227,717.58		27,683,195.76	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				Adjustment of other comprehensive income
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	
Yantai Kangyun Industrial Development Co., Ltd.	76,721,264.91				-4,400,788.07	
E3 (Hainan) Technology Co., Ltd.	58,715,678.97				-7,423.93	
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	3,921,788.17				1,449,576.70	
Shenzhen Konda E-display Co., Ltd.	82,930,520.62				174,430.51	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	33,459,820.85				261,753.11	
Shenzhen Kangpeng Digital Technology Co., Ltd.	5,702,518.20				-2,291,365.10	
Yantai Kangtang Construction Development Co., Ltd.	17,740.49				214,857.15	
Dongguan Kangzhahui Electronics Co., Ltd.	23,528,224.46				470,400.00	
Sichuan Huayi Jiakang Technology Co., Ltd.	339,893.32				-218,489.42	
Sichuan Aimijiakang Technology Co., Ltd.	2,000,138.36				-414,377.27	
Beijing Konka Jingyuan Technology	766,290.97				-32,458.13	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Co., Ltd.						
Chongqing Liangshan Enterprise Management Co., Ltd.	53,673.48				68,128.85	
Shenzhen Kangene Technology Innovation Development Co., Ltd.	907,025.65				60,298.27	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	1,478,689.46				-104,708.20	
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	1,832,647.54				-649,684.08	
Runxin Microelectronic (Dalian) Co, Ltd. (formerly “Dalian Xinguan Technology Co., Ltd.”)	47,509,494.92		47,509,494.92			
Guangdong Kangyuan Semiconductor Co., Ltd.	9,214,309.08	6,680,000.00			-3,117,226.80	
Chongqing Kangyiqing Technology Co., Ltd.	795,085.13				215,598.78	
Shenzhen Kangying Semiconductor Technology Co., Ltd.	11,416,062.86	9,000,000.00			-7,122,613.08	-38,929.34
KK Smartech Limited	1,441,263.59				200,331.86	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Chongqing Kangjian Optoelectronics Technology Co., Ltd.		12,000,000.00				-506,967.79
Anhui Kanta Supply Chain Management Co., Ltd.		18,060,000.00				
Wuhan Kangtang Information Technology Co., Ltd.		26,950,000.00				-295,049.70
Sichuan Chengrui Real Estate Co., Ltd.				43,120,000.00		-1,696,485.07
Konka Industrial Development (Wuhan) Co., Ltd.				45,000,000.00		-1,709,307.00
Heifei KONSEMI Storage Technology Co., Ltd.				203,999,997.28		-23,853,387.01
<b>Total</b>	<b>5,902,588,939.51</b>	<b>235,502,600.00</b>	<b>275,601,302.66</b>	<b>292,119,997.28</b>	<b>109,846,718.51</b>	<b>-2,814,803.62</b>

(Continued)

Investee	Increase/decrease	Ending balance	Ending balance of
----------	-------------------	----------------	-------------------

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly “Konka Ventures Development (Shenzhen) Co., Ltd.”)					4,963,158.89	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					1,686,591.04	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries					10,591,603.87	
Shenzhen Kangyue Enterprise Co., Ltd.					32,232,415.88	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.					2,834,367.04	
Kangkai Technology Service (Chengdu) Co., Ltd.					209,048.32	
Puchuang Jiakang Technology Co., Ltd.					3,658,484.71	
Chongqing Qingjia Electronics Co., Ltd.		9,640,890.52			5,831,185.33	
Shenzhen Jielunte Technology Co.,					99,748,594.97	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Ltd.						
Panxu Intelligence Co., Ltd.					51,392,171.46	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					7,482,864.06	
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)					483,905,786.35	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.					3,527,761.64	
Shenzhen RF-LINK Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.					418,721,305.96	
Kunshan Kangsheng Investment Development Co., Ltd.					313,484,693.57	
Chutian Dragon Co., Ltd.		4,410,993.60			523,726,463.18	
Helongjiang Longkang Zhijia Technology Co., Ltd.						
Shaanxi Silu Yunqi Smart					13,333,698.78	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease			Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision		
Technology Co., Ltd.					
Shenzhen Kanghongxing Smart Technology Co., Ltd.					12,660,222.73
Shenzhen Zhongbing Konka Technology Co., Ltd.					
Shenzhen Bosser New Materials Co., Ltd.					
Shenzhen Yaode Technology Co., Ltd.					214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.		2,770,200.00		352,295,640.91	
Chuzhou Konka Technology Industry Development Co., Ltd.				49,658,397.02	
Chuzhou Kangjin Health Industrial Development Co., Ltd.				275,858,698.37	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. (formerly “Haimen Kangjian Technology				107,310,029.86	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Industrial Park Operations and Management Co., Ltd.”)						
Chuzhou Kangxin Health Industry Development Co., Ltd.					183,310,823.25	
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly “Dongguan Konka Investment Co., Ltd.”)					521,341,722.37	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Shandong Econ Technology Co., Ltd.	135,296,760.09				1,246,099,855.22	
Dongguan Kangjia New Materials Technology Co., Ltd.					6,951,651.72	
Chongqing E2info Technology Co., Ltd. (formerly “Shenzhen E2info Network Technology Co., Ltd.”)					1,023,251,062.59	
Yantai Kangyun Industrial Development Co., Ltd.					72,320,476.84	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease			Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision		
E3 (Hainan) Technology Co., Ltd.		28,000,000.00			30,708,255.04
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.					5,371,364.87
Shenzhen Konda E-display Co., Ltd.		883,869.41			82,221,081.72
Chongqing Yuanlv Benpao Real Estate Co., Ltd.					33,721,573.96
Shenzhen Kangpeng Digital Technology Co., Ltd.					3,411,153.10
Yantai Kangtang Construction Development Co., Ltd.					232,597.64
Dongguan Kangzhahui Electronics Co., Ltd.					23,998,624.46
Sichuan Huayi Jiakang Technology Co., Ltd.					121,403.90
Sichuan Aimijiakang Technology Co., Ltd.					1,585,761.09
Beijing Konka Jingyuan Technology Co., Ltd.					733,832.84

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Chongqing Liangshan Enterprise Management Co., Ltd.					121,802.33	
Shenzhen Kangene Technology Innovation Development Co., Ltd.					967,323.92	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.					1,373,981.26	
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.					1,182,963.46	
Runxin Microelectronic (Dalian) Co, Ltd. (formerly “Dalian Xinguan Technology Co., Ltd.”)						
Guangdong Kangyuan Semiconductor Co., Ltd.					12,777,082.28	
Chongqing Kangyiqing Technology Co., Ltd.					1,010,683.91	
Shenzhen Kangying Semiconductor Technology Co., Ltd.					13,254,520.44	
KK Smartech Limited					1,641,595.45	
Chongqing Kangjian					11,493,032.21	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Optoelectronics Technology Co., Ltd.						
Anhui Kanta Supply Chain Management Co., Ltd.					18,060,000.00	
Wuhan Kangtang Information Technology Co., Ltd.					26,654,950.30	
Sichuan Chengrui Real Estate Co., Ltd.					41,423,514.93	
Konka Industrial Development (Wuhan) Co., Ltd.					43,290,693.00	
Heifei KONSEMI Storage Technology Co., Ltd.					180,146,610.27	
<b>Total</b>	<b>135,296,760.09</b>	<b>45,705,953.53</b>			<b>6,351,232,955.58</b>	<b>312,875,719.43</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**12. Investment in Other Equity Instruments****(1) Investment in Other Equity Instruments**

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
Shenzhen Tianyilian Science & Technology Co., Ltd.		
Shenzhen Adopt Network Co., Ltd.		
Beijing Aowei Mutual Entertainment Technology Co., Ltd.	5,901,121.80	5,901,121.80
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>23,841,337.16</b>	<b>23,841,337.16</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(2) Investment in Non-trading Equity Instruments in the Reporting Period

Item	Dividend income recognized this year	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings
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	
Beijing Aowei Mutual Entertainment Technology Co., Ltd.			98,878.20		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	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Dividend income recognized this year</b>	<b>Accumulative gains</b>	<b>Accumulative losses</b>	<b>Amount of other comprehensive income transferred to retained earnings</b>	<b>Reason for assigning to measure in fair value of which changes included other comprehensive income</b>	<b>Reason for other comprehensive income transferred to retained earnings</b>
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 strategic purpose	
<b>Total</b>			<b>17,146,663.84</b>			

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 13. Other Non-current Financial Assets

Item	Ending balance	Opening balance
China Asset Management-Jiayi Overseas Designated Plan	200,732,067.00	200,326,093.02
Tianjin Huacheng Property Development Co., Ltd.	1,000,000.00	
Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)	28,540,777.26	
CCB Trust-Cai Die No. 6 Property Rights Trust Scheme	66,080,293.70	
Daye Trust Company Limited	100,000,000.00	
Yibin OCT Sanjiang Properties Co., Ltd.	171,141,605.35	200,000,000.00
Yili Ecological Restoration Co., Ltd.	41,812,139.03	90,000,000.00
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	233,834,173.06	88,186,078.16
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	195,312,419.69	118,266,889.53
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	67,706,235.45	116,086,430.82
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	59,700,013.59	52,200,130.13
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	167,230,693.52	225,680,330.93
Chongqing Kangxin Equity Investment Fund Partnership (Limited Partnership)	146,160,043.51	100,882,805.61
Shenzhen Kanghuijia Technology Co., Ltd.	10,137.30	9,273.31
<b>Subtotal of equity investments</b>	<b>1,479,260,598.46</b>	<b>1,191,638,031.51</b>
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	626,244,139.25	890,768,440.22
Ningbo Yuanqing No. 9 Investment Partnership	148,855,198.11	134,671,492.89
Shenzhen Beihu Technology Partnership (Limited Partnership)	58,000,000.00	58,000,000.00
Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)	9,163,411.30	
Nanjing Kangfeng Dejie Asset Management Partnership (Limited Partnership)	100,000,000.00	
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	100,000,000.00	
Shenzhen Zitang No.1 Enterprise Consulting Management Partnership (Limited Partnership)	100,386,000.00	
Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)	17,752,926.20	18,283,639.06
<b>Subtotal of debt investments</b>	<b>1,160,401,674.86</b>	<b>1,101,723,572.17</b>
<b>Total</b>	<b>2,639,662,273.32</b>	<b>2,293,361,603.68</b>

### 14. Investment Properties

#### (1) Investment Properties Measured at Cost

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use rights	Buildings and constructions	Total
I. Original carrying value			
1. Beginning balance	44,863,032.17	826,709,601.47	871,572,633.64
2. Increase in the period	1,258,474.75	46,649,427.48	47,907,902.23
(1) Outsourcing		8,531,405.75	8,531,405.75
(2) Fixed assets\Construction in progress\Transfer of intangible assets	1,258,474.75	38,118,021.73	39,376,496.48
3. Decrease in the period		93,689.25	93,689.25
(1) Disposal			
(2) Other transfer out		93,689.25	93,689.25
4. Ending balance	46,121,506.92	873,265,339.70	919,386,846.62
II. The accumulative depreciation and accumulative amortization			
1. Beginning balance	7,056,927.57	87,990,644.53	95,047,572.10
2. Increase in the period	1,363,248.72	22,594,081.40	23,957,330.12
(1) Provision or amortization	1,363,248.72	22,594,081.40	23,957,330.12
3. Decrease in the period	-182,714.09	2,208,614.29	2,025,900.20
(1) Disposal			
(2) Other transfer out	-182,714.09	2,208,614.29	2,025,900.20
4. Ending balance	8,602,890.38	108,376,111.64	116,979,002.02
III. Depreciation reserves			

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use rights	Buildings and constructions	Total
1. Beginning balance			
2. Increase in the period			
(1) Withdrawal			
3. Decrease in the period			
(1) Disposal			
(2) Other transfer out			
4. Ending balance			
IV. Carrying value			
1. Ending carrying value	37,518,616.54	764,889,228.06	802,407,844.60
2. Beginning carrying value	37,806,104.60	738,718,956.94	776,525,061.54

Note: Increased investment properties during the Reporting Period were mainly plants leased out by Chongqing Konka Technology Development.

(2) Investment properties measured at fair value

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

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

Item	Carrying value	Reason
Konka Standard Electronic Product Plants Project in Sunning	264,880,028.61	Settlement of the project is underway, and the certificate can be handled only after the settlement
<b>Total</b>	<b>264,880,028.61</b>	

(4) Investment properties with restricted ownership or use rights

Item	Carrying value	Reason
Tower 1 of Konka Guangming Technology Center (Phase I)	104,066,818.20	As collateral for loan
<b>Total</b>	<b>104,066,818.20</b>	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**15. Fixed Assets**

<b>Item</b>	<b>Ending carrying value</b>	<b>Opening carrying value</b>
Fixed Assets	4,114,029,693.38	4,010,295,277.14
Fixed assets pending for disposal		
<b>Total</b>	<b>4,114,029,693.38</b>	<b>4,010,295,277.14</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## (1) List of Fixed Assets

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
I. Original carrying value						
1. Opening balance	2,529,405,574.18	2,966,454,406.17	240,354,786.94	59,322,549.91	351,086,303.85	6,146,623,621.05
2. Increased amount of the period	331,795,154.98	261,290,200.22	85,966,004.39	4,604,657.28	16,906,614.56	700,562,631.43
(1) Purchase	20,114,341.14	199,041,807.59	26,645,682.05	3,541,333.49	14,633,412.09	263,976,576.36
(2) Transfer from construction in progress	308,094,448.71	49,402,164.35	4,590,760.45		900,969.30	362,988,342.81
(3) Increase through consolidation						
(4) Other transfer-in	3,586,365.13	12,846,228.28	54,729,561.89	1,063,323.79	1,372,233.17	73,597,712.26
3. Decreased amount of the period	907,019.01	124,399,475.27	24,011,052.84	4,048,034.10	181,967,467.30	335,333,048.52
(1) Disposal or scrap	141,518.85	103,332,020.04	13,367,221.39	3,616,895.26	13,634,145.19	134,091,800.73
(2) Decrease for loss of controlling right			10,466,027.51	356,138.85		10,822,166.36
(3) Other decreases	765,500.16	21,067,455.23	177,803.94	74,999.99	168,333,322.11	190,419,081.43
4. Ending balance	2,860,293,710.15	3,103,345,131.12	302,309,738.49	59,879,173.09	186,025,451.11	6,511,853,203.96
II. Accumulative						

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
depreciation						
1. Opening balance	593,988,005.87	1,083,045,070.75	157,322,088.50	40,593,276.19	210,886,326.73	2,085,834,768.04
2. Increased amount of the period	79,669,943.89	280,456,019.19	60,229,606.14	5,423,262.65	14,564,506.94	440,343,338.81
(1) Withdrawal	72,478,592.92	257,403,610.39	22,903,951.82	5,391,788.42	14,446,611.95	372,624,555.50
(2) Increase through consolidation						
(3) Other increase	7,191,350.97	23,052,408.80	37,325,654.32	31,474.23	117,894.99	67,718,783.31
3. Decreased amount of the period	273,247.05	104,987,202.08	15,863,349.79	3,186,846.54	110,865,691.68	235,176,337.14
(1) Disposal or scrap	43,597.00	86,527,797.04	12,103,278.56	2,949,525.05	12,258,624.61	113,882,822.26
(2) Decrease for loss of controlling right			3,624,872.40	174,804.82		3,799,677.22
(3) Other decreases	229,650.05	18,459,405.04	135,198.83	62,516.67	98,607,067.07	117,493,837.66
4. Ending balance	673,384,702.71	1,258,513,887.86	201,688,344.85	42,829,692.30	114,585,141.99	2,291,001,769.71
III. Impairment provision						
1. Opening balance	1,247,805.91	42,710,420.48	638,396.94	820,770.14	5,076,182.40	50,493,575.87
2. Increased amount of the period	22,739,721.60	47,577,961.34	713,593.51	6,712.58	51,386.68	71,089,375.71

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Houses and buildings</b>	<b>Machinery equipment</b>	<b>Electronic equipment</b>	<b>Transportation equipment</b>	<b>Other machinery</b>	<b>Total</b>
(1) Withdrawal	22,739,721.60	47,577,961.34	713,593.51	6,712.58	51,386.68	71,089,375.71
3. Decreased amount of the period		14,754,932.90			6,277.81	14,761,210.71
(1) Disposal or scrap		340,575.20			6,277.81	346,853.01
(2) Other decrease		14,414,357.70				14,414,357.70
4. Ending balance	23,987,527.51	75,533,448.92	1,351,990.45	827,482.72	5,121,291.27	106,821,740.87
IV. Carrying value						
1. Ending carrying value	2,162,921,479.93	1,769,297,794.34	99,269,403.19	16,221,998.07	66,319,017.85	4,114,029,693.38
2. Opening carrying value	1,934,169,762.40	1,840,698,914.94	82,394,301.50	17,908,503.58	135,123,794.72	4,010,295,277.14

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## (2) List of Temporarily Idle Fixed Assets

Item	Original carrying value	Accumulated depreciation	Impairment provision	Carrying value
Machinery equipment	865,443,988.96	363,412,125.18	62,022,693.53	440,009,170.25
Electronic equipment	11,772,427.80	8,531,212.11	77,602.87	3,163,612.82
Transportation equipment	3,673,189.64	3,317,929.05		355,260.59
Houses and buildings	266,352,257.20	129,377,121.63	7,899,900.07	129,075,235.50
Other machinery	2,873,020.82	1,765,894.04	86,175.22	1,020,951.56
<b>Total</b>	<b>1,150,114,884.42</b>	<b>506,404,282.01</b>	<b>70,086,371.69</b>	<b>573,624,230.72</b>

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

Item	Ending carrying value
Electronic equipment	231,800.93
Machinery equipment	42,619,267.56
Other machinery	517,453.24
Transportation equipment	8,987.34
<b>Total</b>	<b>43,377,509.07</b>

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

Item	Original carrying value	Accumulated depreciation	Impairment provision	Net carrying value	Reason
Ankang's plants	602,674,461.92	19,526,590.97		583,147,870.95	Being handled
Bokang's phase II plants on the second and third floors for printed	33,584,624.73	2,015,077.48		31,569,547.25	Being handled

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Original carrying value	Accumulated depreciation	Impairment provision	Net carrying value	Reason
boards					
Jingyuan Building property	7,700,000.00	4,071,361.21		3,628,638.79	Being handled
Yikang Building property	76,610,752.33	40,352,298.33		36,258,454.00	Being handled
Buildings and constructions of Chongqing Konka	345,413,277.95	1,653,574.20		343,759,703.75	Being handled
<b>Total</b>	<b>1,065,983,116.93</b>	<b>67,618,902.19</b>		<b>998,364,214.74</b>	

(5) Fixed Assets with Restricted Ownership or Use Right

Item	Ending carrying value	Reason for restriction
Housing and buildings of Anhui Tongchuang	145,172,450.55	Mortgage loan
Machinery equipment of Jiangxi Konka	27,771,337.15	Finance lease mortgage
Machinery equipment of Xinfeng Microcrystalline	35,461,691.38	Finance lease mortgage
Housing and buildings of Frestec Refrigeration	79,903,480.27	Finance lease mortgage
Buildings of Konka Group	75,596,340.49	Mortgage loan
Housing and buildings of XingDa HongYe	37,968,854.48	Mortgage loan
Anhui Konka's buildings	614,656,816.06	Mortgage loan
Machinery equipment of Xingda Hongye	18,741,233.84	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	11,840,840.01	Finance lease mortgage
Housing and buildings of Jiangxi	2,961,225.95	As collateral for guarantee

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Ending carrying value</b>	<b>Reason for restriction</b>
Konka		when as shareholder
Housing and buildings of Jiangsu Konka Intelligent	38,126,186.72	Mortgage loan
Housing and buildings of Boluo Konka Printed Board	5,818,072.30	Mortgaged for billing
Housing and buildings of Chongqing Konka	343,759,703.75	Mortgage loan
<b>Total</b>	<b>1,437,778,232.95</b>	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

16. Construction in Progress

(1) List of Construction in Progress

Item	Ending balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Chongqing Konka Semiconductor Optoelectronics Park Project	197,885,487.81		197,885,487.81	319,259,613.46		319,259,613.46
Guangming Project	466,051,847.89		466,051,847.89	282,501,390.70		282,501,390.70
Jiangxi High-permeability Crystalization Kiln	246,576,748.57	20,068,730.37	226,508,018.20	246,576,748.57		246,576,748.57
Dongguan Konka New Industrial Park	398,018,288.30		398,018,288.30	163,155,903.72		163,155,903.72
Construction of Suining Electronic Industrial Park Workshops	221,981,375.38		221,981,375.38	112,187,404.92		112,187,404.92
Frestec Smart Home Appliances Park	113,146,458.03		113,146,458.03	6,412,249.47		6,412,249.47
Other projects	410,734,273.00	43,964,371.54	366,769,901.46	361,012,106.76	327,586.21	360,684,520.55
<b>Total</b>	<b>2,054,394,478.98</b>	<b>64,033,101.91</b>	<b>1,990,361,377.07</b>	<b>1,491,105,417.60</b>	<b>327,586.21</b>	<b>1,490,777,831.39</b>

(2) Changes of Significant Construction in Progress this period

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of item	Opening balance	Increase in this period	Decrease in this period		Ending balance
			Transferred to long-term assets	Other decrease	
Chongqing Konka Semiconductor Optoelectronics Park Project	319,259,613.46	158,408,963.96	279,783,089.61		197,885,487.81
Guangming Project	282,501,390.70	183,550,457.19			466,051,847.89
Jiangxi High-permeability Crystalization Kiln	246,576,748.57				246,576,748.57
Dongguan Konka New Industrial Park	163,155,903.72	234,862,384.58			398,018,288.30
Construction of Suining Electronic Industrial Park Workshops	112,187,404.92	109,793,970.46			221,981,375.38
Frestec Smart Home Appliances Park	6,412,249.47	106,734,208.56			113,146,458.03
<b>Total</b>	<b>1,130,093,310.84</b>	<b>793,349,984.75</b>	<b>279,783,089.61</b>		<b>1,643,660,205.98</b>

(Continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Chongqing Konka Semiconductor	7.57	63.10	63.10				Self-owned fund

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Optoelectronics Park Project							
Guangming Project	5.20	89.63	89.63	22,328,097.51	13,044,187.04	5.30	Self-owned fund and project loans
Jiangxi High-permeability Crystalization Kiln	3.40	72.52	72.52	32,249,994.16			Self-owned fund and bank financing
Dongguan Konka New Industrial Park	5.97	66.72	66.72	15,266,672.03	9,494,147.81	4.76	Self-owned fund and bank financing
Construction of Suining Electronic Industrial Park Workshops	7.34	57.96	57.96				Self-owned fund
Frestec Smart Home Appliances Park	4.88	24.54	24.54	82,500.00	82,500.00	4.50	Self-owned fund and bank financing
<b>Total</b>				<b>69,927,263.70</b>	<b>22,620,834.85</b>		

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## (3) Impairment Provision for Construction in Progress Withdrawn this Year

Item	Amount withdrawn this year	Reason for withdrawal
Nano Line One Project	36,181,822.63	Conditions for service unmet
Jiangxi High Permeability Crystallization Kiln Project	20,068,730.37	Conditions for service unmet
Henan Civil Engineering Project	3,703,547.42	Conditions for service unmet
Dalian Equipment	3,103,138.94	Conditions for service unmet
Other projects	648,276.34	Conditions for service unmet
<b>Total</b>	<b>63,705,515.70</b>	

## 17. Right-of-use assets

Item	Houses and buildings	Electronic equipment	Transportation equipment	Total
I. Original carrying value				
1. Opening balance	114,397,549.47	310,725.66	832,266.36	115,540,541.49
2. Increased amount this period	30,637,971.86			30,637,971.86
(1) Rent	30,637,971.86			30,637,971.86
(2) Others				
3. Decreased amount this period	39,155,975.49	67,232.32	832,266.36	40,055,474.17
(1) Decrease for loss of controlling right	887,522.59			887,522.59
(2) Others	38,268,452.90	67,232.32	832,266.36	39,167,951.58
4. Ending balance	105,879,545.84	243,493.34		106,123,039.18
II. Accumulative depreciation				
1. Opening balance	43,734,529.28	31,072.56	564,524.28	44,330,126.12
2. Increased amount this period	46,437,260.92	61,545.09	267,742.08	46,766,548.09
(1) Withdrawal	46,437,260.92	61,545.09	267,742.08	46,766,548.09

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Houses and buildings</b>	<b>Electronic equipment</b>	<b>Transportation equipment</b>	<b>Total</b>
(2) Others				
3. Decreased amount this period	34,124,780.47	36,426.88	832,266.36	34,993,473.71
(1) Decrease for loss of controlling right	443,761.31			443,761.31
(2) Others	33,681,019.16	36,426.88	832,266.36	34,549,712.40
4. Ending balance	56,047,009.73	56,190.77		56,103,200.50
III. Impairment provision				
1. Opening balance				
2. Increased amount this period				
(1) Withdrawal				
3. Decreased amount this period				
(1) Disposal				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	49,832,536.11	187,302.57		50,019,838.68
2. Opening carrying value	70,663,020.19	279,653.10	267,742.08	71,210,415.37

Note: Other decreases of original carrying value and accumulative depreciation were mainly decreases upon the expiry of leases.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

18. Intangible Assets

(1) List of intangible assets

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
I. Original carrying value							
1. Opening balance	927,878,747.71	75,609,671.41	163,217,317.78		128,853,938.95	367,680,928.14	1,295,559,675.85
2. Increased amount of the period	59,729,138.06			168,553,796.14	38,312,024.04	206,865,820.18	266,594,958.24
(1) Purchase	12,171,519.15				24,393,515.90	24,393,515.90	36,565,035.05
(2) Transfer from construction in progress				168,553,796.14	3,968,446.39	172,522,242.53	172,522,242.53
(3) Transfer from R&D							
(4) Increase through consolidation							

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
(5) Other reasons	47,557,618.91				9,950,061.75	9,950,061.75	57,507,680.66
3. Decreased amount of the period	67,276,093.66	3,412,215.08	46,501,452.24		1,031,018.57	50,944,685.89	118,220,779.55
(1) Disposal	18,460,000.00		31,501,452.24		565,252.06	32,066,704.30	50,526,704.30
(2) Decrease for loss of controlling right			15,000,000.00		309,734.51	15,309,734.51	15,309,734.51
(3) Decrease for other reasons	48,816,093.66	3,412,215.08			156,032.00	3,568,247.08	52,384,340.74
4. Ending balance	920,331,792.11	72,197,456.33	116,715,865.54	168,553,796.14	166,134,944.42	523,602,062.43	1,443,933,854.54
II. Accumulated amortization							
1. Opening balance	83,549,162.11	17,998,848.90	108,112,881.20		68,896,878.23	195,008,608.33	278,557,770.44
2. Increased amount of the period	20,247,166.46	4,665,476.67	7,638,886.93	1,560,683.29	21,830,844.06	35,695,890.95	55,943,057.41

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
(1) Withdrawal	20,247,166.46	4,665,476.67	7,638,886.93	1,560,683.29	15,123,269.19	28,988,316.08	49,235,482.54
(2) Other increases					6,707,574.87	6,707,574.87	6,707,574.87
3. Decreased amount of the period	4,649,685.37	3,412,215.08	44,433,347.53		554,954.22	48,400,516.83	53,050,202.20
(1) Disposal	1,476,800.00		31,501,452.24		348,021.76	31,849,474.00	33,326,274.00
(2) Decrease for loss of controlling right			12,931,895.29		58,702.06	12,990,597.35	12,990,597.35
(3) Decrease for other reasons	3,172,885.37	3,412,215.08			148,230.40	3,560,445.48	6,733,330.85
4. Ending balance	99,146,643.20	19,252,110.49	71,318,420.60	1,560,683.29	90,172,768.07	182,303,982.45	281,450,625.65
III. Impairment provision							
1. Opening balance			41,705,989.33			41,705,989.33	41,705,989.33
2. Increased		564,705.88	3,237,532.29		235,294.12	4,037,532.29	4,037,532.29

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
amount of the period							
(1) Withdrawal		564,705.88	3,237,532.29		235,294.12	4,037,532.29	4,037,532.29
(2) Business Combination Increase							
3. Decreased amount of the period							
(1) Disposal							
(2) Decrease for loss of controlling right							
4. Ending balance		564,705.88	44,943,521.62		235,294.12	45,743,521.62	45,743,521.62
IV. Carrying value							
1. Ending carrying value	821,185,148.91	52,380,639.96	453,923.32	166,993,112.85	75,726,882.23	295,554,558.36	1,116,739,707.27
2. Opening	<b>844,329,585.60</b>	<b>57,610,822.51</b>	<b>13,398,447.25</b>		<b>59,957,060.72</b>	<b>130,966,330.48</b>	<b>975,295,916.08</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
carrying value							

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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

Item	Carrying value	Reason
Land use right of the subsidiary Nano-Grystallization	5,016,325.64	Being handled
<b>Total</b>	<b>5,016,325.64</b>	

## (3) Significant Intangible Assets

Item	Ending carrying value	Remaining amortization period (year)
Land usage right of Dongguan Konka	189,901,786.67	46.67
Land usage right of Frestec Smart Home Technology	92,198,819.50	47.75
Land usage right of Frestec Refrigeration	65,789,729.84	33.75
Concessions of Yibin Konka	167,459,695.65	17.83
Land use right of Konka Huanjia	63,177,504.14	46.50

## (4) Intangible Assets with Restricted Ownership or Using Right

Item	Ending carrying value	Reason for restriction
Land use right of Dongguan Konka	189,901,786.67	Mortgage loan
Land use right of Anhui Konka	55,073,876.00	Mortgage loan
Land usage right of Frestec Refrigeration	65,789,729.84	As collateral for finance lease
Land usage right of Frestec Smart Home Technology	92,198,819.50	Mortgage loan
Land use right of Konka Tongchuang	17,944,663.84	Mortgage loan
Land use right of Jiangsu Konka	14,217,813.03	Mortgage loan
Land usage right of XingDa HongYe	13,580,993.18	Mortgage loan
Land usage right of Jiangxi Konka	12,414,476.93	Original shareholder guarantee mortgage
Land use right of Konka Guangming	5,478,330.62	Mortgage loan
Land use right of Chongqing Konka	45,561,847.85	Mortgage loan
<b>Total</b>	<b>512,162,337.46</b>	

## 19. Development Costs

Item	Opening	Increase	Decrease	Ending
------	---------	----------	----------	--------

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

		Internal development costs	Others	Recognized as intangible assets	Transferred into the current profit or loss	Others
Performance improvement project of MINI & MICRO LED	13,635,816.63	712,316.69			14,348,133.32	
Self-development of chips	3,234,494.07	5,541,550.64			8,776,044.71	
<b>Total</b>	<b>16,870,310.70</b>	<b>6,253,867.33</b>			<b>23,124,178.03</b>	

20. Goodwill

(1) Original Carrying Value of Goodwill

Name of the investees	Opening balance	Increase		Decrease		Ending balance
		Formed due to business combination	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
<b>Total</b>	<b>384,268,615.26</b>					<b>384,268,615.26</b>

(2) Provisions for Goodwill Impairment

Name of the investees	Opening balance	Increase		Decrease		Ending balance
		Provision	Others	Disposal	Others	
Jiangxi	340,111,933.01					340,111,933.01

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of the investees	Opening balance	Increase		Decrease		Ending balance
		Provision	Others	Disposal	Others	
Konka						
XingDa HongYe	21,959,947.14					21,959,947.14
<b>Total</b>	<b>362,071,880.15</b>					<b>362,071,880.15</b>

(3) Information on the Assets Groups or Combination of Assets Groups which Goodwill Belongs to

The Company engaged an assessment institution to assess the recoverable amount of the asset groups or combination of asset groups in which goodwill belongs to. Each asset group or combination of asset groups is the asset group related to goodwill of all operational tangible assets and recognizable intangible assets (excluding operating capital and non-operating assets) of principal business as reflected in the balance sheet of the corresponding subsidiary. The recognition of asset groups at the time of goodwill impairment test shall be consistent with the asset group or combination of asset groups determined at the time of the goodwill impairment test on the purchase date and in previous years.

(4) The key assumptions and basis for calculating the recoverable amount of asset groups are as follows:

- ① It is assumed that the assessed company is in continuous operation and had no significant changes from the current situation in the key aspects relating to production and operation, including business scope, sales mode and channels and the management;
- ② It is assumed that there are no significant changes in the social and economic environments of the assessed company, and there are no significant changes from existing ones in relevant laws, regulations or policies of the country or region where the company is located;
- ③ It is assumed that the assessed company keeps improving and optimizing its business scope, business practice and management model on the basis of maintaining consistency, and makes adjustments and innovations at appropriate times with the development of economy;
- ④ It is assumed that all products supplied by the assessed company meet market demands and the objectives and measures determined are realized as scheduled and with expected profits;
- ⑤ It is assumed that there are no significant changes in the interest rate, exchange rate, tax base and tax rate within the normal range stipulated by the country.
- ⑥ Recoverable amount of asset groups and combination of asset groups is based on the five-year

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

budget approved by the Management, and is calculated with the cash flow forecasting method.

(5) Impairment of goodwill of the Company's asset groups is detailed as follows:

The recoverable amount of XingDa HongYe was determined by the present value of the forecasted future cash flow. The future cash flow was determined at the discount rate of 12.88% based on the financial budget from 2023 to 2027 approved by the Management. The cash flow of XingDa HongYe for over five years was calculated on the basis of a growth rate of 0%. The Company engaged Shenzhen Pengxin Assets Appraisal Land Real Estate Appraisal Co., Ltd. to assess the XingDa HongYe asset group (inclusive of goodwill) by income approach. With the present value of the forecasted future cash flow of the assets in this asset group as the recoverable amount, the Asset Valuation Report on the Recoverable Amount of the Asset Group Containing Goodwill Formed by the Acquisition of Guangdong XingDa HongYe Electronics Co., Ltd. in Connection with the Goodwill Impairment Test to Be Performed by Konka Group Co., Ltd. (P.X.Z.P.B.Z. [2023] No. S032) was issued on 15 March 2023 with 31 December 2022 as the valuation base date. The present value of XingDa HongYe's asset group was RMB276.8654 million on the benchmark date of the assessment, the carrying value of the asset group after adjustment at fair value (including the overall goodwill) was RMB272.9596 million, and the carrying value of goodwill (including minority shareholders) was RMB43,523,000. Therefore, XingDa HongYe had no impairment of goodwill in the year as assessed in the goodwill impairment test. As of the reporting date, XingDa HongYe has accrued approximately RMB 21.9599 million in goodwill impairment.

### 21. Long-term Deferred Expenses

Item	Beginning balance	Increased	Amortization amount	Other decreased amount	Ending balance
Renovation costs	236,571,769.59	77,776,777.85	50,504,487.78	476,841.42	263,367,218.24
Shop expenses	20,710,094.41	16,617,218.73	18,133,772.61	406,460.04	18,787,080.49
Others	40,215,519.39	112,613,724.38	44,718,812.67	2,955,226.76	105,155,204.34
<b>Total</b>	<b>297,497,383.39</b>	<b>207,007,720.96</b>	<b>113,357,073.06</b>	<b>3,838,528.22</b>	<b>387,309,503.07</b>

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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### (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	3,446,211,696.71	710,037,893.08	1,662,487,029.88	294,364,103.95
Assets impairment provision	1,665,450,141.63	364,146,193.07	1,495,008,640.79	341,517,549.45
Deferred Income	90,355,036.00	22,296,259.01	54,518,127.50	13,573,281.87
Accrued expenses	208,346,464.01	49,058,992.22	211,674,351.84	47,600,301.64
Unrealized internal sales profits	62,006,060.41	15,501,515.10	34,369,797.29	8,592,449.32
Others	134,840,920.33	29,413,898.14	95,608,084.94	19,668,038.87
<b>Total</b>	<b>5,607,210,319.09</b>	<b>1,190,454,750.62</b>	<b>3,553,666,032.24</b>	<b>725,315,725.10</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	193,084,308.55	41,509,033.61	225,287,542.61	46,262,753.72
Prepaid interest	46,965,768.40	11,741,442.10	51,003,370.16	12,750,842.54
Accelerated depreciation of fixed assets	4,406,228.55	1,376,446.54	6,990,324.63	1,596,656.16
Financial assets at fair value through profit or loss	98,900,582.49	24,725,145.63	27,830,779.75	6,957,694.94
Others	42,438,733.89	10,183,869.09	37,306,538.44	9,326,634.61
<b>Total</b>	<b>385,795,621.88</b>	<b>89,535,936.97</b>	<b>348,418,555.59</b>	<b>76,894,581.97</b>

### (3) List of Unrecognized Deferred Income Tax Assets

Item	Ending balance	Beginning balance
------	----------------	-------------------

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
Deductible losses	2,114,844,242.75	2,210,991,564.05
Deductible temporary difference	2,967,427,358.07	2,024,354,413.51
<b>Total</b>	<b>5,082,271,600.82</b>	<b>4,235,345,977.56</b>

(4) Deductible Losses of Unrecognized Deferred Income Tax Assets will Due in the Following Years

Year	Ending balance	Beginning balance	Remarks
2022		338,228,367.62	
2023	134,203,193.22	150,048,845.66	
2024	92,292,924.99	192,104,714.11	
2025	136,655,028.18	503,798,833.87	
2026	263,654,830.43	1,026,810,802.79	
2027 and following years	1,488,038,265.93		
<b>Total</b>	<b>2,114,844,242.75</b>	<b>2,210,991,564.05</b>	

### 23. Other Non-current Assets

Item	Ending balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	1,459,111,732.63		1,459,111,732.63
Prepayment for construction, equipment and other long-term assets	251,133,645.63		251,133,645.63
<b>Total</b>	<b>1,710,245,378.26</b>		<b>1,710,245,378.26</b>

(Continued)

Item	Opening balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	2,584,957,360.50		2,584,957,360.50
Prepayment for construction, equipment and other long-term assets	63,573,129.62		63,573,129.62
<b>Total</b>	<b>2,648,530,490.12</b>		<b>2,648,530,490.12</b>

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 24. Short-term Borrowings

#### (1) Category of Short-term Borrowings

Item	Ending balance	Opening balance	Note
Credit loan	5,252,631,775.26	7,178,420,980.60	
Guarantee loan	1,953,423,601.39	2,382,534,766.48	①②③④⑤⑥⑦⑧
Mortgage loan	373,503,928.32	359,719,374.00	⑨⑩⑪⑫⑬
<b>Total</b>	<b>7,579,559,304.97</b>	<b>9,920,675,121.08</b>	

① The Company provides joint and several liability guarantee for the short-term borrowings totaling RMB996,869,990.28 to its subsidiaries Electronic Technology, Anhui Konka, Dongguan Konka, Sichuan Konka, Yibin Smart, Liaoyang Kangshun Smart, Jiangxi Konka, Jiangxi High-permeability Substrate, Xinfeng Microcrystalline, Anhui Tongchuang, and Bokang Precision.

② The Company has obtained short-term borrowings amounting to RMB801,014,444.44 from Shenzhen Chegongmiao Sub-branch of China Everbright Bank Co., Ltd., for which the Company's subsidiary Electronics Technology provides joint and several liability guarantee at the maximum amount.

③ The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB2,400,000.00 from Shenzhen Sub-branch of Bank of Hangzhou Co., Ltd., for which Shenzhen High-tech Investment and Financing Guarantee Co., Ltd. provides guarantee.

④ The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB2,900,000.00 from Shenzhen Futian Sub-branch of Bank of China Co., Ltd., for which Shenzhen SME Financing Guarantee Co., Ltd. provides guarantee.

⑤ A subsidiary of the Company, Konka Ventures, obtained a short-term loan of RMB2,200,000.00 from Bank of China, Shenzhen Futian Sub-branch, which was guaranteed by Shenzhen Qianhai Datang Technology Co., Ltd.

⑥ Ningbo Kanghanrui Electric, a subsidiary of the Company, obtained a short-term loan of RMB20,000,000.00 from Cixi Central District Sub-branch of Bank of Ningbo and was guaranteed jointly and severally by the Company and KEG.

⑦ Ningbo Kanghanrui Electric, a subsidiary of the Company, obtained a short-term loan of RMB30,000,000.00 from Bank of China, Cixi Guancheng Sub-branch, which was guaranteed jointly and severally by the Company and KEG in the ratio of 3:2 respectively.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

⑧ The Company obtained a short-term loan of RMB98,039,166.67 from CGB, Shenzhen Branch, which was jointly and severally guaranteed by the Company's parent company, OCT Group.

⑨ Anhui Konka, a subsidiary of the Company, obtained a short-term loan of US\$599,255.55 (equivalent to RMB4,173,575.27) from Bank of China, Chuzhou Branch by pledging land use rights with a carrying value of RMB36,665,009.33 and buildings and constructions with a carrying value of RMB424,320,114.97 as collaterals.

⑩ Anhui Konka, a subsidiary of the Company, obtained a short-term loan of RMB140,200,700.27 from Bank of China, Chuzhou Branch by pledging land use rights with a carrying value of RMB36,665,009.33 and buildings and constructions with a carrying value of RMB424,320,114.97 as collaterals.

⑪ Jiangsu Konka Intelligent, a subsidiary of the Company, obtained a short-term loan of RMB40,054,388.90 from the Changzhou Branch of China Zheshang Bank Co., Ltd. by pledging land use rights with a carrying value of RMB14,217,813.03 and buildings and constructions with a carrying value of RMB38,126,186.72 as collaterals.

⑫ Xingda Hongye, a subsidiary of the Company, obtained a short-term loan of RMB95,136,430.55 from Zhongshan Fusha Sub-branch of Zhongshan Rural Commercial Bank Co. Ltd. by using land use rights with a carrying value of RMB13,580,993.18 and buildings and constructions with a carrying value of RMB37,968,854.48 as collaterals and pledging time deposit certificates of RMB19,800,000.00, with Hu Zehong providing joint and several guarantee.

⑬ Anhui Tongchuang, a subsidiary of the Company, obtained a short-term loan of RMB93,938,833.33 from China Zheshang Bank, Hefei Branch by pledging land use rights with a carrying value of RMB17,944,663.84 and buildings and constructions with a carrying value of RMB145,172,450.55 as collaterals.

### (2) Outstanding Short-term Borrowings Overdue

There were no outstanding short-term borrowings overdue at the period-end.

### 25. Notes Payable

Category	Ending balance	Opening balance
Bank's acceptance bill	881,426,104.13	729,653,866.95
Commercial acceptance bill	173,147,717.91	386,683,091.96
<b>Total</b>	<b>1,054,573,822.04</b>	<b>1,116,336,958.91</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## 26. Accounts Payable

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
Within 1 year	2,330,698,958.02	3,479,614,154.99
1 to 2 years	155,636,729.60	187,662,627.95
2 to 3 years	89,142,446.14	85,964,325.66
Over 3 years	84,468,429.17	31,073,982.81
<b>Total</b>	<b>2,659,946,562.93</b>	<b>3,784,315,091.41</b>

## 27. Advances from Customers

<b>Type of note</b>	<b>Ending balance</b>	<b>Opening balance</b>
Rentals	825.69	
<b>Total</b>	<b>825.69</b>	

## 28. Contract Liabilities

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
Sales advances received	601,044,358.35	652,910,408.02
<b>Total</b>	<b>601,044,358.35</b>	<b>652,910,408.02</b>

## 29. Payroll Payable

## (1) List of Payroll Payable

<b>Item</b>	<b>Opening balance</b>	<b>Increase in this year</b>	<b>Decrease in this year</b>	<b>Ending balance</b>
List of Short-term Salary	409,391,936.17	1,554,591,924.80	1,620,337,182.36	343,646,678.61
Post-employment benefit-defined contribution plans	1,203,348.63	118,201,755.04	114,804,499.69	4,600,603.98
Termination benefits	151,800.00	27,369,218.97	27,160,097.51	360,921.46
Current portion of other benefits				
<b>Total</b>	<b>410,747,084.80</b>	<b>1,700,162,898.81</b>	<b>1,762,301,779.56</b>	<b>348,608,204.05</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**(2) List of Short-term Salary**

<b>Item</b>	<b>Opening balance</b>	<b>Increase in this year</b>	<b>Decrease in this year</b>	<b>Ending balance</b>
Salary, bonus, allowance, subsidy	399,855,780.86	1,368,114,784.28	1,433,286,512.24	334,684,052.90
Welfare for employees	952,201.64	65,299,239.32	62,314,935.22	3,936,505.74
Social security expense	1,256,304.20	53,585,546.29	53,782,946.66	1,058,903.83
Of which:				
Medical insurance premiums	955,995.78	48,193,997.49	48,607,940.30	542,052.97
Work-related injury insurance	68,005.10	3,158,080.97	2,967,539.00	258,547.07
Maternity insurance	232,303.32	2,233,467.83	2,207,467.36	258,303.79
Housing fund	137,726.03	55,672,772.08	55,508,209.17	302,288.94
Labor union budget and employee education budget	6,703,757.33	7,443,779.81	11,331,985.92	2,815,551.22
Short-term absence with payment				
Short-term profit sharing plan				
Others	486,166.11	4,475,803.02	4,112,593.15	849,375.98
<b>Total</b>	<b>409,391,936.17</b>	<b>1,554,591,924.80</b>	<b>1,620,337,182.36</b>	<b>343,646,678.61</b>

**(3) List of Defined Contribution Plan**

<b>Item</b>	<b>Opening balance</b>	<b>Increase in this year</b>	<b>Decrease in this year</b>	<b>Ending balance</b>
-------------	------------------------	------------------------------	------------------------------	-----------------------

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Basic endowment insurance	1,109,814.46	115,465,425.84	112,165,212.79	4,410,027.51
Unemployment insurance	93,534.17	2,736,329.20	2,639,286.90	190,576.47
Annuity				
<b>Total</b>	<b>1,203,348.63</b>	<b>118,201,755.04</b>	<b>114,804,499.69</b>	<b>4,600,603.98</b>

## 30. Tax and Fees Payables

Item	Ending balance	Opening balance
Corporate income tax	178,994,811.66	168,026,929.08
VAT	60,178,835.36	59,692,464.80
Fund for disposing abandoned appliances and electronic products	14,716,729.00	30,077,111.00
Urban maintenance and construction tax	3,710,919.05	3,696,423.98
Education fees and local education Surcharge	2,735,721.75	2,840,889.56
Stamp duty	9,955,063.53	6,255,372.18
Land use tax	11,028,106.31	8,812,080.36
Personal income tax	2,477,590.24	9,602,569.88
Property tax	4,511,721.21	4,287,226.80
Customs duty	1,624,434.41	1,962,596.87
Others	1,168,746.84	571,505.90
<b>Total</b>	<b>291,102,679.36</b>	<b>295,825,170.41</b>

## 31. Other Payables

Item	Ending balance	Opening balance
Interest payable	29,590,464.00	174,383,177.08
Other payables	1,866,120,909.34	1,613,794,571.51
<b>Total</b>	<b>1,895,711,373.34</b>	<b>1,788,177,748.59</b>

## 31.1 Interests Payable

Item	Ending balance	Opening balance
Interest on corporate bonds		171,218,888.92
Interest on long-term borrowings with interest paid by installment and principal	29,271,307.22	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
paid at maturity		
Interest payable on short-term borrowings	319,156.78	3,164,288.16
Others	<b>29,590,464.00</b>	<b>174,383,177.08</b>

## 31.2 Other Payables

## (1) Listed by Nature of Account

<b>Nature</b>	<b>Ending balance</b>	<b>Opening balance</b>
Intercourse funds	677,014,483.12	177,524,073.79
Expenses payable	538,693,780.45	755,393,561.40
Related party borrowing	286,552,967.74	313,104,212.26
Cash deposit and front	286,952,679.25	240,638,514.04
Advance money	5,482,995.92	8,282,111.32
Equity transfer payment	6,302,796.96	67,482,796.96
Others	65,121,205.90	51,369,301.74
<b>Total</b>	<b>1,866,120,909.34</b>	<b>1,613,794,571.51</b>

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

<b>Name of entity</b>	<b>Ending balance</b>	<b>Unpaid/Un-carry-over reason</b>
The Third Construction Engineering Company Ltd. of China Construction Second Engineering Bureau	37,401,559.68	Not yet due for payment
<b>Total</b>	<b>37,401,559.68</b>	

## 32. Non-current liabilities due within one year

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
Current portion of long-term borrowings	249,391,640.39	2,087,374,444.43
Current portion of long-term payables	139,213,550.70	270,119,697.71
Bonds payable due within 1 year		2,700,000,000.00
Lease liabilities due within 1 year	20,614,839.60	32,092,127.18
<b>Total</b>	<b>409,220,030.69</b>	<b>5,089,586,269.32</b>

## 33. Other Current Liabilities

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>
Accounts payable with trade acceptance notes	26,744,560.49	63,854,223.36

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Opening balance
Tax to be charged off	21,806,789.93	30,629,396.14
Refunds payable	19,898,433.29	15,258,568.74
<b>Total</b>	<b>68,449,783.71</b>	<b>109,742,188.24</b>

### 34. Long-term Borrowings

#### (1) Category of Long-term Borrowings

Item	Ending balance	Opening balance	Note
Guarantee loan	3,116,984,312.66	3,185,072,777.76	a)b)c)d)e)f)
Mortgage loan	849,816,227.52	638,086,279.01	g)h)i)j) k)
Entrusted borrowings	2,595,372,200.43	1,322,271,760.09	l)
Credit loan	2,536,925,213.87	471,084,166.66	
Pledge loan	57,225,088.80		m)n)
Less: Current portion	249,391,640.39	2,087,374,444.43	
<b>Total</b>	<b>8,906,931,402.89</b>	<b>3,529,140,539.09</b>	

a) The Company has obtained long-term borrowings amounting to RMB1,844,741,249.94 from Shenzhen Branch of China Guangfa Bank Co., Ltd., the term of which is from 24 June 2021 to 22 August 2025, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

b) The Company has obtained long-term borrowings amounting to RMB10,007,777.78 from Shenzhen Branch of China Development Bank Co., Ltd., the term of which is from 22 December 2022 to 22 December 2025, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

c) The Company has obtained long-term borrowings amounting to RMB1,001,054,166.66 from the Export-Import Bank of China, the term of which is from 22 June 2022 to 21 June 2024, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

d) The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB140,177,527.78 from Chuzhou Plaza Sub-branch of China Construction Bank Co., Ltd., of which the term is from 29 October 2021 to 26 October 2026, and for which the Company provides joint and several liability guarantee.

e) The Company's subsidiary Konka Xinyun Semiconductor Technology (Yancheng) Co.,

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

Ltd. has obtained long-term borrowings amounting to RMB71,276,580.00 from Yancheng Branch of HuaXia Bank Co., Ltd., the term of which is from 15 September 2021 to 21 August 2026, and for which the Company and its subsidiary Kowin Memory Technology (Shenzhen) Co., Limited provide joint and several liability guarantee at the maximum amount.

f) The Company's subsidiary XingDa HongYe has obtained long-term borrowings amounting to RMB49,727,010.50 from Zhuhai Branch of Xiamen International Bank Co., Ltd., and for which the Company provides joint and several liability guarantee.

g) The Company has obtained long-term borrowings amounting to RMB423,651,638.20 from Guanlan Sub-branch of Shenzhen Rural Commercial Bank Co., Ltd., the term of which is from 22 January 2021 to 22 January 2026, and for which it provides land use rights of a carrying value of RMB5,478,330.62 and investment properties of a carrying value of RMB104,066,818.20 and housing buildings of a carrying value of RMB75,596,340.49 as mortgage.

h) The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB73,412,096.90 from Chuzhou Branch of Industrial Bank Co., Ltd., of which the term is from 16 July 2021 to 15 July 2031, and for which it provides land use rights of a carrying value of RMB18,408,866.67 and housing buildings of a carrying value of RMB190,336,701.09 as mortgage and the Company provides joint and several liability guarantee.

i) The Company's subsidiary Dongguan Konka has obtained long-term borrowings amounting to RMB296,387,014.74 from Dongguan Fenggang Sub-branch of Agricultural Bank of China Co., Ltd., the term of which is from 22 June 2021 to 21 October 2030, and for which it provides land use rights of a carrying value of RMB189,901,786.67 as mortgage and the Company provides joint and several liability guarantee.

j) The Company's subsidiary Frestec Smart Home has obtained long-term borrowings amounting to RMB10,013,750.00 from Xinxiang Jiankang Road Sub-branch of China CITIC Bank Corporation Limited, the term of which is from 27 October 2022 to 4 May 2030, and for which it provides land use rights of a carrying value of RMB92,198,819.50 as mortgage and the Company as well as Meng Honggang, the legal person of Chuzhou Hanshang Electric Appliance Co.,Ltd., provide joint and several liability guarantee respectively at 51% and 49%.

k) The Company's subsidiary Chongqing Konka has obtained long-term borrowings amounting to RMB46,351,727.68 from Xinxiang Jiankang Road Sub-branch of China CITIC Bank Corporation Limited, the term of which is from 30 December 2022 to 19 December 2037,

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

and for which it provides housing buildings of a carrying value of RMB343,759,703.75 and land use rights of a carrying value of RMB45,561,847.85 as mortgage and the Company provide joint and several liability guarantee at the maximum amount.

l) The Company's parent company OCT Group has extended entrusted loans amounting to RMB2,595,372,200.43 to the Company through China Merchants Bank Co., Ltd., the term of which is from 10 January 2022 to 25 February 2024.

m) The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB20,526,934.75 from Yibin Sub-Branch of Postal Savings Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings from a concession agreement with an appraisal value of RMB595,900,000.00 as pledge, and the term thereof is from 30 June 2022 to 15 April 2040.

n) The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB36,698,154.05 from Yibin Sub-Branch of Industrial and Commercial Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings from a concession agreement with an appraisal value of RMB595,900,000.00 as pledge, and the term thereof is from 30 June 2022 to 15 April 2040.

### 35. Bonds Payable

#### (1) List of Bonds Payable

Item	Ending balance	Beginning balance
Corporate bonds	4,792,392,044.13	4,993,698,899.30
Less: Bonds payable due within 1 year		2,700,000,000.00
<b>Total</b>	<b>4,792,392,044.13</b>	<b>2,293,698,899.30</b>

#### (2) Changes of Bonds Payable (Excluding Other Financial Instruments Divided as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Bonds name	Total par value	Issuing date	Duration	Issuing amount	Beginning balance
19Konka02 (note ①)	1,500,000,000.00	14 January 2019	3 years	1,494,750,000.00	1,500,000,000.00
19Konka04 (note ②)	500,000,000.00	3 June 2019	3 years	498,250,000.00	499,770,702.34
19Konka06	700,000,000.00	22 July 2019	3	697,550,000.00	699,614,779.74

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Bonds name	Total par value	Issuing date	Duration	Issuing amount	Beginning balance
(note ③)			years		
21Konka01 (note ④)	1,000,000,000.00	8 January 2021	3 years	996,500,000.00	997,798,742.17
21Konka02 (note ⑤)	500,000,000.00	21 May 2021	3 years	498,250,000.00	498,715,932.92
21Konka03 (note ⑥)	800,000,000.00	9 July 2021	3 years	797,200,000.00	797,798,742.13
22Konka01 (note ⑦)	1,200,000,000.00	14 July 2022	3 years	1,195,800,000.00	
22Konka03 (note ⑧)	600,000,000.00	8 September 2022	3 years	597,900,000.00	
22Konka05 (note ⑨)	600,000,000.00	18 October 2022	3 years	597,900,000.00	
<b>Total</b>	<b>7,400,000,000.00</b>			<b>7,374,100,000.00</b>	<b>4,993,698,899.30</b>

(continued)

Name	Issued in the Reporting Period	Interest accrued at par value	Amortization of premium and depreciation
19Konka02 (note①)		3,125,000.00	
19Konka04 (note②)		9,791,666.69	229,297.66
19Konka06 (note③)		18,460,555.56	385,220.26
21Konka01 (note④)		43,732,777.82	1,100,628.96
21Konka02 (note⑤)		12,277,777.80	550,314.48
21Konka03 (note⑥)		15,185,555.54	880,503.12
22Konka01 (note⑦)	1,195,800,000.00	19,380,000.00	898,113.18
22Konka03 (note⑧)	597,900,000.00	6,600,000.00	338,993.73
22Konka05 (note⑨)	597,900,000.00	5,250,000.00	283,962.28
<b>Total</b>	<b>2,391,600,000.00</b>	<b>133,803,333.41</b>	<b>4,667,033.67</b>

(continued)

Name	Repaid in the Reporting Period	Ending balance
19Konka02 (note①)	1,503,125,000.00	
19Konka04 (note②)	509,791,666.69	

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Repaid in the Reporting Period	Ending balance
19Konka06 (note③)	718,460,555.56	
21Konka01 (note④)		1,042,632,148.95
21Konka02 (note⑤)		511,544,025.20
21Konka03 (note⑥)		813,864,800.79
22Konka01 (note⑦)		1,216,078,113.18
22Konka03 (note⑧)		604,838,993.73
22Konka05 (note⑨)		603,433,962.28
<b>Total</b>	<b>2,731,377,222.25</b>	<b>4,792,392,044.13</b>

Note 1:

① On 14 January 2019, the Company issued RMB1.5 billion of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 5.00% and the due date of 14 January 2022. "19 Konka 02" has been fully paid and delisted from the exchange on 14 January 2022.

② On 3 June 2019, the Company issued RMB500 million of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 4.70% and the due date of 3 June 2022. "19 Konka 04" has been fully paid and delisted from the exchange on 3 June 2022.

③ On 22 July 2019, the Company issued RMB700 million of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 4.70% and the due date of 22 July 2022. "19 Konka 06" has been fully paid and delisted from the exchange on 22 July 2022.

④ On 8 January 2021, the Company issued RMB1 billion of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 4.46% and the due date of 8 January 2024.

⑤ On 21 May 2021, the Company issued RMB500 million of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 4.00% and the due date of 21 May 2024.

⑥ On 9 July 2021, the Company issued RMB800 million of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 3.95% and the due date of 9 July 2024.

⑦ On 14 July 2022, the Company issued RMB1.2 billion of public issuance of corporate bonds with the duration of 3 years, the annual interest rate of 3.23% and the due date of 14 July 2025.

⑧ On 8 September 2022, the Company issued RMB600 million of private placement of corporate

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

bonds with the duration of 3 years, the annual interest rate of 3.30% and the due date of 8 September 2025.

⑨ On 18 October 2022, the Company issued RMB600 million of private placement of corporate bonds with the duration of 3 years, the annual interest rate of 3.50% and the due date of 18 October 2025.

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

Note 3: The current year's repayments include principal and interest

### 36. Lease Liabilities

Item	Ending balance	Opening balance
Lease liabilities	57,201,478.76	74,624,996.81
Less: Lease liabilities due within 1 year (see Note VI-32)	20,614,839.60	32,092,127.18
<b>Total</b>	<b>36,586,639.16</b>	<b>42,532,869.63</b>

### 37. Long-term Payables

Item	Ending balance	Opening balance
Accrued financing lease outlay	152,547,691.61	434,481,614.08
Less: Unrecognized financing expenses	5,370,013.73	23,674,345.59
Less: Current portion (see Note VI-32)	139,213,550.70	270,119,697.71
<b>Total</b>	<b>7,964,127.18</b>	<b>140,687,570.78</b>

### 38. Long-term Employee Remuneration Payables

Item	Ending balance	Opening balance
Termination benefits-net liabilities of defined contribution plans	4,894,209.73	5,111,296.75
<b>Total</b>	<b>4,894,209.73</b>	<b>5,111,296.75</b>

### 39. Accrued Liabilities

Item	Ending balance	Opening balance	Reason for formation
Product quality assurance	74,590,486.63	106,069,944.34	“Three guarantees” after-sales of home

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Ending balance</b>	<b>Opening balance</b>	<b>Reason for formation</b>
			appliances
Performance compensation	82,723,436.52		
Pending lawsuits	206,591.51	206,591.51	
Discard expenses	1,875,064.89		
<b>Total</b>	<b>159,395,579.55</b>	<b>106,276,535.85</b>	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

40. Deferred Revenue

Item	Opening balance	Increase	Decrease	Ending balance	Formation reason
Government grants	206,302,424.92	162,651,491.70	34,108,950.31	334,844,966.31	Related to assets/income
<b>Total</b>	<b>206,302,424.92</b>	<b>162,651,491.70</b>	<b>34,108,950.31</b>	<b>334,844,966.31</b>	

40.1 Category of Deferred Income

List of Government Subsidy	Opening balance	Increase	Amount included in non-operating income this year	Amount included in other income this year	Other changes	Ending balance	Related to assets/income
Plant construction subsidy for Yibin Konka Industrial Park	71,448,167.88	36,489,600.00		2,072,799.11		105,864,968.77	Related to assets
Medical waste centralized treatment project in Gaoxian County, Yibin City	4,583,311.51	24,088,001.42		265,475.12		28,405,837.81	Related to assets
Subsidy for industrial R&D	20,000,000.00					20,000,000.00	Related to assets
Returned payments for land by Chongqing Konka	18,720,000.03			392,727.24		18,327,272.79	Related to assets
Relocation subsidy		13,085,700.00				13,085,700.00	Related to income
Plant decoration subsidy for Yibin Konka Technology Park	12,952,939.23			1,439,215.43		11,513,723.80	Related to assets
Special funds for supporting the development of advanced		11,440,000.00				11,440,000.00	Related to assets

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Opening balance</b>	<b>Increase</b>	<b>Amount included in non-operating income this year</b>	<b>Amount included in other income this year</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Related to assets/ income</b>
manufacturing and modern service industries							
Subsidy for high-tech innovation and operation in Yancheng	11,373,198.33			777,166.72		10,596,031.61	Related to assets
Other government subsidies related to assets/income	67,224,807.94	77,548,190.28		24,161,566.69	5,000,000.00	115,611,431.53	Related to assets/income
<b>Total</b>	<b>206,302,424.92</b>	<b>162,651,491.70</b>		<b>29,108,950.31</b>	<b>5,000,000.00</b>	<b>334,844,966.31</b>	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Note: Other changes refer to that the ending deferred income decreased RMB5 million due to the loss of control by Hefei KONSEMI Storage Technology Co., Ltd.

## 41. Other Non-current Liabilities

Item	Ending balance	Opening balance
Contract liabilities over one year	314,233,260.08	104,610,663.76
<b>Total</b>	<b>314,233,260.08</b>	<b>104,610,663.76</b>

## 42. Share Capital

Item	Opening balance	Change in this year (+, -)					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

## 43. Capital Surplus

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Other capital reserves	234,389,963.10	135,806,760.09	4,949,362.14	365,247,361.05
<b>Total</b>	<b>234,389,963.10</b>	<b>135,806,760.09</b>	<b>4,949,362.14</b>	<b>365,247,361.05</b>

Note: Capital reserves for the current period - other capital reserves increase and decrease due to the main reasons:

- a) The shareholding company Shandong Econ Technology Co., Ltd. increased capital and shares, resulting in an increase in other capital reserves of RMB135,296,760.09;
- b) Other capital reserves increased by RMB510,000.00 due to the donations by the minority shareholders of the subsidiary Shengxing Industrial;
- c) The disposal of part of the equity of Chutian Dragon Smart Card Co., Ltd., led to the reduction of other capital reserves by RMB 4,765,728.77.;
- d) The disposal of part of the equity of Chongqing YPFun Technology Co., Ltd., led in the reduction of other capital reserves by RMB 183,633.37.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

44. Other Comprehensive Income

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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. Other comprehensive income that may 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. Other comprehensive income	-13,937,209.67	7,669,161.80				6,070,906.24	1,598,255.56	-7,866,303.43

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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	
that may subsequently be reclassified to profit or loss								
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method	-1,215,133.65	-2,814,803.62				-2,814,803.62		-4,029,937.27
Differences arising from translation of foreign currency-denominated financial statements	-12,722,076.02	10,483,965.42				8,885,709.86	1,598,255.56	-3,836,366.16

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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	
<b>Total of other comprehensive income</b>	<b>-20,336,087.87</b>	<b>7,669,161.80</b>				<b>6,070,906.24</b>	<b>1,598,255.56</b>	<b>-14,265,181.63</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

## 45. Surplus Reserve

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Statutory surplus reserves	1,005,961,774.19			1,005,961,774.19
Discretionary surplus reserves	238,218,590.05			238,218,590.05
<b>Total</b>	<b>1,244,180,364.24</b>			<b>1,244,180,364.24</b>

## 46. Retained Earnings

Item	This Year	Last year
<b>Closing Balance of Last Year</b>	<b>5,229,098,788.94</b>	<b>4,595,371,391.63</b>
Add: Total beginning balance of retained earnings before adjustments		
Of which: change of accounting policy		
Correction of important prior period errors		
Consolidation scope changes under the same control		
Other adjustment factors		
<b>Opening Balance of Current Year</b>	<b>5,229,098,788.94</b>	<b>4,595,371,391.63</b>
Add: Net profit attributable to owners of the Company as the parent	-1,471,409,748.21	905,352,997.68
Other comprehensive income carried forward to retained earnings		1,628,195.00
Less: Withdrawal of statutory surplus reserve		32,459,254.57
Withdrawal of discretionary surplus reserves		
Dividend of ordinary shares payable	120,397,270.40	240,794,540.80
<b>Closing Balance of the Current Period</b>	<b>3,637,291,770.33</b>	<b>5,229,098,788.94</b>

## 47. Operating Revenue and Cost of Sales

## (1) Operating Revenue and Cost of Sales

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Lucrative business	28,607,497,919.19	28,075,348,270.98	48,232,324,902.09	46,690,427,987.52

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year		Amount incurred last year	
	Others	1,000,356,336.08	713,290,122.90	874,188,767.49
<b>Total</b>	<b>29,607,854,255.27</b>	<b>28,788,638,393.88</b>	<b>49,106,513,669.58</b>	<b>47,401,884,981.53</b>

### (2) List of Deduction from Operating Income

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
Amount of operating income	29,607,854,255.27		49,106,513,669.58	
Total amount of items deducted from operating income	823,347,409.73		579,266,272.20	
Proportion of the total amount of items deducted from operation income in operating income (%)	2.78		1.18	

#### I. Business income irrelevant to principal business

1. Other business income outside normal business. E.g., income from the lease of fixed assets, intangible assets, packaging materials, sales materials, non-monetary asset exchange with materials and operation of entrusted management business, and income that is included in the income from primary business but is outside the	823,347,409.73	Income from sales of waste products, utility bills, rental income, income from material sales and other income not related to the main business	579,266,272.20	Income from sales of waste products, utility bills, rental income, income from material sales and other income not related to the main business
---	----------------	---	----------------	---

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>This year (RMB)</b>	<b>Details</b>	<b>Same period of last year (RMB)</b>	<b>Details</b>
normal business of the listed company.				
2. Income from non-qualified pseudo-banking businesses; such as interest income from borrowed funds; income from new pseudo-banking businesses in the reporting and previous fiscal years, such as income from guarantee, commercial factoring, small loans, finance lease and pawn, except finance lease business conducted for the sale of primary products.				
3. Income from new trading businesses in the reporting and previous fiscal years.				
4. Income from related transactions irrelevant to the existing normal operation businesses of the listed company.				
5. Income of subsidiaries acquired in business combination under the				

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
same control from the period-beginning to the combination date.				
6. Income from businesses that have not yet had or are difficult to have a stable business model.				
Subtotal of business income irrelevant to principal business	823,347,409.73		579,266,272.20	
<b>II. Income without commercial substance</b>				
1. Income from transactions or events that do not significantly alter the risk, timing or amount of future cash flows of the company.				
2. Income from transactions without true business. E.g., false income realized in the way of self-transaction and false income from transactions by means of Internet technology or else otherwise.				
3. Income from businesses at unfair trade prices.				
4. Income from				

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
subsidiaries or businesses acquired in business combination at unfair considerations or by non-trading means in the reporting fiscal year.				
5. Income involved in non-standard audit opinions in audit opinions.				
6. Other income from transactions or events without commercial rationality.				
Subtotal of income without commercial substance				
III. Other income irrelevant to principal business or without commercial substance				
Amount of operating income after deduction	28,784,506,845.54		48,527,247,397.38	

(3) Details of Income from Contracts

Category of contracts	Amount incurred in this year	Total
Product categories		
Of which: Industry trade business	16,052,517,705.95	16,052,517,705.95
Color TV business	5,023,097,945.06	5,023,097,945.06
White Goods Sub-Division	3,929,504,730.97	3,929,504,730.97

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Category of contracts	Amount incurred in this year	Total
Environmental Protection Sub-Division	1,548,557,255.52	1,548,557,255.52
PCB business	663,849,487.53	663,849,487.53
Semi-conductor business	134,579,890.70	134,579,890.70
Others	2,255,747,239.54	2,255,747,239.54
<b>Total</b>	<b>29,607,854,255.27</b>	<b>29,607,854,255.27</b>
Classified by operating region		
Of which: Domestic	14,845,908,414.38	14,845,908,414.38
Overseas	14,761,945,840.89	14,761,945,840.89
<b>Total</b>	<b>29,607,854,255.27</b>	<b>29,607,854,255.27</b>

### (4) Main Operations (Classified by product)

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Industry trade business	16,052,517,705.95	15,948,127,861.17	29,682,677,483.94	29,514,534,704.12
Color TV business	5,023,097,945.06	5,081,621,150.13	7,300,340,878.11	6,922,606,555.81
White Goods Sub-Division	3,929,504,730.97	3,523,413,567.24	3,699,285,362.91	3,395,382,780.50
Environmental Protection Sub-Division	1,548,557,255.52	1,511,874,387.74	4,354,614,711.52	4,030,685,013.80
PCB business	663,849,487.53	627,609,981.96	913,703,904.09	852,737,298.50
Semi-conductor business	134,579,890.70	148,687,958.92	321,958,525.17	306,296,431.81
Others	1,255,390,903.46	1,234,013,363.82	1,959,744,036.35	1,668,185,202.98
<b>Total</b>	<b>28,607,497,919.19</b>	<b>28,075,348,270.98</b>	<b>48,232,324,902.09</b>	<b>46,690,427,987.52</b>

(5) Information in relation to the trade price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations that have been signed but have not yet been fulfilled or completed at the end of the year is 1265398010.74 yuan, of which 1248710925.11 yuan is expected to be recognized as revenue in 2023, and the remaining 16687085.63 yuan is expected to be recognized as revenue in 2024 and subsequent years.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**48. Taxes and Surcharges**

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Stamp duty	39,436,591.84	37,561,315.54
Land use tax	27,096,008.05	25,605,090.28
Urban maintenance and construction tax	14,998,902.21	14,388,124.18
Property tax	25,401,754.51	11,346,770.43
Education Surcharge	6,410,329.82	7,253,707.52
Local education surcharge	4,993,164.43	3,648,187.79
Water resources fund	590,860.27	697,990.97
Others	412,208.88	6,577,488.45
<b>Total</b>	<b>119,339,820.01</b>	<b>107,078,675.16</b>

**49. Sales Costs**

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Advertising expense	362,795,424.61	371,795,626.31
Employee remuneration	349,085,455.73	394,544,994.62
Warranty fee	162,483,458.52	190,310,768.84
Promotional activities	132,984,672.13	157,616,787.85
Logistic Fee	76,005,945.85	99,881,005.27
Taxes and fund	43,602,463.99	65,692,017.16
Rental charges	20,000,782.87	21,204,278.37
Travel expense	16,412,701.43	20,432,505.61
Entertainment expenses	12,319,781.49	15,367,291.49
Exhibition expenses	3,049,900.87	8,819,407.71
Others	61,404,148.28	82,398,212.14
<b>Total</b>	<b>1,240,144,735.77</b>	<b>1,428,062,895.37</b>

**50. Management Costs**

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Employee remuneration	536,410,042.48	563,542,871.74
Depreciation charge	181,356,034.20	127,774,142.65

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Intermediary fees	70,364,121.16	51,683,999.24
Utility bills	15,251,139.78	10,672,898.71
Travel expense	11,799,889.35	18,560,183.40
Loss on scraping of inventories	5,066,889.35	4,813,357.43
Patent fees	369,573.26	26,798,865.14
Others	129,029,900.70	156,602,798.81
<b>Total</b>	<b>949,647,590.28</b>	<b>960,449,117.12</b>

## 51. R&amp;D Expenses

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Labor cost	291,536,802.63	307,372,953.90
Depreciation and amortization expense	76,242,059.21	79,082,388.10
New product trial production expense	53,488,226.67	86,850,733.52
Material expense	38,872,892.09	36,669,220.05
Commission service fee	13,376,731.07	38,572,290.59
Testing expense	4,302,928.77	5,327,812.07
Information use fee	918,800.49	3,154,499.61
Others	65,143,583.96	59,305,590.17
<b>Total</b>	<b>543,882,024.89</b>	<b>616,335,488.01</b>

## 52. Financial Expenses

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Interest expense	913,721,408.10	1,003,080,641.99
Less: Interest income	237,115,652.09	169,492,982.89
Add: Exchange loss	-198,292,207.05	70,202,754.70
Other expenses	44,110,194.22	48,851,859.95
<b>Total</b>	<b>522,423,743.18</b>	<b>952,642,273.75</b>

## 53. Other Income

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Sources	Amount incurred in this year	Amount incurred last year
Support funds	695,511,711.98	881,725,458.00
Rewards and subsidies	138,985,910.13	176,611,973.06
Transfer of deferred income	29,108,950.31	261,773,501.33
Software tax refund	12,377,884.09	12,585,857.26
Post subsidies	5,205,565.67	2,454,397.17
Subsidies for L/C exports	348,111.95	314,298.00
Tax refund and return	47,174,366.68	18,069,095.29
<b>Total</b>	<b>928,712,500.81</b>	<b>1,353,534,580.11</b>

## 54. Investment Returns

Item	Amount incurred in this year	Amount incurred last year
Long-term equity investment income accounted by equity method	123,392,731.97	78,926,555.74
Investment income from disposal of long-term equity investment	509,249,136.96	2,854,953,098.82
Investment income from disposal of trading financial assets		
Income from remeasurement of residual stock rights at fair value after losing control power	239,092,139.68	1,169,723,182.43
Interest income earned on investment in debt obligations during the holding period	69,651,317.87	73,807,616.46
Income from entrust financial products and entrust loans		
Adjusted investment income with unrealized profit incurred from countercurrent transactions		
Investment income from disposal of financial assets at fair value through profit or loss	-5,378,929.04	39,396,495.93
<b>Total</b>	<b>936,006,397.44</b>	<b>4,216,806,949.38</b>

## 55. Income from Changes in Fair Value

Sources	Amount incurred in this year	Amount incurred last year
Financial assets at fair value through profit or loss	4,560,753.18	52,490,907.33
Estimated performance compensation	-45,292,086.72	
<b>Total</b>	<b>-40,731,333.54</b>	<b>52,490,907.33</b>

## 56. Credit Impairment Loss

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
Bad debt loss of notes receivable	4,405,405.84	17,539,258.26
Bad debt loss of accounts receivable	-437,154,564.05	-429,297,822.53
Bad debt loss of other receivables	-517,135,861.32	-695,515,117.04
<b>Total</b>	<b>-949,885,019.53</b>	<b>-1,107,273,681.31</b>

### 57. Impairment Losses on Assets

Item	Amount incurred in this year	Amount incurred last year
Inventory depreciation loss and contract performance cost impairment loss	-156,563,428.63	-160,020,309.63
Contractual Asset Impairment Loss		12,125,778.69
Impairment loss on long-term equity investment		-266,531,254.30
Impairment losses on fixed assets	-71,089,375.71	-3,770,121.13
Impairment losses on goodwill		-185,773,986.72
Impairment losses on construction in progress	-63,705,515.70	-327,586.21
Impairment losses on intangible assets	-4,037,532.29	-38,804,906.72
<b>Total</b>	<b>-295,395,852.33</b>	<b>-643,102,386.02</b>

### 58. Asset Disposal Income (“-” for loss)

Item	Amount incurred in this year	Amount incurred last year	Amount recorded in non-recurring profit or loss in this year
Incomes from disposal of disposal groups held for sale			
Incomes from disposal of non-current assets	9,580,708.29	571,964.16	9,580,708.29
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	9,580,708.29	571,964.16	9,580,708.29
Of which: Fixed assets disposal income	-2,675,226.73	571,964.16	-2,675,226.73
Intangible assets disposal income	12,241,030.45		12,241,030.45
Right-of-use assets disposal income	14,904.57		14,904.57
Income from non-monetary asset exchange			
Income from the disposal of non-current assets in debt restructuring			
<b>Total</b>	<b>9,580,708.29</b>	<b>571,964.16</b>	<b>9,580,708.29</b>

### 59. Non-operating Income

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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

Item	Amount incurred in this year	Amount incurred last year	Amount recorded in non-recurring profit or loss in this year
Performance compensation income	72,653,782.00	4,200,000.00	72,653,782.00
Compensation and penalty income	21,714,054.35	47,249,011.10	21,714,054.35
Gains on damage and scrap of non-current assets	917,512.09	361,063.43	917,512.09
Government subsidies unrelated to the normal operation of the Company		11,428,586.31	
Income from debt restructuring		19,777.25	
Others	29,853,693.56	19,343,094.26	29,853,693.56
<b>Total</b>	<b>125,139,042.00</b>	<b>82,601,532.35</b>	<b>125,139,042.00</b>

### (2) Government Subsidies Recorded in Current Profit or Loss

No such cases in the Reporting Period.

## 60. Non-operating Expenses

Item	Amount of current year	Amount of previous year	Amount recorded in non-recurring profit or loss in this year
Abnormal inventory loss	148,669,068.79		148,669,068.79
Performance compensation	37,431,349.80		37,431,349.80
Compensation expense	3,369,768.80	1,634,178.14	3,369,768.80
Loss on damage and scrap of non-current assets	3,340,817.47	6,920,746.88	3,340,817.47
Others	31,913,240.98	15,889,799.33	31,913,240.98
<b>Total</b>	<b>224,724,245.84</b>	<b>24,444,724.35</b>	<b>224,724,245.84</b>

Note: The abnormal loss of inventory is the loss caused by the forced auction of the subsidiary company affected by the case of minority shareholders, and the company has not waived the claim..

## 61. Income Tax Expenses

### (1) Income Tax Expenses

Item	Amount incurred in this year	Amount incurred last year
Income tax expense of the year	155,149,364.07	282,256,027.61
Deferred income tax expense	-452,505,929.62	482,288,526.58

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
<b>Total</b>	<b>-297,356,565.55</b>	<b>764,544,554.19</b>

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

Item	Amount incurred in this year
Total consolidated profit of this year	-2,067,519,855.44
Current income tax expense accounted at statutory/applicable tax rate	-516,879,963.86
Influence of applying different tax rates by subsidiaries	101,322,820.25
Influence of income tax before adjustment	-1,690,336.55
Influence of non-taxable income	-97,122,352.54
Influence of non-deductible costs, expenses and losses	28,749,700.21
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	-37,507,141.07
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	299,873,382.77
Changes in the balance of deferred income tax assets/liabilities in previous period due to adjustment of tax rate	-388,122.22
Others	-73,714,552.54
Income tax expenses	-297,356,565.55

### 62. Other Comprehensive Income

For details, refer to "Note VI-44 Other Comprehensive Income".

### 63. Cash Flow Statement

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

##### 1) Other cash received from business activities

Item	Amount incurred in this year	Amount incurred last year
Income from government subsidy	1,022,967,081.76	1,127,630,135.26
Front money and guarantee deposit	259,156,351.64	425,177,436.15
Intercourse funds	38,841,937.19	209,797,069.63
Interest income from bank deposits	81,268,409.97	71,275,968.05

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
The commercial factoring payment	43,656,915.89	2,793,522.48
Compensation and penalty income	13,515,680.81	16,337,009.60
Others	137,680,649.87	163,971,164.55
<b>Total</b>	<b>1,597,087,027.13</b>	<b>2,016,982,305.72</b>

## 2) Cash payments related to other operating activities

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Expense for cash payment	1,284,221,978.23	1,312,250,512.94
Payment for guarantee deposit, cash deposit	428,549,076.52	296,141,059.53
Payment made on behalf	26,621,620.91	21,862,378.10
Expense for bank handling charges	4,742,304.06	19,675,970.82
Others	225,268,008.86	491,244,850.65
<b>Total</b>	<b>1,969,402,988.58</b>	<b>2,141,174,772.04</b>

## 3) Other cash received from investment activities

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Recovery of funds borrowing	3,860,647,680.07	1,962,465,274.48
Cash received from acquisition of subsidiaries	2,000.00	23,694.03
Others	127,885,628.35	425,985,130.82
<b>Total</b>	<b>3,988,535,308.42</b>	<b>2,388,474,099.33</b>

## 4) Other cash paid for investment activities

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Payment for funds borrowing	479,034,898.06	421,590,000.00
Cash paid for disposal of subsidiaries		512,222,301.34
Others	2,979,556.70	176,545,630.00
<b>Total</b>	<b>482,014,454.76</b>	<b>1,110,357,931.34</b>

## 5) Other cash received from funding activities

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Recovery of margin deposit pledged	363,847,783.60	443,925,442.47

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Recovery of margin deposit pledged	363,847,783.60	443,925,442.47
Receiving funds borrowing	161,410,093.19	504,555,407.07
Financing lease accounts		38,000,000.00
Others	28,100.03	32,643,873.47
<b>Total</b>	<b>525,285,976.82</b>	<b>1,019,124,723.01</b>

## 6) Other cash paid for funding activities

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Deposit as margin for pledge	378,218,165.91	289,851,369.48
Finance leases	299,950,091.11	468,899,445.22
Repayment of funds borrowing	142,068,831.60	50,523,144.79
Financing cost	37,111,326.66	31,538,566.39
Others	1,816,055.32	87,815,061.07
<b>Total</b>	<b>859,164,470.60</b>	<b>928,627,586.95</b>

## (2) Supplemental Information for Cash Flow Statement

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
<b>1. Reconciliation of net profit to net cash flows generated from operating activities</b>		
Net profit	-1,770,163,289.89	806,700,826.10
Add: Provision for impairment of assets	295,395,852.33	643,102,386.02
Credit impairment loss	949,885,019.53	1,107,273,681.31
Depreciation of fixed assets, oil-gas assets, and productive biological assets	396,581,885.62	389,517,753.75
Depreciation of right-of-use assets	46,766,548.09	46,547,315.20
Amortization of intangible assets	49,235,482.54	80,425,143.85
Amortization of long-term prepaid expenses	113,357,073.06	81,281,582.15
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	-9,580,708.29	-571,964.16

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
Losses on scrap of fixed assets (gains: negative)	2,423,305.38	6,559,683.45
Losses on changes in fair value (gains: negative)	40,731,333.54	-52,490,907.33
Finance costs (gains: negative)	796,256,399.85	953,288,367.31
Investment loss (gains: negative)	-936,006,397.44	-4,216,806,949.38
Decrease in deferred income tax assets (gains: negative)	-465,158,595.63	480,269,955.17
Increase in deferred income tax liabilities (“-” means decrease)	12,641,355.00	6,665,936.98
Decrease in inventories (gains: negative)	-509,708,316.12	215,494,199.22
Decrease in accounts receivable generated from operating activities (gains: negative)	1,536,953,154.05	316,775,883.03
Increase in accounts payable used in operating activities (decrease: negative)	-1,048,804,193.14	206,077,002.77
Others	-29,108,950.31	-261,353,501.33
Net cash flow from operating activities	<b>-528,303,041.83</b>	<b>808,756,394.11</b>
<b>2. Significant investing and financing activities without involvement of cash receipts and payments</b>		
Conversion of debt to capital		
Convertible corporate bonds matured within 1 Year		
Fixed asset under finance lease		
<b>3. Net increase/decrease of cash and cash equivalent:</b>		
Ending balance of cash	5,461,912,010.90	5,968,347,219.03
Less: Opening balance of cash	5,968,347,219.03	4,298,056,113.24
Plus: Ending balance of cash equivalents		
Less: Opening balance of cash		

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
equivalents		
Net increase in cash and cash equivalents	<b>-506,435,208.13</b>	<b>1,670,291,105.79</b>

**(3) Net Cash Paid for Acquisition of Subsidiaries this Year**

<b>Item</b>	<b>Amount of current year</b>
Cash or cash equivalents paid in the current period for the business combination occurring in the current period	<b>10,000.00</b>
Of which: Guangdong Jinsheng Construction Engineering Co., Ltd.	10,000.00
Less: cash and cash equivalents held by subsidiaries on the purchase date	<b>10,000.00</b>
Of which: Guangdong Jinsheng Construction Engineering Co., Ltd.	10,000.00
Add: Cash or cash equivalents paid in the Reporting Period for the business combination occurring in the prior period	
<b>Net cash paid for acquisition of subsidiaries</b>	

**(4) Net Cash Receive from Disposal of the Subsidiaries**

<b>Item</b>	<b>Amount of current year</b>
Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the Current Period	<b>302,280,000.00</b>
Of which: Sichuan Chengrui Real Estate Co., Ltd.	27,280,000.00
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	220,000,000.00
Konka Industrial Development (Wuhan) Co., Ltd.	55,000,000.00
Less: cash and cash equivalents held by subsidiaries on the date of losing control power	<b>5,185,649.96</b>
Of which: Sichuan Chengrui Real Estate Co., Ltd.	1,845,348.16
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	8,334.26
Konka Industrial Development (Wuhan) Co., Ltd.	3,331,967.54
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>297,094,350.04</b>

**(5) Cash and Cash Equivalents**

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Cash	5,461,912,010.90	5,968,347,219.03
Including: Cash on hand	14.78	363.22
Bank deposit on demand	5,461,911,996.12	5,968,346,855.81

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Ending balance of cash and cash equivalents</b>	<b>5,461,912,010.90</b>	<b>5,968,347,219.03</b>
--	-------------------------	-------------------------

## 64. 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.

## 65. Assets with Restricted Ownership or Right to Use

<b>Item</b>	<b>Ending carrying balance</b>	<b>Reason for restriction</b>
Monetary capital	526,183,479.81	Among them, RMB435,167,024.52 is the margin deposit, which is pledged for borrowing money or issuing bank acceptance bills; RMB305,405.41 for financial supervision account funds; RMB69,800,000.00 is time deposit that cannot be withdrawn in advance; RMB20,911,049.88 is restricted due to other reasons.
Notes receivable	504,958,051.41	Pledge for making out an invoice
Stock	49,679,547.48	Affected by the case of the minority shareholder of the subsidiary, the inventory was wrongly seized, and the company did not give up the claim.
Investment property	104,066,818.20	Mortgage loan
Fixed assets	1,437,778,232.95	Mortgage for making out an invoice, finance lease mortgage, mortgage loan, original shareholder guarantee mortgage
Intangible assets	512,162,337.46	Mortgage loan, financing lease mortgage, original shareholder guarantee mortgage
Construction in progress	229,757,971.08	Finance lease mortgage
<b>Total</b>	<b>3,364,586,438.39</b>	

## 66. Foreign Currency Monetary Items

## (1) Foreign Currency Monetary Items

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance of foreign currencies	Exchange rate	Ending balance in RMB
Monetary Assets			
Of which: USD	106,315,046.38	6.96460	740,441,772.02
EUR	2,726,066.73	7.42290	20,235,320.73
EGP	68,434,211.39	0.28134	19,253,281.03
GBP	1.32	8.39410	11.08
HKD	11,827,196.41	0.89327	10,564,879.74
CAD	6.96	5.13850	35.76
PLN	3,860,748.89	1.58781	6,130,118.91
Accounts Receivable			
Of which: USD	86,909,542.13	6.96460	605,290,197.12
EUR	1,634,533.25	7.42290	12,132,976.86
EGP	17,377,975.23	0.28134	4,889,119.55
HKD	58,598,699.43	0.89327	52,344,460.24
AUD	49,764.00	4.71380	234,577.54
Other Receivables			
Of which: USD	111,545,094.65	6.96460	776,866,966.20
EGP	134,051.34	0.28134	37,714.00
HKD	1,693,608.98	0.89327	1,512,850.09
JPY	21,400,000.00	0.05236	1,120,461.20
Short-term borrowings			
Of which: USD	15,090,462.34	6.96460	105,099,034.01
Accounts payable			
Of which: USD	24,084,328.20	6.96460	167,737,712.18
EUR	100,199.23	7.42290	743,768.86
EGP	21,623,757.13	0.28134	6,083,627.83
GBP	4,419.42	8.39410	37,097.05
HKD	39,282,168.35	0.89327	35,089,582.52
Other payables			
Of which: USD	205,546.18	6.96460	1,431,546.93
EUR	2,782,163.76	7.42290	20,651,723.37
EGP	115,585.15	0.28134	32,518.73
GBP	4,419.42	8.39410	37,097.05

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance of foreign currencies	Exchange rate	Ending balance in RMB
HKD	19,660,731.61	0.89327	17,562,341.73
Interest payable			
Of which: USD	10,875.01	6.96460	75,740.09

## (2) Notes to Overseas Entities

The significant overseas entities include Hong Kong Konka, Konka Electrical Appliances International Trading, Chain Kingdom Memory Technologies, Kangjietong, Jiali International, Kowin Memory (Hong Kong) and Konka Mobility. 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.

## 67. Government Subsidies

## (1) Basic Information on Government Subsidy

Project	Amount	Listed items	Amount recorded in the current profit or loss
Industrial support funds to Shaanxi Konka	285,000,000.00	Other income	285,000,000.00
Industrial support funds to Sichuan Konka	135,351,711.98	Other income	135,351,711.98
Industrial support funds to Xi'an	88,160,000.00	Other income	88,160,000.00
Industrial support funds to Jiangxi Industrial Park	60,000,000.00	Other income	60,000,000.00
Industrial support funds to Zhejiang	50,000,000.00	Other income	50,000,000.00
Industrial support funds to Songyang	45,000,000.00	Other income	45,000,000.00
Industrial support funds to North China	20,000,000.00	Other income	20,000,000.00
Industrial support funds to Suining	12,000,000.00	Other income	12,000,000.00
Others	329,271,544.07	Other income/deferred income, et	175,890,725.16

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Project	Amount	Listed items	Amount recorded in the current profit or loss
		c.	
<b>Total</b>	<b>1,024,783,256.05</b>		<b>871,402,437.14</b>

(2) Return of Government Subsidy

No such cases in the Reporting Period.

**VII. Changes of Consolidation Scope**

## 1. Business Combination Not under the Same Control

## (1) Business Combination Not under the Same Control in the Reporting Period

Name of acquiree	Time and place of gaining the equity	Cost of gaining the equity (RMB)	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to period-end	Net profits of acquiree from the purchase date to period-end (RMB)
Sichuan Hongxinc hen Real Estate Development Co., Ltd.	4 July 2022	8,000.00	80.00	Cash purchase	4 July 2022	Actual control		-12,424,633.57
Shenzhen Konka Digital Technology Development Co., Ltd. (Formerly known as Shenzhen Jinsheng Construction Engineering Co., Ltd.)	19 September 2022	10,000.00	100.00	Cash purchase	19 September 2022	Actual control		4.95

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### (2) Combination Cost and Goodwill

<b>Item</b>	<b>Sichuan Hongxincheng Real Estate Development Co., Ltd.</b>	<b>Shenzhen Konka Digital Technology Development Co., Ltd.</b>
--Cash	8,000.00	10,000.00
Total combination cost	8,000.00	10,000.00
Less: fair value of identifiable net assets acquired	8,000.00	10,000.00
The amount of goodwill/combined cost less than the fair value share of identifiable net assets obtained		

Note: The fair value of combination cost shall be determined based on the evaluation result of appraisal agencies.

### (3) The Identifiable Assets and Liabilities of Acquiree on Purchase Date

<b>Item</b>	<b>Sichuan Hongxincheng Real Estate Development Co., Ltd.</b>		<b>Shenzhen Konka Digital Technology Development Co., Ltd.</b>	
	<b>Fair value on purchase date</b>	<b>Carrying value on purchase date</b>	<b>Fair value on purchase date</b>	<b>Carrying value on purchase date</b>
Assets:				
Monetary assets	10,000.00	10,000.00	10,000.00	10,000.00
Net assets	10,000.00	10,000.00	10,000.00	10,000.00
Less: Non-controlling interests	2,000.00			
Net assets acquired	8,000.00		10,000.00	

Note: ① The fair value of identifiable assets or liabilities of the merged subsidiary Sichuan Hongxincheng Company was evaluated by Beijing Zhongtianhe Asset Evaluation Co., Ltd. and an asset evaluation report (ZTH [222] Ping Zi No. 90065) was issued on June 30, 2022. According to the asset based approach, the appraisal value of all shareholders' equity of Sichuan Hongxincheng Company on the benchmark date of June 15, 2022 was RMB 10000.

② The fair value of identifiable assets or liabilities of the merged subsidiary, Digital Technology Company, was assessed by Shenzhen Pengxin Asset Appraisal Land Real Estate Appraisal Co., Ltd. and an asset evaluation report was issued on August 3, 2022. According to the asset based method, the total equity of shareholders of Digital Technology Company was assessed at

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

RMB 10000 on the benchmark date of May 31, 2022.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

2. Disposal of subsidiary

Name	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)
Wuhan Industrial Development	5,500.00	55.00	Transfer	28 June 2022	The rights and obligations related to the underlying equity have been transferred	4,865.34
Xi'an Huasheng	22,000.00	100.00	Transfer	28 June 2022	The rights and obligations related to the underlying equity have been transferred	12,128.87
Sichuan Chengrui	2,728.00	31.00	Transfer	31 March 2022	The rights and obligations related to the underlying equity have been transferred	2,124.42

(continued)

Name	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)
Wuhan Industrial	45.00	519.27	4,500.00	3,980.73	Evaluated price	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Name</b>	<b>Residual equity proportion on the date of losing control power (%)</b>	<b>Carrying value of residual equity on the date of losing control power (RMB'0,000)</b>	<b>Fair value of residual equity on the date of losing control power (RMB'0,000)</b>	<b>Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)</b>	<b>Recognition method and main assumption of fair value of residual equity on the date of losing control power</b>	<b>Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)</b>
Development						
Xi'an Huasheng					Evaluated price	
Sichuan Chengrui	49.00	954.77	4,312.00	3,357.23	Evaluated price	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**3. Change of merger scope for other reasons****(1) Subsidiaries Established by the Company in the Reporting Period**

<b>Name</b>	<b>Registered capital</b>	<b>Shareholding percentage (%)</b>	<b>Time and place of obtaining control power</b>	<b>Way of gaining</b>
Jiangxi Konka High-tech Park	5,000.00	100.00	27 April 2022	Newly established
Shangrao Konka Electronic Technology Innovation	3,000.00	100.00	27 April 2022	Newly established
Guizhou Konka New Energy	10,000.00	98.00	11 May 2022	Newly established
Zhejiang Konka Electronic	3,000.00	100.00	20 June 2022	Newly established
Zhejiang Konka Technology Industry	3,000.00	100.00	20 June 2022	Newly established
Xi'an Konka Intelligent	500.00	51.00	22 July 2022	Newly established
Xi'an Konka Network	5,000.00	100.00	1 August 2022	Newly established
Xi'an Kanghong Technology Industry	3,000.00	100.00	1 August 2022	Newly established
Xi'an Konka Intelligent Technology	5,000.00	100.00	1 August 2022	Newly established
Chongqing Fangbing Real Estate	2,000.00	80.00	19 August 2022	Newly established
Chongqing Konka Low Carbon	1,500.00	55.00	30 September 2022	Newly established
Kanghong Xintong	10,000.00	95.09	21 October 2022	Newly established
Songyang Industry Operation	1,500.00	51.00	26 October 2022	Newly established
Kangyan Technology	1,000.00	100.00	28 October 2022	Newly established
Konka Photovoltaic Technology	15,000.00	60.00	9 October 2022	Newly established
Songyang Konka Intelligent	3,000.00	100.00	26 October 2022	Newly

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Way of gaining
				established
Konka North China	3,000.00	100.00	10 October 2022	Newly established
Zhongshan Kanghong	100.00	51.00	14 October 2022	Newly established

## (2) Cancellation of subsidiaries in the current year

Name	Registered capital	Shareholding percentage (%)	Liquidation completion time
Shanghai Xinfeng	1,066.40	51.00	10 February 2022
Yantai Laikang	1,000.00	51.00	4 August 2022
Jiangxi Konka Industrial Park	10,000.00	70.00	25 May 2022
Ruichang Kangrui Real Estate	1,000.00	70.00	25 May 2022
Yijiakang Intelligent	2,000.00	100.00	9 December 2022
Guizhou Kangkai Material	1,000.00	51.00	29 December 2022

## (3) Others

① The Company's subsidiary Hefei KONSEMI introduced strategic investors and increased the capital, which caused the decrease of the Company's shareholding proportion to 34.459459% and transfer of control power. And it will no longer be included into the consolidation scope.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### VIII. Equity in Other Entities

#### 1. Equity in Subsidiary

##### (1) Subsidiaries

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
1	Konka Ventures	Guangdong, Shenzhen	Guangdong, Shenzhen	Enterprise management consulting, incubation management, housing leasing, etc.	51		Establishment or investment
2	Yantai Konka	Shandong, Yantai	Shandong, Yantai	Other professional consultation and investigation		51	Establishment or investment
3	Chengdu Anren	Sichuan, Chengdu	Sichuan, Chengdu	Enterprise incubation management		51	Establishment or investment
4	Konka Enterprise Service	Guizhou, Guiyang	Guizhou, Guiyang	Enterprise management consulting		51	Establishment or investment
5	Yibin Konka Incubator	Sichuan, Yibin	Sichuan, Yibin	Commercial services		51	Establishment or investment
6	Anhui Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	78		Establishment or investment
7	Kangzhi Trade	Anhui, Chuzhou	Anhui, Chuzhou	Wholesale		78	Establishment or investment
8	Konka Factoring	Guangdong, Shenzhen	Guangdong, Shenzhen	Insurance agents (non-bank finance)	100		Establishment or investment
9	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
10	Jiali International	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
11	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
12	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing industry	75	25	Establishment or investment
13	Suining Konka Smart	Sichuan, Suining	Sichuan, Suining	Wholesale		100	Establishment or investment
14	Konka Europe	Germany, Frankfurt	Germany, Frankfurt	International trade	100		Establishment or investment
15	Telecommunication Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	75	25	Establishment or investment
16	Konka Mobility	China, Hong Kong	China, Hong Kong	Commercial		100	Establishment or investment
17	Mobile Interconnection	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial	100		Establishment or investment
18	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
19	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
20	Anhui Tongchuang	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	100		Establishment or investment
21	Anhui Electrical Appliance	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		51	Establishment or investment
22	Frestec Refrigeration	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
23	Frestec Smart Home	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
24	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
25	Frestec Household Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
26	Jiangsu Konka Smart	Jiangsu, Changzhou	Jiangsu, Changzhou	Manufacturing		51	Establishment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							or investment
27	Kangjiatong	Sichuan, Yibin	Sichuan, Yibin	Trade and services	100		Establishment or investment
28	Pengrun Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
29	Jiaxin Technology	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
30	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
31	Konka Leasing	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service industry		100	Establishment or investment
32	Konka Circuit	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
33	Boluo Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
34	Boluo Konka	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
35	Hong Kong Konka	China, Hong Kong	China, Hong Kong	International trade	100		Establishment or investment
36	Hongdin Invest	China, Hong Kong	China, Hong Kong	Investment holding		100	Establishment or investment
37	Chain Kingdom Memory Technologies	China, Hong Kong	China, Hong Kong	International trade		51	Establishment or investment
38	Chain Kingdom Memory Technologies (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services		51	Establishment or investment
39	Hongjet	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
40	Hongdin Trading	China, Hong Kong	China, Hong Kong	International trade		100	Establishment or investment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
41	Kanghao Technology	Egypt, Cairo	Egypt, Cairo	International trade		67	Establishment or investment
42	Konka North America	America, California	America, California	International trade		100	Establishment or investment
43	Konka Investment	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services	100		Establishment or investment
44	Yibin Konka Technology Park	Sichuan, Yibin	Sichuan, Yibin	Industrial park development and operation management		100	Establishment or investment
45	Konka Capital	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services		100	Establishment or investment
46	Konka Suiyong	Guangdong, Shenzhen	Guangdong, Shenzhen	Business service industry		51	Establishment or investment
47	Shengxing Industrial	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
48	Zhitong Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		51	Establishment or investment
49	Electronics Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
50	Anhui Zhilian	Anhui, Chuzhou	Anhui, Chuzhou	e-Commerce		100	Establishment or investment
51	Youzhihui	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
52	Xiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail trade		100	Establishment or investment
53	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Trade and service		100	Establishment or investment
54	Chengdu Konka Smart	Sichuan, Chengdu	Sichuan, Chengdu	Trade and service		100	Establishment or investment
55	Chengdu Konka Electronic	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing industry		100	Establishment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							or investment
56	XingDa HongYe	Zhongshan, Guangdong	Guangdong, Zhongshan	Manufacturing industry		51	Establishment or investment
57	Liaoyang Kangshun Smart	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale		100	Establishment or investment
58	Liaoyang Kangshun Renewable	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of renewable resources		100	Establishment or investment
59	Nanjing Konka	Jiangsu, Nanjing	Jiangsu, Nanjing	Wholesale		100	Establishment or investment
60	Konka Huanjia	Dalian, Liaoning	Dalian, Liaoning	Renewable resources processing trade	51		Establishment or investment
61	Konka Huanjia (Henan)	Henan, Lankao	Henan, Lankao	Renewable resource processing trade		51	Establishment or investment
62	Shanghai Konka	Shanghai	Shanghai	Real estate	100		Establishment or investment
63	Yantai Kangjin	Shandong, Yantai	Shandong, Yantai	Real estate		62.8	Establishment or investment
64	Jiangxi Konka	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing	51		Establishment or investment
65	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment
66	Jiangsu Konka Special Material	Jiangsu	Yancheng	Wholesale		51	Establishment or investment
67	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
68	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductors	100		Establishment or investment
69	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
70	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	51		Establishment or investment
71	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment
72	Konka Ronghe	Zhejiang, Jiaxing	Zhejiang, Jiaxing	Wholesale and retail trade	51		Establishment or investment
73	Suining Electronic Technological Innovation	Sichuan, Suining	Sichuan, Suining	Commercial services	100		Establishment or investment
74	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
75	Kanghong (Yantai) Environmental Protection	Shandong, Yantai	Shandong, Yantai	Comprehensive utilization of abandoned resources	51		Establishment or investment
76	Chongqing Kangxingrui	Chongqing	Chongqing	Recycling, processing and sales of renewable resources	51		Establishment or investment
77	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Recycling, processing and sales of waste resources		51	Establishment or investment
78	Chongqing Optoelectronic Technology Research Institute	Chongqing	Chongqing	Research & experiment development	75		Establishment or investment
79	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
80	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
81	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51		Establishment or investment
82	Ningbo Kanghr Electrical Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
83	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research & experiment development	51		Establishment or investment
84	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate	100		Establishment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							or investment
85	Yibin Kangrun	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance industry	67		Establishment or investment
86	Konka Material	Hainan, Haikou	Hainan, Haikou	Commercial services	100		Establishment or investment
87	Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51	Establishment or investment
88	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
89	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		94.9	Establishment or investment
90	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		95	Establishment or investment
91	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		90.1	Establishment or investment
92	Kowin Memory (Hong Kong)	Hong Kong	Hong Kong	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
93	Industrial and Trade Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
94	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Business service industry	100		Establishment or investment
95	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
96	Yibin Kangrun Environmental Protection	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		40.87	Establishment or investment
97	Shaanxi Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
98	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
99	Kangxiaojia Digital	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and IT services		100	Establishment or investment
100	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
101	Guizhou Konka New Material Technology	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Manufacturing and processing		51	Establishment or investment
102	Guizhou Kanggui Energy	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Wholesale and retail		100	Establishment or investment
103	Guangdong Xinwei	Lufeng, Guangdong	Lufeng, Guangdong	Semiconductors		100	Establishment or investment
104	Kangxinrui Renewable Resources	Chongqing	Chongqing	Recycling, processing and sales of renewable resources		51	Establishment or investment
105	Guizhou Kanggui Material Technology	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Manufacturing and processing	70		Establishment or investment
106	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate	51		Establishment or investment
107	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment
108	Jiangxi Konka High-tech Park	Jiangxi, Shangrao	Jiangxi, Shangrao	Commercial services	100		Establishment or investment
109	Shangrao Konka Electronic Technology Innovation	Jiangxi, Shangrao	Jiangxi, Shangrao	Research & experiment development	100		Establishment or investment

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
110	Guizhou Konka New Energy	Guizhou, Kaili	Guizhou, Kaili	Manufacture of non-metallic mineral products		98	Establishment or investment
111	Zhejiang Konka Electronic	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Research & experiment development	100		Establishment or investment
112	Zhejiang Konka Technology Industry	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Commercial services	51	49	Establishment or investment
113	Sichuan Hongxincheng	Sichuan, Chengdu	Sichuan, Chengdu	Real estate	80		Establishment or investment
114	Xi'an Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Wholesale		51	Establishment or investment
115	Xi'an Konka Network	Shaanxi, Xi'an	Shaanxi, Xi'an	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
116	Xi'an Kanghong Technology Industry	Shaanxi, Xi'an	Shaanxi, Xi'an	Commercial services	40	60	Establishment or investment
117	Xi'an Konka Intelligent Technology	Shaanxi, Xi'an	Shaanxi, Xi'an	Retail	100		Establishment or investment
118	Chongqing Fangbing Real Estate	Chongqing	Chongqing	Retail		80	Establishment or investment
119	Chongqing Konka Low Carbon	Chongqing	Chongqing	Wholesale		55	Establishment or investment
120	Kanghong Xintong	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09049	Establishment or investment
121	Songyang Industry Operation	Zhejiang, Lishui	Zhejiang, Lishui	Software and information technology services		51	Establishment or investment
122	Kangyan Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
123	Konka Photovoltaic Technology	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Science and technology promotion and application services		60	Establishment or investment
124	Songyang Konka Intelligent	Zhejiang, Lishui	Zhejiang, Lishui	Wholesale	100		Establishment

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							or investment
125	Konka North China	Tianjin	Tianjin	Electrical machinery and equipment manufacturing	100		Establishment or investment
126	Zhongshan Kanghong	Guangdong, Zhongshan	Guangdong, Zhongshan	Computer, telecommunications and other electronic equipment manufacturing		51	Establishment or investment
127	Digital Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment

(2) Significant Non-wholly-owned Subsidiary

Name	Shareholding proportion of non-controlling interests	Profit or loss attributable to minority shareholders this year	Declaring dividends distributed to minority shareholders this year	Ending balance of minority interests
Chain Kingdom Memory Technologies Co., Limited	49.00%	2,020,892.76		77,082,196.84

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(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 liabilities	Total liabilities
Chain Kingdom Memory Technologies Co., Limited	1,214,833,527.86	2,375,463.55	1,217,208,991.41	1,052,691,278.28	7,207,107.33	1,059,898,385.61

(continued)

Name	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Chain Kingdom Memory Technologies Co., Limited	1,122,601,899.81	1,496,802.37	1,124,098,702.18	983,206,412.40		983,206,412.40

(continued)

Name	Amount incurred in this year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chain Kingdom Memory Technologies Co., Limited	8,493,960,721.20	4,124,270.93	4,124,270.93	-69,349,463.30

(continued)

Name	Amount incurred last year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Amount incurred last year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chain Kingdom Memory Technologies Co., Limited	9,416,436,242.22	16,707,246.42	12,907,671.17	163,768,485.18

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 2. Equity in Joint Ventures or Associated Enterprises

#### (1) Significant Joint Ventures or Associated Enterprises

Name	Main operating place	Registration place	Nature of business	Shareholding 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	Professional machinery		42.79	Equity method

#### (2) Main Financial Information of Significant Associated Enterprise

Item	Ending balance/amount incurred this year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	971,913,521.98	253,227,910.38
Non-current assets		288,320,463.89
Total assets	971,913,521.98	541,548,374.27
Current liabilities	3,340.00	233,990,644.75
Non-current liabilities		74,263,430.52
Total liabilities	3,340.00	308,254,075.27
Equity of non-controlling interests		12,856,913.14
Equity attributable to shareholders of the Company as the parent	971,910,181.98	220,437,385.86
Net assets shares calculated at the shareholding proportion	483,905,786.35	99,748,594.97
Adjusted items		
- Goodwill		
- Internal unrealized profit		
- Others		
Carrying value of investment to associated enterprises	483,905,786.35	99,748,594.97
Fair values of equity investments of joint ventures with quoted prices		

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance/amount incurred this year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Revenue		514,976,783.54
Financial expenses	-461,885.81	-430,655.59
Income tax expenses		
Net profit	16,036,036.59	7,917,120.47
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	16,036,036.59	7,917,120.47
Dividends received from the joint venture in the current period		

(continued)

Item	Opening balance/amount incurred last year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	945,498,650.28	273,102,104.88
Non-current assets		220,186,531.13
Total assets	945,498,650.28	493,288,636.01
Current liabilities	730.00	258,379,870.36
Non-current liabilities		18,381,235.37
Total liabilities	730.00	276,761,105.73
Equity of non-controlling interests		9,047,500.16
Equity attributable to shareholders of the Company as the parent	945,497,920.28	207,480,030.12
Net assets shares calculated at the shareholding proportion	467,638,787.38	94,278,354.91
Adjusted items		
- Goodwill		
- Internal unrealized profit		
- Others		
Carrying value of investment to associated enterprises	467,638,787.38	94,278,354.91
Fair values of equity investments of joint ventures with quoted prices		
Revenue		475,403,349.60
Financial expenses	-517,521.24	5,058,668.75
Income tax expenses		

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Opening balance/amount incurred last year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Net profit	45,293,790.73	12,209,183.84
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	45,293,790.73	12,209,183.84
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 Period	Beginning balance/Same period of last year
<b>Associated enterprises:</b>		
Total carrying value of investment	5,767,578,574.26	3,617,582,425.90
The total of following items according to the shareholding proportions		
--Net profit	93,186,179.48	-32,617,474.82
--Other comprehensive income	-2,814,803.62	1,486,737.16
--Total comprehensive income	90,371,375.86	-31,130,737.66

## 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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 in USD of the Company's subsidiaries Hong Kong Konka, Hongdin Trading, Chain Kingdom Memory Technologies, Hongjet and Jiali, the Company's other primary business activities are settled in RMB. The currency risk arising from the assets and liabilities of such balance in USD may affect the Group's operating results. As at 31 December 2022, the Company's assets and liabilities were mainly the balance in RMB except for the assets or liabilities of a balance in USD as listed below.

Item	Ending balance	Opening balance
Monetary Assets	106,315,046.38	104,127,945.47
Accounts Receivable	86,909,542.13	150,964,132.67
Other Receivables	111,545,094.65	97,035,927.80
Other payables	205,546.18	
Short-term borrowings	15,090,462.34	89,678,741.45
Accounts payable	24,084,328.20	35,718,564.93
Interest payable	10,875.01	106,816.56

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

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's long-term borrowings from banks and corporation bonds are at fixed interest rates. The risk of cash flow changes of financial instruments

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

caused by interest rate changes is mainly related to short-term borrowings from banks with floating interest rates. The Company's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As at 31 December 2022, the balance of such short-term borrowings was RMB7,579,559,304.97.

### (2) Credit Risk

As at 31 December 2022, 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

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

---

sufficient funds to meet the needs of the Group's short-term debts 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:

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Amount as at 31 December 2022:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Monetary Assets	5,988,095,490.71				5,988,095,490.71
Trading Financial Assets					
Notes Receivable	1,059,737,243.54				1,059,737,243.54
Accounts Receivable	1,633,221,269.04	145,341,434.46	258,111,844.72	60,288.00	2,036,734,836.22
Other Receivables	524,599,485.31	495,631,494.36	421,877,628.71	16,237.20	1,442,124,845.58
Long-term Receivables			800,400.00		800,400.00
Other Current Assets	2,038,841,225.83				2,038,841,225.83
<b>Financial liabilities</b>					
Short-term borrowings	7,579,559,304.97				7,579,559,304.97
Notes payable	1,054,573,822.04				1,054,573,822.04
Accounts payable	2,330,698,958.02	155,636,729.60	170,176,259.09	3,434,616.22	2,659,946,562.93
Other payables	1,422,927,166.13	170,293,026.70	275,570,243.86	26,920,936.65	1,895,711,373.34
Payroll payable	348,608,204.05				348,608,204.05
Non-current liabilities due within one year	409,220,030.69				409,220,030.69
Long-term borrowings		6,811,464,725.39	1,655,495,707.05	439,970,970.45	8,906,931,402.89
Bonds Payable		2,368,040,974.94	2,424,351,069.19		4,792,392,044.13
Long-term payables			7,964,127.18		7,964,127.18

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 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	Exchange rate fluctuations	2022	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	15,551,310.88	11,270,323.99
USD	Depreciation of 1% against RMB	-15,551,310.88	-11,270,323.99

#### (2) Sensitivity Analysis of Interest Rate Risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

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

Item	Interest rate fluctuations	2022	
		Impact on net profit	Impact on shareholders' equity

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Borrowings at floating interest rates	Up 0.5%	28,813,464.20	28,058,882.34
Borrowings at floating interest rates	Down 0.5%	-28,813,464.20	-28,058,882.34

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

**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				
1. Financial assets measured at fair value through profit and loss for the current period				
(II) Accounts receivable financing		237,187,228.44		237,187,228.44
(II) Other equity investments				
(III) Other equity instrument investment			23,841,337.16	23,841,337.16
(IV) Investment properties				
(V) Biological assets				
(V) Other non-current financial assets			2,639,662,273.32	2,639,662,273.32
<b>The total amount of assets consistently measured at fair value</b>		237,187,228.44	2,663,503,610.48	2,900,690,838.92
<b>Total amount of liabilities at fair value</b>				
<b>II. Inconsistent fair value measurement</b>				
<b>Total assets of inconsistent fair value measurement</b>				

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 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.

## 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 of business	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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Controlling shareholders	Opening balance	Increase in this year	Decrease in this year	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 shareholders	Shareholding amount		Shareholding percentage (%)	
	Ending balance	Opening balance	Ending percentage	Opening percentage
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-2. (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:

Name	Relationship with the Company
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associate
Anhui Kangfu New Energy Co., Ltd.	Associate
Anhui Kangta Supply Chain Management Co., Ltd.	Associate
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associate
Chutian Dragon Co., Ltd.	Associate
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associate
Dongguan Kangjia New Materials Technology Co., Ltd.	Associate
Dongguan Kangzhihui Electronics Co., Ltd.	Associate
Dongguan Guankang Hongyu Investment Co., Ltd.	Associate
Feidi Technology (Shenzhen) Co., Ltd.	Associate
Guangdong Kangyuan Semiconductor Co., Ltd.	Associate
Hefei KONSEMI Storage Technology Co., Ltd.	Associate
Henan Kangfei Intelligent Electrical Appliances	Associate

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Co., Ltd.	
Kangkong Venture Capital (Shenzhen) Co., Ltd.	Associate
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Associate
Puchuang Jiakang Technology Co, Ltd.	Associate
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associate
Shenzhen Aimijiakang Technology Co., Ltd.	Associate
Shenzhen Jielunte Technology Co., Ltd.	Associate
Shenzhen Kanghongxing Smart Technology Co., Ltd.	Associate
Shenzhen Kopen Digital Technology Co., Ltd.	Associate
Shenzhen Konda E-display Co., Ltd.	Associate
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Associate
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	Associate
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	Associate
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	Associate
Shenzhen RF-Llink Technology Co., Ltd.	Associate
Shenzhen Yaode Technology Co., Ltd.	Associate
Shenzhen Zhongbing Konka Technology Co., Ltd.	Associate
Sichuan Chengrui Real Estate Co., Ltd.	Associate
Sichuan Huayi Jiakang Technology Co., Ltd.	Associate
KK Smartech Limited	Associate
Yantai Kangyun Industrial Development Co., Ltd.	Associate
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	Associate
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (limited partnership)	Associate
E3info (Hainan) Technology Co., Ltd.	Associate
Shandong Econ Technology Co., Ltd.	Associate

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Chongqing Kangjian Photoelectric Technology Co., Ltd.	Associate
Chongqing Kangxin Equity Investment Fund Partnership (limited partnership)	Associate
Chongqing Kangyiqing Technology Co., Ltd.	Associate
Chongqing Qingjia Electronics Co., Ltd.	Associate

### 4. Information on Other Related Parties

Name	Relationship with the Company
HOHOELECTRICAL&FURNITURECO.,LIMITED	Minority shareholder of subsidiary
Beijing Xuri Shengxing Technology Co., Ltd.	Minority shareholder of subsidiary
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary
Shenzhen New Journey Energy Conservation and Environmental Protection Service Co., Ltd.	Minority shareholder of subsidiary
Central Enterprises in poverty-stricken areas(Jiangxi)Industrial Investment Funds Partnership(L.P.)	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Dai Rongxing	Close family members of minority shareholders
Zhejiang Donghong Asset Management Co., Ltd.	Subsidiary of associated enterprise
AMobile Intelligent Corp. Ltd.	Subsidiary of associated enterprise
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Subsidiary of associated enterprise

### 5. Related-party Transactions

1. Related-party transactions of purchase and sale of goods, provision and acceptance of

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

services

## (1) Purchasing goods/receiving services

<b>Related party</b>	<b>Content</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchasing goods	361,343,092.66	677,309,389.23
Puchuang Jiakang Technology Co, Ltd.	Purchasing goods	346,728,064.51	240,633,703.30
KK Smartech Limited	Purchasing goods	45,029,492.58	10,780,582.86
OCT Group Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	44,307,009.34	55,547,081.78
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Purchasing goods	41,158,319.46	8,227,826.34
Korea Electric Group Co., Ltd. and its subsidiaries	Purchasing goods	35,518,472.38	55,836,238.79
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Purchasing goods	30,219,079.03	72,163,184.57
Shenzhen Konda E-display Co., Ltd.	Purchasing goods	28,026,932.54	46,107,911.06
Dongguan Konka Smart Electronic Technology Co., Ltd.	Purchase of goods and services	22,735,162.01	23,557,646.94
HOHOELECTRICAL&FURNITURE CO.,LIMITED	Purchasing goods	19,585,193.41	22,211,733.88
Dongguan Kangjia New Material Technology Co., Ltd. (formerly known as Dongguan Konka Packing Material Co., Ltd.)	Purchasing goods	12,289,697.95	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchasing goods	10,162,140.56	12,374,579.16
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Purchasing goods	8,531,405.75	
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	Purchase of goods and services		2,272,578,727.02
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Purchasing services		8,421,613.00
Subtotal of other related parties	Purchase of goods and services	7,972,143.19	4,336,673.63

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

<b>Related party</b>	<b>Content</b>	<b>Amount incurred in this year</b>	<b>Amount incurred last year</b>
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	189,148,548.38	103,201,296.73

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Related party	Content	Amount incurred in this year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labor service	178,677,010.72	144,139,658.68
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	161,244,155.22	279,074,296.50
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Sales of goods and provision of labor service	157,730,471.80	52,708,375.55
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and provision of labor service	107,734,901.38	192,124,416.17
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods	52,139,839.35	63,427,905.20
Hefei KONSEMI Storage Technology Co., Ltd.	Sales of goods	45,466,225.40	
Shenzhen Aimijiakang Technology Co., Ltd. (formerly known as Sichuan Aimijiakang Technology Co., Ltd.)	Sales of goods and provision of labor service	42,265,781.54	28,278,036.50
Shenzhen Konda E-display Co., Ltd. And its subsidiaries	Sales of goods and provision of labor service	39,405,582.28	43,781,944.59
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods	27,910,005.34	49,621,167.82
HOHOELECTRICAL&FURNITURE CO.,LIMITED	Sales of goods	21,684,854.42	49,653,058.20
Dongguan Konka Smart Electronic Technology Co., Ltd.	Sales of goods and provision of labor service	18,795,403.33	28,080,693.48
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Render labor service	14,150,943.39	
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	9,193,457.83	2,680,541.63
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	7,676,760.48	9,540,876.11
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	Render labor service	3,539,336.04	1,449,574.89
Sichuan Huayi Jiakang Technology Co., Ltd.	Sales of goods and provision of labor service	1,095,847.95	70,997,038.78
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	Sales of goods	21,944.26	5,660,377.20
Subtotal of other related parties	Sales of goods and provision of labor service	11,450,833.50	11,914,248.40

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 2. Information on Related-party Lease

Lease situation

Name of lessor	Name of lessee	Category of leased assets	Lease fee recognized this year	Lease fee recognized last year
OCT Group Co., Ltd. and its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	25,078,697.16	21,435,068.58
OCT Group Co., Ltd. and its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	1,819,825.44	1,571,011.20

### 3. Information on Related-party Guarantee

(1) The Company was guarantor

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Anhui Tongchuang	3,000.00	3,000.00	CNY	28 October 2021	27 October 2022	No
Anhui Tongchuang	5,000.00		CNY	14 April 2022	14 April 2023	No
Anhui Tongchuang	3,000.00	3,000.00	CNY	2 June 2022	1 June 2023	No
Anhui Tongchuang	5,000.00		CNY	5 July 2022	4 July 2023	No
Anhui Tongchuang	10,000.00	7,000.00	CNY	19 October 2022	19 October 2023	No
Electronics Technology	8,500.00	5,941.83	CNY	24 November 2022	10 January 2024	No
Electronics Technology	50,000.00	50,000.00	CNY	10 October 2022	21 July 2023	No
Sichuan Konka	4,000.00	4,000.00	CNY	22 March 2022	21 March 2023	No
Boluo Precision	2,480.11	575.00	CN	19 August	19 August	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
			Y	2020	2023	
Boluo Precision	3,000.00	3,000.00	CNY	25 August 2022	24 August 2023	No
Boluo Precision	12,449.00	2,761.58	CNY	6 July 2021	5 July 2023	No
Hong Kong Konka	10,000.00	10,098.67	CNY	9 February 2022	5 September 2022	No
Dongguan Konka	5,000.00	5,000.00	CNY	18 March 2022	17 March 2023	No
Dongguan Konka	80,000.00	29,638.70	CNY	23 June 2021	7 May 2031	No
Telecommunication Technology	7,500.00	5,000.00	CNY	20 May 2022	20 May 2023	No
Konka Circuit	20,000.00	7,864.23	CNY	24 May 2021	30 November 2024	No
Mobile Interconnection	7,000.00	4,000.00	CNY	11 August 2022	11 August 2023	No
Konka Xinyun Semiconductor	6,000.00	1,000.00	CNY	26 May 2022	25 May 2024	No
Konka Xinyun Semiconductor	20,000.00	7,127.66	CNY	12 July 2021	11 July 2022	No
Liaoyang Kangshun Smart	5,000.00	3,000.00	CNY	19 January 2022	18 January 2023	No
Yibin Smart	980.00	980.00	CNY	31 March 2022	30 March 2023	No
Chongqing Konka	38,000.00	4,635.17	CNY	13 December 2022	13 December 2037	No
XingDa HongYe	5,800.00	4,961.32	CNY	23 February 2022	23 February 2024	No
XingDa HongYe	2,000.00	699.29	CNY	25 December 2020	25 December 2023	No
XingDa HongYe	750.00	259.41	CNY	31 May 2021	31 August 2023	No
Jiangxi Konka	10,000.00	3,000.00	CNY	6 November 2020	1 December 2023	No
Jiangxi Konka	6,000.00	5,000.00	CNY	26 June 2022	25 June 2023	No
Jiangxi Konka	990.00	990.00	CNY	10 March 2022	9 March 2024	No
Jiangxi Konka	10,000.00	3,455.71	CNY	29 September 2020	29 September 2023	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Jiangxi Konka	5,000.00	4,400.00	CNY	21 December 2020	31 December 2023	No
Jiangxi Konka	1,000.00	343.01	CNY	30 December 2020	30 December 2023	No
Xinfeng Microcrystalline	5,000.00	887.79	CNY	19 May 2020	19 May 2023	No
Xinfeng Microcrystalline	2,100.00	725.62	CNY	8 December 2020	8 December 2023	No
Xinfeng Microcrystalline	7,200.00		CNY	29 December 2022	28 December 2023	No
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	29 June 2022	28 June 2023	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	5,000.00	448.87	CNY	8 January 2020	8 January 2023	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	990.00	990.00	CNY	10 March 2022	9 March 2024	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	6,000.00	1,479.81	CNY	14 July 2020	14 July 2023	No
Ningbo Kanghr Electrical Appliance	6,000.00	1,200.00	CNY	12 August 2021	27 July 2023	No
Ningbo Kanghr Electrical Appliance	6,000.00	1,800.00	CNY	12 July 2022	11 July 2023	No
Yibin Kangrun	10,000.00	10,000.00	CNY	13 November 2020	31 December 2024	No
Anhui Konka	10,000.00		CNY	13 September 2022	13 September 2023	No
Anhui Konka	5,500.00	2,793.51	CNY	18 August 2022	18 August 2023	No
Anhui Konka	18,000.00		CNY	22 August 2022	22 August 2023	No
Anhui Konka	28,000.00	7,330.99	CNY	10 August 2021	15 July 2031	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Anhui Konka	7,000.00	7,000.00	CNY	29 October 2021	26 October 2026	No
Anhui Konka	7,000.00	7,000.00	CNY	24 October 2022	26 October 2026	No
Anhui Konka	7,000.00	7,000.00	CNY	19 September 2022	18 September 2023	No
Frestec Smart Home	10,200.00	510.00	CNY	6 July 2022	4 May 2030	No
Konka Soft Electronic	975.00	55.28	CNY	19 December 2022	19 December 2023	No
Econ Technology	1,748.80	1,748.80	CNY	19 May 2022	18 May 2023	No
Econ Technology	3,747.44	3,747.44	CNY	17 May 2022	16 May 2023	No
Econ Technology	4,996.58	4,996.58	CNY	18 May 2022	17 May 2023	No
Econ Technology	249.83	249.83	CNY	28 June 2022	27 June 2023	No
Econ Technology	2,498.29	1,667.36	CNY	8 July 2022	7 July 2023	No
Econ Technology	749.49	749.49	CNY	27 July 2022	26 July 2023	No
Econ Technology	24.98	24.98	CNY	16 August 2022	15 August 2023	No
Econ Technology	199.86	199.86	CNY	6 September 2022	5 September 2023	No
Econ Technology	3,747.44	761.23	CNY	30 September 2022	29 September 2024	No
Econ Technology	2,748.12		CNY	23 November 2022	23 May 2024	No
Anhui Electrical Appliance	13,500.00	5,000.00	CNY	3 July 2020	1 July 2023	No
Shenzhen Overseas Chinese Town Co., Ltd.	10,000.00	580.00	CNY	31 May 2022	30 May 2023	No
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	980.00	783.28	CNY	17 May 2022	21 March 2023	No
OCT Group	60,000.00	60,000.00	CNY	8 September 2022	8 September 2025	No
OCT Group	60,000.00	60,000.00	CNY	18 October	18 October	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
			Y	2022	2025	

(2) The Company was secured party

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Electronics Technology	80,000.00	CNY	15 September 2022	14 September 2023	No
OCT Group	100,000.00	CNY	8 January 2021	8 January 2024	No
OCT Group	50,000.00	CNY	21 May 2021	21 May 2024	No
OCT Group	80,000.00	CNY	9 July 2021	9 July 2024	No
OCT Group	60,000.00	CNY	8 September 2022	8 September 2025	No
OCT Group	60,000.00	CNY	18 October 2022	18 October 2025	No
OCT Group	120,000.00	CNY	14 July 2022	14 July 2025	No
OCT Group	100,000.00	CNY	22 June 2022	21 June 2024	No
OCT Group	149,250.00	CNY	24 June 2021	23 June 2024	No
OCT Group	45,000.00	CNY	23 August 2022	22 August 2025	No
OCT Group	1,000.00	CNY	22 December 2022	22 December 2025	No
Hu Zehong, Liang Ruiling, Dai Yaojin	2,431.05	CNY	23 February 2022	23 February 2024	No
Hu Zehong, Liang Ruiling, Dai Yaojin	342.65	CNY	25 December 2020	25 December 2023	No
Hu Zehong, Liang Ruiling, Dai Yaojin	127.11	CNY	31 May 2021	31 August 2023	No
Zhu Xinming	1,470.00	CNY	6 November 2020	1 December 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,450.00	CNY	26 June 2022	25 June 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	10 March 2022	9 March 2024	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
		Y			
Jiangxi Xinzixin Real Estate Co., Ltd.	1,693.30	CNY	29 September 2020	29 September 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,156.00	CNY	21 December 2020	31 December 2022	No
Zhu Xinming	168.08	CNY	30 December 2020	30 December 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	435.02	CNY	19 May 2020	19 May 2023	No
Zhu Xinming	355.55	CNY	8 December 2020	8 December 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,940.00	CNY	29 June 2022	28 June 2023	No
Zhu Xinming	219.95	CNY	8 January 2020	8 January 2023	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	10 March 2022	9 March 2024	No
Jiangxi Xinzixin Real Estate Co., Ltd.	725.11	CNY	14 July 2020	14 July 2023	No
Econ Technology	3,300.00	CNY	13 November 2020	31 December 2024	No
Chuzhou State-owned Assets Management Co., Ltd.	614.57	CNY	18 August 2022	18 August 2023	No
Chuzhou State-owned Assets Management Co., Ltd.	1,612.82	CNY	10 August 2021	15 July 2031	No
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CNY	29 October 2021	26 October 2026	No
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CNY	24 October 2022	26 October 2026	No
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CNY	19 September 2022	18 September 2023	No
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd., Shenzhen Baili	488.37	CNY	1 January 2022	31 December 2025	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Yongxing Technology Co., Ltd.					
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd., Shenzhen Baili Yongxing Technology Co., Ltd.	552.72	CNY	1 January 2022	31 December 2025	No
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd., Shenzhen Baili Yongxing Technology Co., Ltd.	735.00	CNY	1 January 2022	31 December 2025	No
Hu Zehong, Liang Ruiling, Dai Yaojin	2,450.00	CNY	1 July 2018	31 December 2025	No
Hu Zehong, Liang Ruiling, Dai Yaojin	4,899.02	CNY	1 July 2018	31 December 2025	No
Suiyong Rongxin Asset Management Co., Ltd.	980.00	CNY	1 January 2018	31 December 2022	No
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	1 January 2018	31 December 2022	No
Suiyong Rongxin Asset Management Co., Ltd.	1,862.00	CNY	1 January 2018	31 December 2022	No
Zhu Xinming	11,123.00	CNY	15 October 2021	14 October 2022	No
Zhu Xinming	1,323.00	CNY	15 October 2021	14 October 2022	No
Zhu Xinming	443.45	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	283.32	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	235.95	CNY	1 January 2022	31 December	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
		Y		2022	
Zhu Xinming	13,249.19	CNY	19 February 2022	18 February 2023	No
Zhu Xinming	6,860.00	CNY	1 March 2022	28 February 2023	No
Zhu Xinming	2,330.54	CNY	9 March 2022	8 March 2023	No
Zhu Xinming	44.05	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	443.45	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	278.55	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	231.91	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	44.05	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	443.45	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	274.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	66.67	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	44.05	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	443.45	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	78.79	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	44.05	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	214.50	CNY	1 January 2022	31 December 2022	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Zhu Xinming	262.79	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	649.29	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	298.90	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	490.00	CNY	28 February 2022	27 February 2023	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	210.90	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	260.25	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	210.90	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	298.90	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	60.57	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	257.71	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	60.57	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	286.65	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Zhu Xinming	224.27	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	255.17	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	110.25	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	101.77	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	4.58	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	223.85	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	171.33	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	93.12	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	223.85	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	171.33	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	93.12	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	223.85	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	171.33	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	93.12	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	223.85	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	76.44	CNY	1 January 2022	31 December 2022	No
Zhu Xinming	93.12	CNY	1 January 2022	31 December 2022	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Zhu Xinming	2,940.00	CNY	1 March 2022	28 February 2023	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CNY	19 May 2022	19 May 2023	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,083.96	CNY	19 May 2022	19 May 2023	No
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	6,370.00	CNY	15 August 2022	14 August 2023	No
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	2,450.00	CNY	21 December 2022	14 August 2023	No
Konka Ventures Development (Shenzhen) Co., Ltd.	1,322.54	CNY	15 December 2021	5 November 2022	No
Wu Guoren	875.00	USD	31 December 2019	31 December 2024	No
Wu Guoren	2,450.00	USD	31 December 2019	31 December 2024	No
Wu Guoren	212.50	USD	31 December 2019	31 December 2024	No
Xiao Yongsong	840.00	USD	31 December 2019	31 December 2024	No
Xiao Yongsong	2,352.00	USD	31 December 2019	31 December 2024	No
Xiao Yongsong	204.00	USD	31 December 2019	31 December 2024	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,477.84	USD	21 June 2021	31 December 2022	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	867.30	USD	21 June 2021	31 December 2022	No
Guizhou Huajinrun Technology Co. Ltd.	381.15	USD	1 January 2022	31 December 2025	No
Guizhou Huajinrun Technology Co. Ltd.	157.50	USD	1 January 2022	31 December 2025	No
Shenzhen Henglongtong Technology Co., Ltd.	241.40	USD	1 January 2022	31 December 2025	No
Shenzhen Henglongtong Technology Co., Ltd.	99.75	USD	1 January 2022	31 December	No

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Guarantor:		Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
					2025	
AUJET LIMITED	INDUSTRY	3,227.63	USD	10 November 2021	31 December 2023	No
AUJET LIMITED	INDUSTRY	89.18	USD	10 November 2021	31 December 2023	No
AUJET LIMITED	INDUSTRY	1,029.00	USD	20 July 2020	31 December 2023	No

### 4. Borrowings of Funds

Name of related parties	Amount	Currency	Start date	Maturity date
<b>Borrowing:</b>				
OCT Group	131,091.00	CNY	10 January 2022	25 February 2024
OCT Group	50,000.00	CNY	19 May 2022	25 February 2024
OCT Group	70,000.00	CNY	26 May 2022	25 February 2024
Chuzhou Hanshang Electric Appliance Co., Ltd.	10,535.00	CNY	1 February 2022	31 January 2023
Chuzhou Hanshang Electric Appliance Co., Ltd.	490.00	CNY	30 May 2022	29 May 2023
Chuzhou Hanshang Electric Appliance Co., Ltd.	1,837.50	CNY	10 November 2022	31 December 2022
Econ Technology	33.00	CNY	31 March 2022	19 March 2023
Econ Technology	31.35	CNY	2 June 2021	19 March 2023
Econ Technology	20.13	CNY	4 June 2021	19 March 2023
Econ Technology	1,536.15	CNY	13 August 2021	19 March 2023
Econ Technology	285.85	CNY	13 October 2021	19 March 2023
Econ Technology	40.26	CNY	17 December 2021	19 March 2023
Econ Technology	99.26	CNY	16 February 2022	19 March 2023
Econ Technology	95.96	CNY	12 May 2022	28 February 2023
Econ Technology	39.60	CNY	16 June 2022	28 February 2023
Econ Technology	1,070.92	CNY	23 June 2022	28 February 2023
Econ Technology	49.50	CNY	19 September 2022	28 February 2023
Econ Technology	33.00	CNY	19 December 2022	28 February 2023
Chongqing Kangjian Photoelectric Technology Co., Ltd.	800.00	CNY	26 October 2022	24 February 2023

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of related parties	Amount	Currency	Start date	Maturity date
Guangdong Wanrundaoheng Culture Tourism Development Co., Ltd.	3,040.00	CNY	19 July 2022	17 July 2023
Guangdong Wanrundaoheng Culture Tourism Development Co., Ltd.	5,074.10	CNY	15 September 2022	17 July 2023
Kangkong Venture Capital (Shenzhen) Co., Ltd.	245.00	CNY	21 July 2022	19 July 2023
Beijing Xuri Shengxing Technology Co., Ltd.	228.67	CNY	5 December 2022	30 November 2023
<b>Total</b>	<b>276,676.25</b>			
<b>Lending:</b>				
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	23 November 2021	22 November 2022
Yantai Kangyun Industrial Development Co., Ltd.	3,230.00	CNY	25 August 2022	24 August 2023
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	17 March 2022	19 January 2023
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	23 May 2022	30 December 2022
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	1 June 2022	30 December 2022
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	28 November 2022	14 November 2023
Dongguan Guankangyuhong Investment Co., Ltd.	19,600.00	CNY	6 August 2022	15 July 2023
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	25 November 2020	24 November 2021
Econ Technology	18,315.11	CNY	28 December 2022	16 March 2023
Sichuan Chengrui	14,724.50	CNY	8 December 2022	7 December 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	15,288.00	CNY	18 December 2022	17 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	6 January 2022	4 January 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	26 March 2022	21 March 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	22 March 2022	20 March 2023
Chongqing Liangshan Industrial Investment Co., Ltd.	7,524.80	CNY	24 December 2022	23 December 2023
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	16 December 2021	5 November 2022

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Name of related parties	Amount	Currency	Start date	Maturity date
<b>Total</b>	<b>148,600.37</b>			

### 5. Information on Assets Transfer and Debt Restructuring by Related Party

Name of related parties	Content	Amount incurred in this year	Amount incurred last year
OCT Group and its subsidiaries and associates	Equity transfer		1,400,000,000.00
Chutian Dragon Co., Ltd.	Equity transfer		1,000,000.00
OCT Group and its subsidiaries and associates	Transfer of patents, software copyrights and trademarks	12,843,396.23	
<b>Total</b>		<b>12,843,396.23</b>	<b>1,401,000,000.00</b>

### 6. Information on Remuneration for Key Management Personnel

Item	Reporting Period (RMB'0,000)	Same period of last year (RMB'0,000)
Total remuneration	2,206.85	2,646.29

## (II) Balances with Related Party

### 1. Accounts Receivable

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
<b>Accounts receivable:</b>				
OCT Group Co., Ltd. and its subsidiaries and associates	156,687,630.71	8,433,199.71	112,295,325.56	2,448,228.43
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	143,135,135.62	121,664,865.28	131,032,162.46	65,516,081.23
HOHOELECTRIC AL&FURNITURE CO.,LIMITED	123,273,472.66	18,429,711.73	113,606,433.75	7,481,903.77
Chuzhou Hanshang Electric Appliance Co., Ltd.	52,156,655.05	1,063,995.77	45,393,066.82	926,018.56

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	47,638,172.10	2,368,282.48	148,730,451.88	8,135,088.28
Shenzhen Kanghongxing Smart Technology Co., Ltd.	39,215,316.77	32,913,147.45	39,940,213.90	6,151,331.52
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	13,523,856.80	410,843.28	22,468,132.66	458,349.90
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	10,824,609.83	220,822.05	12,099,780.90	247,013.76
<b>Subtotal of other related parties</b>	<b>22,671,223.40</b>	<b>675,458.06</b>	<b>27,367,315.41</b>	<b>583,847.73</b>
<b>Total</b>	<b>609,126,072.94</b>	<b>186,180,325.81</b>	<b>652,932,883.34</b>	<b>91,947,863.18</b>
<b>Financing accounts receivable/Notes receivable:</b>				
Korea Electric Group Co., Ltd. and its subsidiaries	103,340,000.00		15,000,000.00	
Chuzhou Hanshang Electric Appliance Co., Ltd.	5,028,746.39		14,000,000.00	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	63,064.76		1,815,713.26	
<b>Total</b>	<b>108,431,811.15</b>		<b>30,815,713.26</b>	
<b>Dividends receivable</b>				
Chongqing Qingjia Electronics Co., Ltd.	272,999.43			
<b>Total</b>	<b>272,999.43</b>			
<b>Other receivables:</b>				
Jiangxi Meiji	93,512,640.31	86,901,651.51	93,512,640.31	52,729,155.43

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Enterprise Co., Ltd.				
Dai Rongxing	83,058,831.58	83,058,831.58	79,974,500.96	52,816,781.04
Chongqing Liangshan Industrial Investment Co., Ltd.	75,330,416.70	1,536,740.51	223,196,349.34	4,553,205.53
Shenzhen Kanghongxing Smart Technology Co., Ltd.	39,888,921.64	36,024,193.48	36,670,149.78	23,809,925.53
OCT Group Co., Ltd. and its subsidiaries and associates	35,760,987.33	20,304,912.84	30,429,787.06	19,968,912.07
Huanjia Group Co., Ltd.	25,083,675.53	24,582,002.02	25,083,675.53	17,302,185.43
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly known as Dongguan Konka Investment Co., Ltd.)	22,000,000.00	220,000.00		
HOHOELECTRIC AL&FURNITURE CO.,LIMITED	2,443,773.67	554,492.25	2,237,153.78	224,162.83
Hu Zehong	2,058,174.06	41,986.75		
<b>Subtotal of other related parties</b>	<b>159,634.37</b>	<b>3,230.02</b>	<b>117,002.15</b>	<b>46,468.84</b>
<b>Total</b>	<b>379,297,055.19</b>	<b>253,228,040.96</b>	<b>491,221,258.91</b>	<b>171,450,796.70</b>
<b>Prepayments:</b>				
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	5,720,375.37			
Puchuang Jiakang Technology Co., Ltd.	3,176,682.44			
OCT Group Co., Ltd. and its subsidiaries and associates	1,094,665.28			
Shenzhen Kanghongxing Smart Technology Co., Ltd.			4,298,225.15	
KK Smartech Limited			1,534,918.13	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Subtotal of other related parties</b>	<b>1,184,075.41</b>		<b>961,888.99</b>	
<b>Total</b>	<b>11,175,798.50</b>		<b>6,795,032.27</b>	
<b>Current portion of non-current assets:</b>				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries			10,395,523.78	
<b>Total</b>			<b>10,395,523.78</b>	
<b>Other current assets:</b>				
Chuzhou Kangxin Health Industry Development Co., Ltd.	366,191,797.92		339,338,066.67	
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	238,121,355.60		127,164,360.00	
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	220,546,846.61		205,263,079.97	
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly known as Dongguan Konka Investment Co., Ltd.)	217,760,251.21		211,662,473.43	
Shandong Econ Technology Co., Ltd. and its subsidiaries	183,151,149.03		427,620,131.62	
Yantai Kangyue Investment Co., Ltd.	160,287,449.78		149,862,482.00	
Sichuan Chengrui	158,533,783.32			

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

OCT Group Co., Ltd. and its subsidiaries and associates			163,287,310.66	
<b>Total</b>	<b>1,544,592,633.47</b>		<b>1,624,197,904.35</b>	
<b>Long-term receivables:</b>				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries			565,099.14	
<b>Total</b>			<b>565,099.14</b>	

### 2. Accounts Payable

<b>Related party</b>	<b>Ending carrying balance</b>	<b>Opening carrying balance</b>
<b>Accounts payable:</b>		
Chuzhou Hanshang Electric Appliance Co., Ltd.	22,429,429.76	46,950,863.88
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	13,942,717.31	30,500,867.67
OCT Group Co., Ltd. and its subsidiaries and associates	13,114,183.37	9,087,624.55
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	12,879,895.22	15,522,755.99
HOHOELECTRICAL&FURNITURECO.,LIMITED	6,083,652.55	2,391,530.03
Panxu Intelligence Co., Ltd. and its subsidiaries	5,894,192.83	1,433.53
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,615,128.91	4,370,387.10
Handian Group Co., Ltd. and its subsidiaries	2,609,330.74	9,047,641.17
Dongguan Kangzhahui Electronics Co., Ltd.	1,730,506.79	6,435,302.72
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries		10,737,902.34
<b>Subtotal of other related parties</b>	<b>6,167,532.67</b>	<b>9 605,650.30</b>
<b>Total</b>	<b>89,466,570.15</b>	<b>144,651,959.28</b>
<b>Notes payable:</b>		
Chuzhou Hanshang Electric Appliance Co., Ltd.	13,000,000.00	
Handian Group Co., Ltd. and its subsidiaries	9,889,686.67	15,984,491.27
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	4,868,677.92	8,933,479.14
Dongguan Kangjia New Materials Technology Co., Ltd.	5,664,319.21	6,265,841.17

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(formerly named: Dongguan Konka Packing Materials Co., Ltd.)		
Panxu Intelligence Co., Ltd. and its subsidiaries	4,425,575.22	4,782,566.22
Puchuang Jiakang Technology Co, Ltd.		22,412,418.23
<b>Total</b>	<b>37,848,259.02</b>	<b>58,378,796.03</b>
<b>Contractual liabilities/other current liabilities:</b>		
OCT Group Co., Ltd. and its subsidiaries and associates	42,395,460.49	46,611,404.78
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	2,873,318.85	
Shenzhen Aimijiakang Technology Co., Ltd. (formerly known as Sichuan Aimijiakang Technology Co., Ltd.)	2,541,156.83	6,360,494.53
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	1,328,665.36	58,029.27
<b>Subtotal of other related parties</b>	<b>1,625,651.76</b>	<b>1,117,757.57</b>
<b>Total</b>	<b>50,764,253.29</b>	<b>54,147,686.15</b>
<b>Other payables:</b>		
Chuzhou Hanshang Electric Appliance Co., Ltd.	185,043,644.73	130,054,989.90
Guangdong Wanrundaoheng Culture Tourism Development Co., Ltd.	83,480,206.21	120,212,000.00
Shandong Econ Technology Co., Ltd. and its subsidiaries	42,331,626.74	20,241,596.71
Chongqing Kangjian Photoelectric Technology Co., Ltd.	8,029,369.86	
OCT Group Co., Ltd. and its subsidiaries and associates	5,897,248.07	4,008,920.58
Kangkong Venture Capital (Shenzhen) Co., Ltd. (formerly known as Konka Venture Capital (Shenzhen) Co., Ltd.)	2,483,024.67	
Central Enterprises in poverty-stricken areas(Jiangxi)Industrial Investment Funds Partnership(L.P.)	2,400,000.00	
Beijing Xuri Shengxing Technology Co., Ltd.	2,396,943.13	1,100,000.00
Dongguan Kangjia New Materials Technology Co., Ltd. (formerly named: Dongguan Konka Packing Materials Co., Ltd.)	209,400.00	4,923,662.92
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	163,730.25	50,166,438.36
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries		6,503,608.50
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries		2,454,022.61

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Subtotal of other related parties</b>	<b>10,210,205.65</b>	<b>8,757,387.53</b>
<b>Total</b>	<b>342,645,399.31</b>	<b>348,422,627.11</b>

### XIV. Contingency

(1) Before the Company acquired Jiangxi Konka, Jiangxi Konka and its subsidiaries Xinfeng Microcrystalline and Jiangxi High Transparent Substrate (formerly known as Nano-Grystallized Glass) provided joint and several liability guarantee for the loans from Nanchang Rural Commercial Bank Co., Ltd. to Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology, related parties of former controlling shareholders of Jiangxi Konka, and Nanchang Rural Commercial Bank Co., Ltd. then transferred the claims to China Great Wall AMC Jiangxi Branch. For the failure of Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the borrowings on time, China Great Wall AMC Jiangxi Branch filed a lawsuit requesting Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the loan principal amounting to RMB300 million and the liquidated damage and interest arising from it and guarantors Jiangxi Konka, Xinfeng Microcrystalline and Jiangxi High Transparent Substrate to bear joint and several liability for such debts.

On October 31, 2019, Jiangxi Provincial Superior People's Court ruled in the first instance that Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology should repay to China Great Wall AMC Jiangxi Branch the loan principal of RMB300 million and the interest and liquidated damage arising from it within 10 days from the effective date of the judgment, and Jiangxi Konka New Material, Zhu Xinming, Leng Sumin, Nano-Grystallized Glass, Xinfeng Microcrystalline should bear joint and several liability for all debts recognized in this judgment. The defendants appealed against the first-instance judgment and the Supreme People's Court accepted the appeal. On March 24, 2021, the Supreme People's Court of the People's Republic of China made the following ruling: I. Civil Judgment (2018) G.M.CH. No. 110 made by Jiangxi Provincial Superior People's Court is abrogated; II. This case is remanded to Jiangxi Provincial Superior People's Court for retrial. As of the date of issuance of this report, the case is still being tried in the first instance.

The actual controller of Jiangxi 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

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

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.

(2) As for the dispute of the Company with Luo Zotong, Luo Jingxia, Luo Zongyin, Luo Zongwu and Shenzhen Yaode Technology Co., Ltd. on share repurchase, since the other party did not actively perform the repurchase obligation, the Company filed a lawsuit with the People's Court of Nanshan District, Shenzhen. The amount of the subject matter involved in the lawsuit is RMB249 million. On November 22, 2021, the Company applied to Shenzhen Nanshan District People's Court for property preservation. On 11 January 2023, the People's Court of Nanshan District of Shenzhen rendered a judgment of first instance, ruling that Luo Zotong, Luo Jingxia, Luo Zongyin and Luo Zongwu pay the repurchase amount of RMB172 million plus the sum of interest calculated at 12% per annum from 6 April 2017 to the date of payment of the equity repurchase by the defendant Luo Zotong, Luo Jingxia, Luo Zongyin and Luo Zongwu. As at the date of issuance of this report, the case was executed in progress.

(3) As the acceptor failed to pay the commercial acceptance bills held by the Company upon maturity, the Company, as the plaintiff, requested 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. to bear joint and several liability for the bills and the overdue interest. In July 2019, the company filed a lawsuit with the court, and the court has preserved the defendant's corresponding property. As at the date of issuance of this report, the case is in trial.

(4) The amount of the subject matter involved in 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 over the right of recourse for bills is RMB200 million and the corresponding interest. In September 2020, the Company filed a lawsuit with Wuhan Intermediate People's Court, and the Court order the defendant to pay Konka Group the bills and interest. As at the date of issuance of this report, the case was executed in progress.

(5) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Unifortune and Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Co., Ltd., Shenzhen Xiangrui Yingtong Investment Management Co., Ltd., Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong and Luo Saiyin over contracts is RMB155 million. On 8 September 2022, the court issued a judgment in favour of the Company's subsidiary. As at the date of issuance of this report, the case

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

was executed in progress.

(6) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit to the court on the matured bills amounting to RMB300 million, requesting the bill acceptor Shanghai Huaxin and prior parties involved to bear joint and several liability for the bills and liquidated damage and interest. As at the date of issuance of this report, the case involving RMB150 million is in compulsory execution and shareholders have been added as persons to be executed in this case. For the remaining RMB150 million, the defendants have been ordered to pay Konka Group the bills and interest, which is now in compulsory execution. As at the date of issuance of this report, the case was executed in progress.

(7) The amount of the subject matter involved in the dispute between the Company's subsidiaries Frestec Refrigeration, Anhui Konka, Konka Material and Anhui Tongchuang (plaintiff) and Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd. and Puning Junlong Trade Co., Ltd. (defendants) over contracts is RMB380 million. As at the date of issuance of this report, the case is in trial.

(8) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Investment (plaintiff) and Elion Resources Group Co., Ltd. and Elion Ecological Co., Ltd. (defendants) over capital increase is RMB98 million. The court of arbitration issued an award on 27 January 2022. On 16 February 2022, the enforcement has been filed. On 9 September 2022, the Company and Elion entered into an execution settlement agreement, which provides for monthly repayment from 15 September 2022 to 25 August 2023 to pay off the outstanding amount of this case. As at the issuance of this report, an accumulated amount of RMB63 million has been returned, and the case was executed in progress.

(9) The company's subsidiary Kangjia Huanjia (the plaintiff) and Huanjia Group Co., LTD., Dalian Jinshunda Material Recycling Co., LTD. (the defendant) and 38 other companies in a series of sales contract disputes, the subject of the litigation amount is 890 million yuan. Kangjia Huanjia has applied for the court to seal up and freeze the defendant's corresponding property. In the case involving 322 million yuan of litigation, the court delivered a ruling of first instance to Kangjia in March 2023, rejecting the suit of Kangjia Huanjia. The remaining cases, involving 568 million yuan, were decided by the court of first instance in December 2022, and Kangjia Huanjiadun has appealed to the Liaoning Provincial High People's Court. As of the date of this report, the case is under trial.

(10) The amount of the subject matter involved in the dispute between the Company's subsidiary Dongguan Konka (plaintiff) and Dongguan Gaoneng Polymer Materials Co., Ltd., Wang Dong,

## **Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd. and Huang Zhihao (defendants) over sales and purchase contracts is RMB90 million. In December 2020, the Company filed a lawsuit to the court. As of the date of issuance of this report, the case is in trial.

(11) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit to the court on the matured bills amounting to RMB78 million, requesting the court to order Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the Company the bills and the interest for default, and applied for property preservation. The case executed a return of RMB2 million, and the Company is applying to the court for adding shareholders as persons to be executed. As at the date of issuance of this report, the case was executed in progress.

(12) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Factoring (the plaintiff) and Tahoe Group Co., Ltd., Fuzhou Taijia Enterprise Co., Ltd. and Xiamen Lianchuang Micro-electronics Co., Ltd. (the defendants) over the right of recourse for bills is RMB50 million and the corresponding interest. On September 1, 2021, the Intermediate People's Court of Xiamen Municipality, Fujian, ordered the defendants to pay the plaintiff e-commercial acceptance bills of RMB50 million and the corresponding interest. On 4 January 2022, the enforcement has been filed. The case executed a return of RMB43 million. As at the date of issuance of this report, the case was executed in progress.

(13) The amount of the subject matter involved in the dispute between the Company (plaintiff) 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. (defendants) over the right of recourse for bills is RMB50 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. The Court ordered China Energy Electric Fuel Co., Ltd. and other defendants to pay the Company the bills of RMB50 million and the interest. As at the date of issuance of this report, the case is in execution, and the Company has applied to the court for adding shareholders as persons to be executed.

(14) The amount of the subject matter involved in the dispute between the Company's subsidiary Anhui Konka (plaintiff) and Makena Electronic (Hong Kong) (defendant) over the sales and purchase contract is RMB5,440,200. On December 7, 2021, Anhui Konka filed an arbitration with the Shenzhen Court of International Arbitration. On 14 October 2022, the enforcement has been filed. As at the date of issuance of this report, the case was executed in progress.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(15) The amount of the subject matter involved in the dispute between the Company's subsidiary Anhui Konka (plaintiff) and Shanghai Likai Logistics Co., Ltd. Shenzhen Branch and Shanghai Likai Logistics Co., Ltd. (defendants) over freight forwarding contracts in maritime and open sea waters is RMB38 million. On April 26, 2021, Konka applied to Shanghai Maritime Court for compulsory execution. On June 7, 2021, the Court accepted the case. As at the date of issuance of this report, the case was executed in progress.

(16) The amount of the subject matter involved in the dispute between the Company's subsidiary Pengrun Technology (plaintiff) and Guangan Ou Qi Shi Electronic Technology Co., Ltd., Guan Hongshao, Huaying Gaokede Electronic Technology Co., Ltd., Huaying Gaokelong Electronic Technology Co., Ltd., Guizhou Jiaguida Technology Co., Ltd., Sichuan Hongrongyuan Real Estate Co., Ltd., Du Xinyu, Linbolong and Wang Shisheng (defendants) over trust contract is RMB167 million. The case has been applied for property preservation measures. As at the date of issuance of this report, the cases are under trial.

(17) The amount of the subject matter involved in the dispute between the Company (plaintiff) and Yantai Kangyue Investment Co., Ltd. (defendant) over borrowing contract is RMB160 million. The Company has applied to the Shenzhen Intermediate People's Court for property preservation. As at the date of issuance of this report, the cases are under trial.

(18) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Huanjia (plaintiff) and Bank Of Fuxin Co., Ltd., Huanjia Group, Dalian Jinjia Materials Recycling Co., Ltd., Dalian Jin Kaixuan Renewable Resources Acquisition Chain Co., Ltd., Dalian Yingtai Paper Co., Ltd., Dalian Zhanhong Renewable Resources Recycling Co., Ltd. and Wang Jinping (defendants) over the execution objection by an outsider is RMB240 million. As at the date of issuance of this report, the cases are under trial.

(19) The amount of the subject matter involved in the dispute between the Company's subsidiary Hong Kong Konka (plaintiff) and Hong Kong Jinzhu Electronic Co., Limited (defendant) over a sales and purchase contract is RMB77 million. Hong Kong Konka has applied for arbitration. Shenzhen Jinzhu Industrial Company Limited, Xu Xiang, Zheng Baoyao and Ke Hanhua provided guarantees for the debts of Hong Kong Jinzhu Electronic Co., Limited to Hong Kong Konka, and Hong Kong Konka has filed a lawsuit against the above-mentioned guarantors. As at the date of issuance of this report, the cases are under trial.

(20) The amount of the subject matter involved in the dispute between the Company's subsidiary Jiaxin Technology Co., Limited (plaintiff) and Tripod Electronics Technology (HongKong) Limited, Chen Wenhuan and Chen Baohong (defendants) over a sales and purchase contract of international

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

goods is RMB51 million. As at the date of issuance of this report, the cases are under trial.

(21) The amount of the subject matter involved in the dispute between the Company's subsidiary Kangzhi Trade (plaintiff) and B&L TECHNOLOGY CO., LIMITED (defendant) over a sales and purchase contract of international goods is RMB25 million. As at the date of issuance of this report, the case was executed in progress.

(22) The amount of the subject matter involved in the dispute between the Company's subsidiary Anhui Konka (plaintiff) and MAKENA Electronic (Shenzhen) Co., Ltd. (defendant) over a guarantee contract is RMB21 million. On 27 December 2022, the Court The court made a judgment of first instance, which supported most of Anhui Konka's claims, and both parties appealed against the first instance judgment. As at the date of issuance of this report, the cases are under trial.

(23) The amount of the subject matter involved in the dispute between Shenzhen Oriental Venture Capital Investment Co., Ltd. (plaintiff) and the Company (defendant) over a contract is RMB750 million. As at the date of issuance of this report, the cases are under trial.

(24) The amount of the subject matter involved in the dispute between the Company and the Company's subsidiary Electronics Technology (defendants) and Wu Rong (plaintiff) over a sales and purchase contract is RMB22 million. As at the date of issuance of this report, the cases are under trial.

### XIII. Commitment and Contingency

#### 1. Capital Commitments

Item	Ending balance	Beginning balance
Large amount contract signed but hasn't been recognized in financial statements		
-Commitment on construction and purchase of long-lived assets		
-Large amount contract	523,553,381.89	954,751,938.62
-Foreign investment commitments		
<b>Total</b>	<b>523,553,381.89</b>	<b>954,751,938.62</b>

#### 2. Other Commitments

As of 31 December 2022, there were no other significant commitments for the Company to disclose.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### XIV. Events after Balance Sheet Date

#### 1. Significant Non-adjusted Events

As at the date of issuance of this report, no significant non-adjusted events occurred.

#### 2. Sales Return

As at the date of issuance of this report, no significant sales return occurred.

3. The Group had no significant post-balance-sheet-date events other than the above-mentioned ones disclosed after the balance sheet date.

### XV. Other Significant Events

The Company had no other significant events.

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

#### 1. Accounts Receivable

##### (1) Accounts Receivable Listed by Withdrawal Methods for Bad Debts

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	723,559,609.63	13.60	652,094,110.07	90.12	71,465,499.56
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	410,174,776.68	7.71	193,889,834.11	47.27	216,284,942.57
Related party group	4,186,128,552.37	78.69			4,186,128,552.37
Subtotal of portfolios	4,596,303,329.05	86.40	193,889,834.11	4.22	4,402,413,494.94
<b>Total</b>	<b>5,319,862,938.68</b>	<b>100.00</b>	<b>845,983,944.18</b>	<b>15.90</b>	<b>4,473,878,994.50</b>

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(continued)

Category	Opening balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	963,517,996.45	18.14	660,600,525.26	68.56	302,917,471.19
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	666,828,622.16	12.56	181,017,964.57	27.15	485,810,657.59
Related party group	3,679,956,748.33	69.30			3,679,956,748.33
Subtotal of portfolios	4,346,785,370.49	81.86	181,017,964.57	4.16	4,165,767,405.92
<b>Total</b>	<b>5,310,303,366.94</b>	<b>100.00</b>	<b>841,618,489.83</b>	<b>15.85</b>	<b>4,468,684,877.11</b>

1) Provision for bad debts of accounts receivable provided individually

Name	Ending balance			Withdrawal reason
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	
Shanghai Huaxin International Group Co., Ltd.	299,136,676.70	293,153,943.17	98.00	Expected to be difficult to recover
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	160,000,000.00	80.00	Agreement reorganization
Zhongfu Tiangong Construction Group Co., Ltd.	71,589,096.65	53,691,822.49	75.00	Expected to be difficult to recover
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	100.00	Expected to be difficult to recover

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

China Energy Electric Fuel Co., Ltd.	50,000,000.00	50,000,000.00	100.00	Expected to be difficult to recover
Henan Radio and Television Network Co., Ltd.	26,847,370.00	26,847,370.00	100.00	Expected to be difficult to recover
Others	20,548,361.28	12,962,869.41	63.08	Expected to be difficult to recover
<b>Total</b>	<b>723,559,609.63</b>	<b>652,094,110.07</b>	<b>90.12</b>	

### 2) Bad debt provision for accounts receivable made as per portfolio

#### ① Among Groups, Withdrawal of Expected Credit Loss by Aging

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Within 1 year	165,968,762.52	3,385,762.76	2.04
1 to 2 years	54,225,280.86	5,433,373.14	10.02
2 to 3 years	2,927,210.54	664,184.07	22.69
3 to 4 years	7,537,040.46	4,890,031.84	64.88
Over 4 years	179,516,482.30	179,516,482.30	100.00
<b>Total</b>	<b>410,174,776.68</b>	<b>193,889,834.11</b>	<b>47.27</b>

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

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Related party group	4,186,128,552.37		
<b>Total</b>	<b>4,186,128,552.37</b>		

### (2) Accounts Receivable Listed by Aging Portfolio

Aging	Ending balance
Within 1 year	4,177,587,681.73
1 to 2 years	125,417,030.16
2 to 3 years	75,011,848.13
3 to 4 years	130,238,580.35
Over 4 years	811,607,798.31
<b>Subtotal</b>	<b>5,319,862,938.68</b>
Less: bad debt provision	845,983,944.18

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Total</b>	<b>4,473,878,994.50</b>
--------------	-------------------------

(3) Information of Bad Debt Provision in this Year

Category	Opening balance	Changes in this year	
		Withdrawal	Reversal or recovery
Bad debt provision of accounts receivable	841,618,489.83	123,011,503.35	
<b>Total</b>	<b>841,618,489.83</b>	<b>123,011,503.35</b>	

(continued)

Category	Changes in this year		Ending balance
	Written-off or verified	Others	
Bad debt provision of accounts receivable	118,646,049.00		845,983,944.18
<b>Total</b>	<b>118,646,049.00</b>		<b>845,983,944.18</b>

Note: The debt restructuring of Tianjin Tewoo Group Finance Co., Ltd. resulted in a decrease of RMB100,000,000.00.

(4) Actually Verified Accounts Receivable in this Year

Item	Amount verified
Actually verified accounts receivable	18,646,049.00

Of which, verification of significant accounts receivable:

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
Xi'an Huajin Technology Trading Company	Loan	4,508,000.00	Expected unrecoverable	Reviewed and approved by the Board	Not
Shenzhen Zhongbailong Industrial Co., Ltd.	Loan	2,086,034.00	Expected unrecoverable	Reviewed and approved by the Board	Not
<b>Total</b>		<b>6,594,034.00</b>			

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### (5) Receivables with Top 5 Ending Balance Collected by Arrears Party

The total amount of receivables with top 5 ending balance collected by arrears party this year was RMB4,225,137,970.33, accounting for 79.42% of the total ending balance of accounts receivable. The total ending balance of bad debt provision correspondingly withdrawn was RMB453,153,943.17.

(6) There were no accounts receivable derecognized due to the transfer of financial assets this year.

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

## 2. Other Receivables

Item	Ending balance	Opening balance
Interests receivable	3,878,580.64	2,002,526.91
Dividends receivable	393,563,347.61	383,943,256.80
Other Receivables	9,944,884,426.80	10,539,120,447.82
<b>Total</b>	<b>10,342,326,355.05</b>	<b>10,925,066,231.53</b>

### 2.1 Interest receivable

Item	Ending balance	Opening balance
Term deposit interest	3,878,580.64	2,002,526.91
<b>Total</b>	<b>3,878,580.64</b>	<b>2,002,526.91</b>

### 2.2 Dividends Receivable

Investee	Ending balance	Opening balance
Hong Kong Konka Limited	113,563,347.61	103,943,256.80
Suning Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
<b>Total</b>	<b>393,563,347.61</b>	<b>383,943,256.80</b>

### 2.3 Other Receivables

#### (1) Classified by Account Nature

Nature	Ending carrying balance	Opening carrying balance
Intercourse funds among subsidiaries	11,299,542,985.57	11,464,671,000.88
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related	50,667,315.53	50,667,315.53

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Nature</b>	<b>Ending carrying balance</b>	<b>Opening carrying balance</b>
parties		
Deposit and margin	17,354,107.03	10,533,532.11
Others	375,797,998.76	253,002,153.59
<b>Total</b>	<b>11,884,911,556.89</b>	<b>11,920,423,152.11</b>

(2) Withdrawal of Bad Debt Provision for Other Receivables

<b>Bad debt provision</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>Expected credit loss of the next 12 months</b>	<b>Expected loss in the duration (credit impairment not occurred)</b>	<b>Expected credit losses for the entire duration (with credit impairment)</b>	
Balance as at 1 January 2022	2,036,471.61	54,584,345.62	1,324,681,887.06	1,381,302,704.29
In this year, carrying amount of other receivables on 1 January 2022	-46,988.30	46,988.30		
- Transferred to the Phase II	-46,988.30	46,988.30		
- Transferred to the Phase III				
- Transferred back to the Phase II				
- Transferred back to the Phase I				
Amount withdrawn this year		5,012,577.54	585,439,500.80	590,452,078.34
Amount transferred back this year	1,631,756.56			1,631,756.56
Amount written-off this year				
Amount verified this year		2,368,413.91	27,727,482.07	30,095,895.98
Other changes				

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 31 December 2022	357,726.75	57,275,497.55	1,882,393,905.79	1,940,027,130.09

(3) Withdrawal of Bad Debt Provision for Other Receivables by Portfolio

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,901,377,741.07	16.00	1,882,393,905.79	99.00	18,983,835.28
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	94,419,620.35	0.79	54,385,072.09	57.60	40,034,548.26
Low-risk portfolio	16,755,275.76	0.14	3,248,152.21	19.39	13,507,123.55
Related party group	9,872,358,919.71	83.07			9,872,358,919.71
Subtotal of portfolios	9,983,533,815.82	84.00	57,633,224.30	0.58	9,925,900,591.52
<b>Total</b>	<b>11,884,911,556.89</b>	<b>100.00</b>	<b>1,940,027,130.09</b>	<b>16.32</b>	<b>9,944,884,426.80</b>

(continued)

Category	Beginning balance		
	Carrying balance	Bad debt provision	Carrying value

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,917,144,244.04	16.08	1,324,681,887.06	69.10	592,462,356.98
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	188,615,848.46	1.58	52,782,559.62	27.98	135,833,288.84
Low-risk portfolio	17,318,036.76	0.15	3,838,257.61	22.16	13,479,779.15
Related party group	9,797,345,022.85	82.19			9,797,345,022.85
Subtotal of portfolios	10,003,278,908.07	83.92	56,620,817.23	0.57	9,946,658,090.84
<b>Total</b>	<b>11,920,423,152.11</b>	<b>100.00</b>	<b>1,381,302,704.29</b>	<b>11.59</b>	<b>10,539,120,447.82</b>

### (4) Other Receivables Listed by Aging

Aging	Ending balance
Within 1 year	8,060,254,524.30
1 to 2 years	1,782,503,511.04
2 to 3 years	470,794,157.38
3 to 4 years	1,006,460,259.82
4 to 5 years	389,224,526.20
Over 5 years	175,674,578.15
<b>Subtotal</b>	<b>11,884,911,556.89</b>
Less: bad debt provision	1,940,027,130.09
<b>Total</b>	<b>9,944,884,426.80</b>

### (5) Bad Debt Provision for Other Receivables

The amount of bad debt provision withdrawn this year was RMB588,820,321.78 with RMB30,095,895.98 actually verified.

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

(6) Other Receivables Actually Written off this Year

<b>Item</b>	<b>Amount verified</b>
Other receivables actually verified	35,665,095.98

(7) Other Receivables with Top 5 Ending Balances Collected by Arrears Party

The total amount of other receivables with top 5 ending balance collected by arrears party this year was RMB7,381,309,268.38, accounting for 62.11% of the total ending balance of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB1,722,714,083.28.

(8) There were no other receivables derecognized due to the transfer of financial assets this year.

(9) There were no assets or liabilities formed due to the transfer and the continued involvement of other receivables this year.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 3. Long-term Equity Investments

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

Item	Ending balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Investment to subsidiaries	7,277,554,047.75	781,480,000.00	6,496,074,047.75	6,697,991,519.67	442,644,418.70	6,255,347,100.97
Investment to joint ventures and associated enterprises	2,824,333,468.08	219,718,378.41	2,604,615,089.67	2,618,520,670.18	240,725,547.51	2,377,795,122.67
<b>Total</b>	<b>10,101,887,515.83</b>	<b>1,001,198,378.41</b>	<b>9,100,689,137.42</b>	<b>9,316,512,189.85</b>	<b>683,369,966.21</b>	<b>8,633,142,223.64</b>

#### (2) Investment to subsidiaries

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
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		
Telecommunication	360,000,000.00			360,000,000.00		

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Technology						
Mobile Interconnection	100,000,000.00			100,000,000.00		
Anhui Tongchuang	779,702,612.22			779,702,612.22		
Kangjiatong	29,349,800.00	1,400,000.00		30,749,800.00		
Pengrun Technology	25,500,000.00			25,500,000.00		
Beijing Konka Electronic	200,000,000.00			200,000,000.00		
Konka Circuit	287,650,000.00	10,000,000.00		297,650,000.00		
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		
Konka Huanjia						91,800,000.00
Shanghai Konka	40,000,000.00			40,000,000.00		
Jiangxi Konka	349,568,066.99		349,568,066.99		349,568,066.99	689,680,000.00
Shenzhen Nianhua	30,000,000.00			30,000,000.00		
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka Industrial Park	200,000,000.00			200,000,000.00		

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
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 Technology Research Institute	933,333,333.33			933,333,333.33		
Kowin Memory (Shenzhen)	92,520,000.00	100,000,000.00		192,520,000.00		
Jiangkang (Shanghai) Technology	90,000,000.00			90,000,000.00		
Ningbo Kanghr Electrical Appliance	510.00			510.00		
Konka Intelligent Manufacturing	10,000,000.00			10,000,000.00		
Yibin Kangrun	67,000,000.00			67,000,000.00		
Konka Material	9,205,452.93			9,205,452.93		

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Industrial and Trade Technology	50,000,000.00			50,000,000.00		
Konka Huazhong	30,000,000.00			30,000,000.00		
Sichuan Chengrui	8,000.00	19,992,000.00	20,000,000.00			
Guizhou Kanggui Material		70,000,000.00		70,000,000.00		
Nantong Kanghai		15,300,000.00		15,300,000.00		
Jiangxi Konka High-tech Park		50,000,000.00		50,000,000.00		
Shangrao Konka Electronic Technology Innovation		30,000,000.00		30,000,000.00		
Sichuan Hongxinchen		20,000,000.00		20,000,000.00		
Xi'an Kanghong Technology Industry Development Co., Ltd.		12,000,000.00		12,000,000.00		
Xi'an Konka Intelligent Technology Development Co., Ltd.		50,000,000.00		50,000,000.00		
Finance lease		171,603,013.77		171,603,013.77		
Songyang Konka Intelligent		30,000,000.00		30,000,000.00		

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Technology Development Co., Ltd.						
Konka North China (Tianjin) Technology Co., Ltd.		30,000,000.00		30,000,000.00		
<b>Total</b>	<b>6,255,347,100.97</b>	<b>610,295,013.77</b>	<b>369,568,066.99</b>	<b>6,496,074,047.75</b>	<b>349,568,066.99</b>	<b>781,480,000.00</b>

### (3) Investment to joint ventures and associated enterprises

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,400,738.44				
Kunshan Kangsheng Investment Development Co., Ltd.	222,683,160.16			-3,617,175.94	
Chutian Dragon Co., Ltd.	647,490,626.93		141,928,645.31	22,575,475.16	
Helongjiang Longkang Zhijia Technology Co., Ltd.	1,157,647.82		1,157,647.82		
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	14,113,227.58			-779,528.80	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.					
Shenzhen Zhongbin Konka Technology Co., Ltd.					

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	3,921,788.17			1,449,576.70	
Shenzhen Bosser New Materials Co., Ltd.	60,453,041.59		61,777,797.03	1,324,755.44	
Shenzhen Yaode Technology Co., Ltd.					
Wuhan Tianyuan Environmental Protection Co., Ltd.	325,645,840.91			29,420,000.00	
Shenzhen KONKA E-display Co., Ltd.	13,097,210.11			354,361.82	
Chuzhou Konka Technology Industry Development Co., Ltd.	5,899,324.39				
Chuzhou Kangjin Health Industrial Development Co., Ltd.	15,251,484.01	157,735,900.00			
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. (formerly known as Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.)	14,610,460.04			-8,984,779.08	
Shenzhen Kangyue Enterprise Co., Ltd.	3,102,893.60			-103,801.99	
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly known as Dongguan Konka Investment Co., Ltd.)	17,762,197.93			-17,762,197.93	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	-261,753.11			261,753.11	
Chuzhou Kangxin Health Industry Development Co., Ltd.	12,801,830.75			-1,966,765.00	
E3info (Hainan) Technology Co., Ltd.	36,574,609.73				

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shenzhen Kangpeng Digital Technology Co., Ltd.	5,702,518.20			-2,291,365.10	
Yantai Kangyun Industrial Development Co., Ltd.	8,536,245.03			-4,400,788.07	
Shandong Econ Technology Co., Ltd.	823,028,634.77			85,859,095.13	
Dongguan Kangjia New Materials Technology Co., Ltd.	3,919,896.55			31,031.72	
Chongqing YPFun Technology Co., Ltd. (formerly known as Shenzhen E2info Network Technology Co., Ltd.)	124,903,499.07		3,392,368.43	42,233,038.78	
Sichuan Chengrui Real Estate Co., Ltd.		12,250,023.10		-4,398,830.84	
Wuhan Kangtang Information Technology Co., Ltd.		26,950,000.00		-295,049.70	
<b>Total</b>	<b>2,377,795,122.67</b>	<b>196,935,923.10</b>	<b>208,256,458.59</b>	<b>138,908,805.41</b>	

(continued)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Kunshan Kangsheng Investment Development Co., Ltd.					219,065,984.22	

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Chutian Dragon Co., Ltd.		4,410,993.60			523,726,463.18	
Helongjiang Longkang Zhijia Technology Co., Ltd.						
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					13,333,698.78	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongbin Konka Technology Co., Ltd.						
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					5,371,364.87	
Shenzhen Bosser New Materials Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.		2,770,200.00			352,295,640.91	
Shenzhen KONKA E-display Co., Ltd.		883,869.41			12,567,702.52	
Chuzhou Konka Technology Industry Development Co., Ltd.					5,899,324.39	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					172,987,384.01	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. (formerly known as Haimen Kangjian Technology Industrial Park Operations and					5,625,680.96	

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Management Co., Ltd.)						
Shenzhen Kangyue Enterprise Co., Ltd.					2,999,091.61	
Dongguan Guankang Yuhong Investment Co., Ltd. (formerly known as Dongguan Konka Investment Co., Ltd.)						
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.					10,835,065.75	
E3info (Hainan) Technology Co., Ltd.		28,000,000.00			8,574,609.73	
Shenzhen Kangpeng Digital Technology Co., Ltd.					3,411,153.10	
Yantai Kangyun Industrial Development Co., Ltd.					4,135,456.96	
Shandong Econ Technology Co., Ltd.	135,296,760.09				1,044,184,489.99	
Dongguan Kangjia New Materials Technology Co., Ltd.					3,950,928.27	
Chongqing YPFun Technology Co., Ltd. (formerly known as Shenzhen E2info Network Technology Co., Ltd.)					163,744,169.42	
Sichuan Chengrui Real Estate Co., Ltd.					7,851,192.26	
Wuhan Kangtang Information Technology Co., Ltd.					26,654,950.30	

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
<b>Total</b>	<b>135,296,760.09</b>	<b>36,065,063.01</b>			<b>2,604,615,089.67</b>	<b>219,718,378.41</b>

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### 4. Operating Revenue and Cost of Sales

#### (1) Operating Revenue and Cost of Sales

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Primary business	1,624,421,165.68	1,872,104,013.01	2,751,336,207.49	2,722,434,244.20
Others	187,362,353.34	90,386,351.96	115,465,441.34	79,070,595.04
<b>Total</b>	<b>1,811,783,519.02</b>	<b>1,962,490,364.97</b>	<b>2,866,801,648.83</b>	<b>2,801,504,839.24</b>

(2) Information in relation to the trade price apportioned to the residual contract performance obligation:

The amount of income corresponding to the performance obligations of contracts signed but not yet performed or fully performed was RMB2,393,728.63 at the year-end, among which RMB2,393,728.63 is expected to be recognized in 2023.

### 5. Investment returns

Item	Amount incurred in this year	Amount incurred last year
Long-term equity investment income accounted by cost method	125,381,404.76	43,610,748.17
Long-term equity investment income accounted by equity method	138,908,805.41	94,791,865.50
Investment income from disposal of long-term equity investment	275,394,866.81	3,286,362,797.82
Investment income from disposal of financial assets at fair value through profit or loss		32,839,604.17
Interest income earned on investment in debt obligations during the holding period	4,640,244.26	7,060,000.00
Others	-5,378,929.04	
<b>Total</b>	<b>538,946,392.20</b>	<b>3,464,665,015.66</b>

## XVII. Approval of Financial Statements

The Financial Statement was released with the approval of the Company's Board of Directors on 24 March 2023.

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

### XVIII. Supplementary Materials

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

Item	Amount of current year	Note
Gains/losses from the disposal of non-current assets	755,498,679.55	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government grants 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	916,334,616.72	
Dispossession surcharge to non-financial institutions included in the current profit and loss		
Profits arising from business combination when the combined cost is less than the recognized fair value of net assets of the merged company		
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	-5,378,929.04	
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		
Gains and losses arising from contingencies unrelated to the normal operation of the company's business		
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	-17,595,638.89	

## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

Item	Amount of current year	Note
Company's common businesses		
Reversal of provision for impairment test of receivables and contract assets impairment	32,624,581.58	
Gain/loss on entrustment loans	119,233,091.33	
Gain/loss on change in fair value of investment property of which the follow-up 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		
Custodian fees earned from entrusted operation		
Other non-operating income and expense other than the above	-97,161,898.46	
Other profit and loss items in line with the definition of non-recurring gains and losses		
Subtotal	<b>1,703,554,502.79</b>	
Less: Income tax effects	299,999,504.47	
Minority shareholders' equity impact (after tax)	209,414,363.46	
<b>Total</b>	<b>1,194,140,634.86</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	12,377,884.09	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

## 2. Return on Equity and Earnings Per Share

**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2022 to 31 December 2022 (all amounts in RMB yuan unless otherwise stated)

<b>Profit as of Reporting Period</b>	<b>Weighted average ROE (%) Return on net assets (%)</b>	<b>EPS (RMB/share)</b>	
		<b>Basic earnings per share</b>	<b>Diluted earnings per share</b>
Net profit attributable to ordinary shareholders of the Company	-17.58	-0.6111	-0.6111
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	-31.85	-1.1070	-1.1070

The Board of Directors  
Konka Group Co., Ltd.  
27 March 2023