

Konka Group Co., Ltd.
FINANCIAL REPORT

For the Six Months Ended 30 June 2023

(Un-audited)

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Legal representative: Zhou Bin

Head of the accounting work: Li Chunlei

Head of the accounting department: Ping Heng

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

I Independent Auditor's Report

Are these interim financial statements audited by an independent auditor?

Yes No

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

II Financial Statements

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

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

30 June 2023

Unit: RMB

Item	30 June 2023	1 January 2023
Current assets:		
Monetary assets	6,908,338,806.16	5,988,095,490.71
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	743,307,489.50	
Derivative financial assets		
Notes receivable	593,966,294.88	1,059,737,243.54
Accounts receivable	2,087,994,555.53	2,036,734,836.22
Accounts receivable financing	344,155,903.39	237,187,228.44
Prepayments	516,386,493.09	389,947,652.39
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,415,702,711.35	1,442,124,845.58
Including: Interest receivable	5,279,505.89	3,878,580.64
Dividends receivable		272,999.43
Financial assets purchased under resale agreements		
Inventories	4,658,743,334.04	4,409,767,756.22
Contract assets	432,779.46	
Assets held for sale		
Current portion of non-current assets	3,630,000.00	14,630,000.00
Other current assets	2,418,192,160.84	2,038,841,225.83
Total current assets	19,690,850,528.24	17,617,066,278.93
Non-current assets:		
Loans and advances to customers		

Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	800,400.00	800,400.00
Long-term equity investments	5,888,122,429.28	6,351,232,955.58
Investments in other equity instruments	23,841,337.16	23,841,337.16
Other non-current financial assets	2,113,570,574.02	2,639,662,273.32
Investment property	1,412,201,694.76	802,407,844.60
Fixed assets	4,021,128,223.39	4,114,029,693.38
Construction in progress	1,496,059,340.20	1,990,361,377.07
Productive living assets		
Oil and gas assets		
Right-of-use assets	33,487,798.25	50,019,838.68
Intangible assets	1,073,118,003.41	1,116,739,707.27
Development costs		
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	499,711,935.37	387,309,503.07
Deferred income tax assets	1,356,529,756.06	1,201,661,841.23
Other non-current assets	1,293,801,066.80	1,710,245,378.26
Total non-current assets	19,234,569,293.81	20,410,508,884.73
Total assets	38,925,419,822.05	38,027,575,163.66
Current liabilities:		
Short-term borrowings	6,779,845,746.13	7,579,559,304.97
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,156,546,919.70	1,054,573,822.04
Accounts payable	2,926,985,886.32	2,659,946,562.93
Advances from customers		825.69
Contract liabilities	698,842,722.45	601,044,358.35
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	182,043,941.42	348,608,204.05

Taxes payable	189,302,632.91	291,102,679.36
Other payables	1,728,637,840.76	1,895,711,373.34
Including: Interest payable	40,524.22	29,590,464.00
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	5,320,279,660.98	409,220,030.69
Other current liabilities	69,644,865.51	68,449,783.71
Total current liabilities	19,052,130,216.18	14,908,216,945.13
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	7,173,408,500.74	8,906,931,402.89
Bonds payable	3,295,556,876.26	4,792,392,044.13
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	31,184,490.59	36,586,639.16
Long-term payables	6,873,122.51	7,964,127.18
Long-term employee benefits payable	4,794,271.77	4,894,209.73
Provisions	203,725,006.73	159,395,579.55
Deferred income	362,363,980.58	334,844,966.31
Deferred income tax liabilities	209,948,467.19	99,030,646.40
Other non-current liabilities	381,807,253.24	314,233,260.08
Total non-current liabilities	11,669,661,969.61	14,656,272,875.43
Total liabilities	30,721,792,185.79	29,564,489,820.56
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	438,115,032.07	365,247,361.05
Less: Treasury stock		
Other comprehensive income	-14,260,344.24	-14,265,181.63
Specific reserve		

Surplus reserves	1,244,180,364.24	1,244,180,364.24
General reserve		
Retained earnings	3,446,187,777.61	3,638,868,004.50
Total equity attributable to owners of the Company as the parent	7,522,168,237.68	7,641,975,956.16
Non-controlling interests	681,459,398.58	821,109,386.94
Total owners' equity	8,203,627,636.26	8,463,085,343.10
Total liabilities and owners' equity	38,925,419,822.05	38,027,575,163.66

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	30 June 2023	1 January 2023
Current assets:		
Monetary assets	4,681,364,336.59	3,987,295,740.42
Held-for-trading financial assets	743,307,489.50	
Derivative financial assets		
Notes receivable	137,750,227.16	353,764,106.66
Accounts receivable	5,226,685,955.04	4,473,878,994.50
Accounts receivable financing		
Prepayments	3,812,656,118.80	2,105,477,988.44
Other receivables	9,603,382,043.11	10,342,326,355.05
Including: Interest receivable	5,279,505.89	3,878,580.64
Dividends receivable	397,213,312.02	393,563,347.61
Inventories	412,432,630.23	173,658,748.80
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,901,808,323.47	1,581,440,821.79
Total current assets	26,519,387,123.90	23,017,842,755.66
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	8,680,774,584.31	9,100,689,137.42

Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	396,353,137.96	396,353,137.96
Investment property	919,329,277.65	439,835,051.61
Fixed assets	414,004,752.58	418,021,638.28
Construction in progress	19,589,149.08	481,659,536.66
Productive living assets		
Oil and gas assets		
Right-of-use assets		1,341,125.40
Intangible assets	43,852,430.31	65,620,126.31
Development costs		
Goodwill		
Long-term prepaid expense	31,771,125.50	36,665,581.09
Deferred income tax assets	1,165,446,351.89	1,127,531,647.49
Other non-current assets	1,346,901.65	458,931.60
Total non-current assets	11,690,407,926.29	12,086,116,129.18
Total assets	38,209,795,050.19	35,103,958,884.84
Current liabilities:		
Short-term borrowings	2,239,120,555.52	2,217,049,472.22
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	245,691,757.67	890,526,510.04
Accounts payable	6,684,025,548.31	6,918,579,963.57
Advances from customers		
Contract liabilities	4,402,224,447.61	2,445,363,632.98
Employee benefits payable	30,355,802.08	90,137,022.47
Taxes payable	6,531,359.88	4,095,684.11
Other payables	4,064,658,632.17	3,941,891,644.62
Including: Interest payable		29,271,307.22
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	5,177,362,257.45	151,933,839.55
Other current liabilities	13,581,709.44	7,129,729.38
Total current liabilities	22,863,552,070.13	16,666,707,498.94
Non-current liabilities:		

Long-term borrowings	6,383,204,132.03	8,261,287,052.44
Bonds payable	3,295,556,876.26	4,792,392,044.13
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	83,683,992.86	83,666,032.25
Deferred income	41,982,311.04	43,377,324.62
Deferred income tax liabilities	102,663,652.38	
Other non-current liabilities	47,145,817.65	42,948,698.55
Total non-current liabilities	9,954,236,782.22	13,223,671,151.99
Total liabilities	32,817,788,852.35	29,890,378,650.93
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	313,912,061.57	241,044,390.55
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	1,411,624,688.51	1,306,066,395.60
Total owners' equity	5,392,006,197.84	5,213,580,233.91
Total liabilities and owners' equity	38,209,795,050.19	35,103,958,884.84

3. Consolidated Income Statement

Unit: RMB

Item	H1 2023	H1 2022
1. Revenue	10,472,061,171.94	16,895,470,276.81
Including: Operating revenue	10,472,061,171.94	16,895,470,276.81
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	11,506,953,501.55	17,954,723,815.95

Including: Cost of sales	10,079,343,784.11	16,482,440,621.84
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	42,718,966.53	53,284,971.18
Selling expense	558,536,665.53	560,225,684.28
Administrative expense	390,244,567.77	354,308,684.51
R&D expense	237,033,893.11	237,348,526.56
Finance costs	199,075,624.50	267,115,327.58
Including: Interest expense	432,772,700.64	465,576,348.06
Interest income	123,908,981.38	109,353,054.39
Add: Other income	137,917,215.41	343,737,322.91
Return on investment (“-” for loss)	826,829,010.88	737,803,536.05
Including: Share of profit or loss of joint ventures and associates	-30,242,661.05	59,402,481.72
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)	-132,580,077.43	-638,799.36
Credit impairment loss (“-” for loss)	-140,192,679.36	-78,608,313.56
Asset impairment loss (“-” for loss)	-15,283,496.76	-13,309,988.75
Asset disposal income (“-” for loss)	64,713.62	12,782,328.52
3. Operating profit (“-” for loss)	-358,137,643.25	-57,487,453.33
Add: Non-operating income	17,325,617.18	30,492,741.65
Less: Non-operating expense	4,326,608.02	3,860,945.80
4. Profit before tax (“-” for loss)	-345,138,634.09	-30,855,657.48
Less: Income tax expense	-16,710,667.58	-89,346,442.11
5. Net profit (“-” for net loss)	-328,427,966.51	58,490,784.63
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-”	-328,427,966.51	58,490,784.63

for net loss)		
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	-193,240,232.33	173,266,442.52
5.2.2 Net profit attributable to non-controlling interests	-135,187,734.18	-114,775,657.89
6. Other comprehensive income, net of tax	-2,932,583.82	4,109,281.36
Attributable to owners of the Company as the parent	4,837.39	3,289,330.41
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	4,837.39	3,289,330.41
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		-38,929.34
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	4,837.39	3,328,259.75
6.2.7 Other		
Attributable to non-controlling interests	-2,937,421.21	819,950.95
7. Total comprehensive income	-331,360,550.33	62,600,065.99
Attributable to owners of the Company as the parent	-193,235,394.94	176,555,772.93
Attributable to non-controlling interests	-138,125,155.39	-113,955,706.94

8. Earnings per share		
8.1 Basic earnings per share	-0.0803	0.0720
8.2 Diluted earnings per share	-0.0803	0.0720

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	H1 2023	H1 2022
1. Operating revenue	671,342,472.97	937,174,806.46
Less: Cost of sales	682,543,280.18	955,576,781.51
Taxes and surcharges	2,825,863.63	4,788,176.20
Selling expense	120,609,233.66	126,864,858.90
Administrative expense	136,536,029.86	112,153,504.59
R&D expense	15,002,427.03	51,468,275.26
Finance costs	158,153,694.90	162,133,403.85
Including: Interest expense	415,373,817.97	431,671,720.01
Interest income	181,172,038.86	175,006,649.97
Add: Other income	45,777,006.94	16,852,496.81
Return on investment (“-” for loss)	749,413,182.91	231,113,070.86
Including: Share of profit or loss of joint ventures and associates	-17,573,675.23	76,488,083.68
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)	-145,356,925.98	
Credit impairment loss (“-” for loss)	-22,515,556.31	-23,046,305.82
Asset impairment loss (“-” for loss)	-5,669,387.21	-4,024,458.06
Asset disposal income (“-” for loss)	18,634.76	6,069,332.66
2. Operating profit (“-” for loss)	177,338,898.82	-248,846,057.40
Add: Non-operating income	1,209,609.70	13,060,831.55
Less: Non-operating expense	2,143,784.68	254,158.77
3. Profit before tax (“-” for loss)	176,404,723.84	-236,039,384.62
Less: Income tax expense	64,758,360.48	-80,204,459.87
4. Net profit (“-” for net loss)	111,646,363.36	-155,834,924.75
4.1 Net profit from continuing operations (“-” for	111,646,363.36	-155,834,924.75

net loss)		
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
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		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
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	111,646,363.36	-155,834,924.75
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2023	H1 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	10,257,069,599.77	16,657,583,444.03

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	114,042,516.44	280,376,794.53
Cash generated from other operating activities	434,232,897.74	753,959,635.59
Subtotal of cash generated from operating activities	10,805,345,013.95	17,691,919,874.15
Payments for commodities and services	9,023,089,761.99	15,956,086,181.59
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	961,152,003.48	1,001,094,352.68
Taxes paid	267,360,124.35	272,856,476.27
Cash used in other operating activities	755,293,229.37	883,142,370.34
Subtotal of cash used in operating activities	11,006,895,119.19	18,113,179,380.88
Net cash generated from/used in operating activities	-201,550,105.24	-421,259,506.73
2. Cash flows from investing activities:		
Proceeds from disinvestment	889,008,792.86	311,914,738.68
Return on investment	102,906,034.84	66,252,680.29
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	5,504,209.67	823,875.00

Net proceeds from the disposal of subsidiaries and other business units	18,818,889.67	297,094,350.04
Cash generated from other investing activities	429,959,598.68	2,385,626,424.39
Subtotal of cash generated from investing activities	1,446,197,525.72	3,061,712,068.40
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	541,154,096.54	2,368,866,405.13
Payments for investments		281,204,526.06
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	471,154,667.83	297,319,897.73
Subtotal of cash used in investing activities	1,012,308,764.37	2,947,390,828.92
Net cash generated from/used in investing activities	433,888,761.35	114,321,239.48
3. Cash flows from financing activities:		
Capital contributions received	600,000.05	73,710,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	600,000.05	73,710,000.00
Borrowings raised	6,347,967,876.40	13,247,484,343.89
Cash generated from other financing activities	270,299,841.72	98,773,506.85
Subtotal of cash generated from financing activities	6,618,867,718.17	13,419,967,850.74
Repayment of borrowings	5,423,409,343.95	12,164,709,671.44
Interest and dividends paid	417,032,889.60	629,096,420.22
Including: Dividends paid by subsidiaries to non-controlling interests	735,000.00	
Cash used in other financing activities	486,741,862.16	413,488,589.33
Subtotal of cash used in financing activities	6,327,184,095.71	13,207,294,680.99
Net cash generated from/used in financing activities	291,683,622.46	212,673,169.75
4. Effect of foreign exchange rates changes on cash and cash equivalents	44,134,367.10	29,437,680.94
5. Net increase in cash and cash equivalents	568,156,645.67	-64,827,416.56
Add: Cash and cash equivalents, beginning of the period	5,461,912,010.90	5,968,347,219.03
6. Cash and cash equivalents, end of the period	6,030,068,656.57	5,903,519,802.47

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2023	H1 2022
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1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,612,906,405.48	2,354,844,176.86
Tax rebates	33,601,449.43	86,941,251.18
Cash generated from other operating activities	125,639,407.49	97,266,687.71
Subtotal of cash generated from operating activities	1,772,147,262.40	2,539,052,115.75
Payments for commodities and services	1,685,690,002.69	2,958,268,595.49
Cash paid to and for employees	163,714,700.87	177,343,007.79
Taxes paid	6,158,152.38	8,874,050.17
Cash used in other operating activities	258,237,321.10	570,856,154.42
Subtotal of cash used in operating activities	2,113,800,177.04	3,715,341,807.87
Net cash generated from/used in operating activities	-341,652,914.64	-1,176,289,692.12
2. Cash flows from investing activities:		
Proceeds from disinvestment	377,895,533.73	243,681,401.96
Return on investment	45,984,167.78	9,191,193.60
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	463,991.29	2,335.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	2,247,236,977.19	4,144,985,356.98
Subtotal of cash generated from investing activities	2,671,580,669.99	4,397,860,287.54
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	64,727,368.50	113,204,917.61
Payments for investments	77,400,000.00	181,192,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,822,125,825.03	3,667,215,872.05
Subtotal of cash used in investing activities	1,964,253,193.53	3,961,612,789.66
Net cash generated from/used in investing activities	707,327,476.46	436,247,497.88
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	5,060,000,000.00	11,015,317,707.33
Cash generated from other financing activities	4,539,539,207.19	6,900,804,389.29
Subtotal of cash generated from financing activities	9,599,539,207.19	17,916,122,096.62
Repayment of borrowings	3,708,306,940.22	9,787,500,000.00
Interest and dividends paid	439,526,690.78	569,130,713.71

Cash used in other financing activities	5,451,482,339.89	6,871,379,554.34
Subtotal of cash used in financing activities	9,599,315,970.89	17,228,010,268.05
Net cash generated from/used in financing activities	223,236.30	688,111,828.57
4. Effect of foreign exchange rates changes on cash and cash equivalents	6,131,671.92	41,903.92
5. Net increase in cash and cash equivalents	372,029,470.04	-51,888,461.75
Add: Cash and cash equivalents, beginning of the period	3,833,613,544.22	4,682,608,814.76
6. Cash and cash equivalents, end of the period	4,205,643,014.26	4,630,720,353.01

7. Consolidated Statements of Changes in Owners' Equity

H1 2023

Unit: RMB

Item	H1 2023														
	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 period of prior year	2,407,945,408.00				365,247,361.05		-14,265,181.63		1,244,180,364.24		3,637,291,770.33		7,640,399,721.99	820,973,239.93	8,461,372,961.92
Add: Adjustment for change in accounting policy											1,576,234.17		1,576,234.17	136,147.01	1,712,381.18
Adjustment for correction of previous error															
Adjustment for business combination under common control															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				365,247,361.05		-14,265,181.63		1,244,180,364.24		3,638,868,004.50		7,641,975,956.16	821,109,386.94	8,463,085,343.10
3. Increase/ decrease in the period ("-" for					72,867,671.02		4,837.39				-192,680,226.89		-119,807,718.48	-139,649,988.36	-259,457,706.84

decrease)																
3.1 Total comprehensive income						4,837.39							-193,240,232.33	-193,235,394.94	-138,125,155.39	-331,360,550.33
3.2 Capital increased and reduced by owners					72,867,671.02									72,867,671.02	-789,832.97	72,077,838.05
3.2.1 Ordinary shares increased by owners															600,000.03	600,000.03
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					72,867,671.02									72,867,671.02	-1,389,833.00	71,477,838.02
3.3 Profit distribution															-735,000.00	-735,000.00
3.3.1 Appropriation to surplus reserves																
3.3.2 Appropriation to general reserve																
3.3.3 Appropriation to															-735,000.00	-735,000.00

owners (or shareholders)															
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															

3.5.2 Used in the period															
3.6 Other										560,005.44		560,005.44		560,005.44	
4. Balance as at the end of the Reporting Period	2,407,945,408.00				438,115,032.07		-14,260,344.24		1,244,180,364.24		3,446,187,777.61		7,522,168,237.68	681,459,398.58	8,203,627,636.26

H1 2022

Unit: RMB

Item	H1 2022														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent															
	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 period of 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											464,912.01		464,912.01	196,178.92	661,090.93	
Adjustment for correction of previous error																
Adjustment for business combination under common control																
Other adjustments																

2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,563,700.95		9,095,743,348.42	1,105,867,090.94	10,201,610,439.36
3. Increase/ decrease in the period ("—" for decrease)					132,442,151.79		3,289,330.41				52,869,172.12		188,600,654.32	-5,241,051.01	183,359,603.31
3.1 Total comprehensive income							3,289,330.41				173,266,442.52		176,555,772.93	-113,955,706.94	62,600,065.99
3.2 Capital increased and reduced by owners					132,442,151.79								132,442,151.79	109,449,655.93	241,891,807.72
3.2.1 Ordinary shares increased by owners														73,710,000.00	73,710,000.00
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other					132,442,151.79								132,442,151.79	35,739,655.93	168,181,807.72
3.3 Profit distribution											-120,397,270.40		-120,397,270.40	-735,000.00	-121,132,270.40
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	-735,000.00	-121,132,270.40
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															

3.4.5 Other comprehensive income transferred to retained earnings														
3.4.6 Other														
3.5 Specific reserve														
3.5.1 Increase in the period														
3.5.2 Used in the period														
3.6 Other														
4. Balance as at the end of the Reporting Period	2,407,945,408.00				366,832,114.89	-17,046,757.46	1,244,180,364.24	5,282,432,873.07	9,284,344,002.74	1,100,626,039.93			10,384,970,042.67	

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

H1 2023

Unit: RMB

Item	H1 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,306,066,395.60		5,213,580,233.91
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										-6,088,070.45		-6,088,070.45
2. Balance as at the beginning of the Reporting	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,299,978,325.15		5,207,492,163.46

Period												
3. Increase/ decrease in the period ("-" for decrease)					72,867,671.02					111,646,363.36		184,514,034.38
3.1 Total comprehensive income										111,646,363.36		111,646,363.36
3.2 Capital increased and reduced by owners					72,867,671.02							72,867,671.02
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					72,867,671.02							72,867,671.02
3.3 Profit distribution												
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)												
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												

3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				313,912,061.57		-1,500,000.00		1,260,024,039.76	1,411,624,688.51		5,392,006,197.84

H1 2022

Unit: RMB

Item	H1 2022											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				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 Reporting Period	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)					132,442,151.79					-276,232,195.15		-143,790,043.36
3.1 Total comprehensive income										-155,834,924.75		-155,834,924.75
3.2 Capital increased and reduced by owners					132,442,151.79							132,442,151.79
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					132,442,151.79							132,442,151.79
3.3 Profit distribution										-120,397,270.40		-120,397,270.40
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-120,397,270.40		-120,397,270.40
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				243,139,144.39		-1,500,000.00		1,260,024,039.76	2,447,955,370.54		6,357,563,962.69

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

For the Year from 1 January 2023 to 30 June 2023

(All amounts in RMB yuan unless otherwise stated)

I. Company Profile

1. Establishment

Konka Group Co., Ltd. (hereinafter referred to as “Company” or “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 30 June 2023, 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, material technology business, semi-conductor, etc.

4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 25 August 2023.

II. Consolidation scope

The Company has a total of 124 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 decreased by 3 households including Sichuan Hongxinchen Real Estate Development Co., Ltd., Anhui Konka Zhilian E-Commerce Co., Ltd., etc. 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”.

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

No.	Corporate name	Abbreviation
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No.	Corporate name	Abbreviation
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
2	Anhui Konka Zhilian E-Commerce Co., Ltd.	Anhui Zhilian
3	Nantong 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 Kangcheng Technology Innovation and Development Co., Ltd.	Shenzhen Kangcheng
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	GuangDong XingDa HongYe Electronic Co., Ltd.	XingDa HongYe
14	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
15	Suining Konka Flexible Electronic Technology Co., Ltd.	Konka Flexible Electronic
16	Suining Konka Hongye Electronics Co., Ltd.	Konka Hongye Electronics
17	Boluo Konka Precision Technology Co., Ltd.	Boluo Precision
18	Boluo Konka PCB Co., Ltd.	Boluo Konka
19	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
20	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
21	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
22	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
23	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
24	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
25	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
26	Shenzhen Konka Investment Holdings Co., Ltd.	Konka Investment
27	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
28	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
29	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
30	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
31	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
32	Konka Factoring (Shenzhen) Co., Ltd.	Konka Factoring
33	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
34	Tianjin Konka Technology Co., Ltd.	Tianjin Konka
35	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
36	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation

No.	Corporate name	Abbreviation
37	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
38	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
39	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.	Mobile Interconnection
40	Sichuan Konka Smart Terminal Technology Co., Ltd.	Sichuan Konka
41	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
42	Shenzhen KONSEMI Co., Ltd.	Shenzhen KONSEMI
43	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
44	Kowin Memory Technology (Shenzhen) Co., Limited	Kowin Memory (Shenzhen)
45	Kowin Memory Technology (Hong Kong) Co., Limited	Kowin Memory (Hong Kong)
46	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
47	Konka Industrial and Trade Technology (Shenzhen) Co., Ltd.	Industrial and Trade Technology
48	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
49	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Huazhong
50	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
51	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
52	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
53	Anhui Konka Electronic Co., Ltd.	Anhui Konka
54	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
55	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
56	Konka Mobility Co., Limited	Konka Mobility
57	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
58	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
59	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
60	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
61	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
62	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Yibin Kangrun Environmental Protection
63	Ningbo Khr Electric Appliance Co., Ltd.	Ningbo Khr Electric Appliance
64	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
65	Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Jiangxi High Transparent Substrate
66	Jiangsu Konka Special Material Technology Co., Ltd.	Jiangsu Konka Special Material
67	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline
68	Konka Huanjia Environmental Technology Co., Ltd.	Konka Huanjia
69	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
70	Shaanxi Konka Intelligent Appliance Co., Ltd.	Shaanxi Konka Intelligent
71	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
72	Jiaxin Technology Co., Ltd.	Jiaxin Technology

No.	Corporate name	Abbreviation
73	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
74	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
75	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
76	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
77	Jiali International (Hong Kong) Limited	Jiali International
78	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
79	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
80	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
81	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
82	Hainan Konka Material Technology Co., Ltd.	Konka Material
83	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
84	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
85	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
86	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
87	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
88	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
89	Konka (Europe) Co., Ltd.	Konka Europe
90	Hong Kong Konka Limited	Hong Kong Konka
91	Hongdin International Trading Limited	Hongdin Trading
92	Konka North America LLC	Konka North America
93	Kanghao Technology Co., Ltd.	Kanghao Technology
94	Hongdin Invest Development Limited	Hongdin Invest
95	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
96	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited	Chain Kingdom Memory Technologies (Shenzhen)
97	Hongjet (Hong Kong) Company Limited	Hongjet
98	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
99	Anlu Konka Industrial Operation Service Co., Ltd.	Anlu Konka
100	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
101	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material Technology
102	Guizhou Kanggui Energy Co., Ltd.	Guizhou Kanggui Energy
103	Guangdong Xinwei Semiconductor Co., Ltd.	Guangdong Xinwei
104	Chongqing Kangxingrui Renewable Resources Co., Ltd.	Kangxinrun Renewable Resources
105	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Material Technology
106	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai

No.	Corporate name	Abbreviation
107	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun
108	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Jiangxi Konka High-tech Park
109	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
110	Guizhou Konka New Energy Material Technology Co., Ltd.	Guizhou Konka New Energy
111	Zhejiang Konka Electronic Technology Co., Ltd.	Zhejiang Konka Electronic
112	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industry
113	Sichuan Hongxinchen Real Estate Development Co., Ltd.	Sichuan Hongxinchen
114	Xi'an Konka Intelligent Appliance Co., Ltd.	Xi'an Konka Intelligent
115	Xi'an Konka Network Technology Co., Ltd.	Xi'an Konka Network
116	Xi'an Kanghong Technology Industry Development Co., Ltd.	Xi'an Kanghong Technology Industry
117	Xi'an Konka Intelligent Technology Development Co., Ltd.	Xi'an Konka Intelligent Technology
118	Chongqing Fangbing Real Estate Co., Ltd.	Chongqing Fangbing Real Estate
119	Chongqing Konka Low Carbon Technology Co., Ltd.	Chongqing Konka Low Carbon
120	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	Kanghong Xintong
121	Songyang Konka Smart Industry Operation Management Co., Ltd.	Songyang Industry Operation
122	Shenzhen Kangyan Technology Co., Ltd.	Kangyan Technology
123	Konka Photovoltaic Technology Co., Ltd.	Konka Photovoltaic Technology
124	Songyang Konka Intelligent Technology Development Co., Ltd.	Songyang Konka Intelligent
125	Konka North China (Tianjin) Technology Co., Ltd.	Konka North China
126	Zhongshan Kanghong Electronic Technology Co., Ltd.	Zhongshan Kanghong
127	Shenzhen Konka Digital Technology Development Co., Ltd.	Digital Technology

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 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 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 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

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

The Group classified the financial assets meeting the following conditions at the same time as financial assets at fair value through other comprehensive income: The Business mode for managing financial assets of the Group takes contract cash flow collected as target and selling as target. The 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: □ 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. □ 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 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:

□ the rights to receive cash flows from the asset have expired; □ the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or □ 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 rate. The Group classifies financial liabilities except for the following items as financial liabilities at amortized cost: Financial 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. Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or continuous involvement in the transferred financial assets. Financial guarantee contract not belonging to cases of above or and loan commitments at interest rate lower than the market rate not belonging to the case in .

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 contact 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 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 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.

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
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 consolidation scope

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

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

Item	Basis
Franchise Combination	Regarding the long-term receivables related to the PPP Project 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 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 Note IV-11. Impairment of Financial Assets, Note IV-12. Notes Receivable and Note IV-13. Accounts Receivable.

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 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 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 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 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 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 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 deprecation (%)
1	Housing and building	Straight-line depreciation	20-40	5-10.00	2.25-4.75
2	Machinery equipment	Straight-line depreciation	5-10	5-10.00	9.00-19.00
3	Electronic equipment	Straight-line depreciation	3-5	5-10.00	18.00-31.67
4	Transportation vehicle	Straight-line depreciation	3-5	5-10.00	18.00-31.67
5	Other equipment	Straight-line depreciation	5	5-10.00	18.00-19.00

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

23. Construction in Progress

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

24. Borrowing Costs

For incurred borrowing costs, which can be directly attributed to fixed assets, investment real estate and inventory that need more than one year of purchasing, construction or production activities to reach the preset usable or sellable status, shall be capitalized when the asset expenditure has

occurred, the borrowing costs have occurred, and the purchasing, construction or production activities necessary for the asset to reach the preset usable or sellable status have begun; When the acquisition, construction or production of assets that meet the capitalization conditions reach the intended usable or sellable status, capitalization is stopped, and the borrowing costs incurred thereafter are included in the profits and losses of the current period. If there is an abnormal interruption in the acquisition, construction or production of assets that meet the capitalization conditions and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs will be suspended until the acquisition, construction or production of assets starts again.

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

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

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

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

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

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

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

(2) Specific criteria for capitalization of development stage expenditures

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

- It is feasible technically to finish intangible assets for use or sale;
- It is intended to finish and use or sell the intangible assets;
- 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;

- 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;
- 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 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 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

dismiss ion welfare. The Group would recorded 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 (dismission 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 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 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:

- The customer obtains and consumes the economic benefits brought by the Group's performance at the same time the Group performs the contract.
- The customer can control the products under construction during the performance of the Group.
- 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.

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:

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

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.

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.

□ 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.

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

□ 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.

□ 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.

□ 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.

□ When the construction contract between the Group and the customer is changed: □ 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; □ If the contract change does not fall into the above-mentioned circumstance □, and there is a clear distinction between the construction services that have been transferred and the construction services that have not been transferred on the date of the contract change, the 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; □ If the contract change does not fall into the above situation □, 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

□ 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.

□ Income 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 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 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 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

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 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

The Ministry of Finance released the *Interpretation No. 16 of the Accounting Standards for Business Enterprises* on 30 November 2022, which took effect on the same day. The document stipulates that "accounting processing under initial recognition and exemption is not applicable to deferred income taxes related to assets and liabilities incurred from a single transaction". The Company has implemented it since 1 January 2023. For taxable temporary differences and deductible temporary differences arising from the lease liabilities and right-of-use assets recognised based on single transactions that comply with the above provision, at the period-begin

of the earliest period presented in the financial statement that followed such provision for the first time, the Company will adjust retained income brought forward in the earliest period presented in the financial statement and other relevant items of the financial statement based on the figures cumulatively affected in accordance with such provision and the *Accounting Standards for Business Enterprises No. 18 Income Taxes*.

(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
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. Paid at 1%: Jiangxi Konka, Jiangxi High Transparent Substrate, Jiangkang (Shanghai) Technology. Paid at 7%: other subsidiaries.
Education surtax	The circulating tax actually paid	3%
Local education surtax	The circulating tax actually paid	2%
Enterprise income tax	Taxable income	25%/ 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
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Name of entity	Income tax rate
Electronics Technology, Anhui Konka, Anhui Tongchuang, XingDa HongYe, Wankaida, Jiangxi Konka, Xinfeng Microcrystalline, Jiangxi High Transparent Substrate, Boluo Precision, Chongqing Kangxingrui, Kowin Memory (Shenzhen), Xiaojia Technology	15%
Hong Kong Konka, Hongdin Trading, Jiali International, Hongjet, Jiixin Technology, Hongdin Invest, 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%/5%

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 13 announcement in 2022 and No. 6 announcement in 2023 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 25% of the taxable income, and the corporate income tax will be paid at the rate of 20%; the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million will be reduced by 25% Include the taxable income and pay corporate income tax at a rate of 20%.

(2) 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%.

(3) 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. 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%.

(4) 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%.

(5) On 22 December 2022, Boluo Precision, 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. GR202244017658), which will be valid for three years. According to relevant tax regulations, Boluo Precision enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024, and pays enterprise income tax at a reduced rate of 15%.

(6) 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%.

(7) 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 September 2020 to September 2023 and pay the enterprise income tax at a preferential tax rate of 15%.

(8) 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 September 2020 to September 2023 and pay the enterprise income tax at a preferential tax rate of 15%.

(9) 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 December 2020 to December 2023 and pays the enterprise income tax as per the preferential tax rate of 15%.

(10) 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%.

(11) On 23 December 2021, Kowin Memory (Shenzhen), 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 GR202144206630, which is valid for three years. In accordance with the relevant tax regulations, Kowin Memory (Shenzhen) is entitled to the relevant tax incentives for three consecutive years from 2021 to 2023 to enjoy the relevant tax preferential policies on high-tech enterprises and pay enterprise income tax at a preferential tax rate of 15%.

(12) 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. In accordance with the relevant tax regulations, Xiaojia 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%.

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

policy.

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

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

Unless otherwise noted, the following annotation project (including the main projects, annotation of the financial statement of the Company), the period-begin refers to 1 January 2023, the period-end refers to 30 June 2023, this period refers to the period from 1 January 2023 to 30 June 2023 and the previous period refers to the period from 1 January 2022 to 30 June 2022. The monetary unit is renminbi.

1. Monetary assets

Item	Closing balance	Opening balance
Cash on hand		14.78
Bank deposits	6,222,912,818.42	5,473,400,175.52
Other monetary assets	685,425,987.74	514,695,300.41
Total	6,908,338,806.16	5,988,095,490.71
Of which: Total amount deposited overseas	116,037,645.61	137,008,617.40

Note: The ending balance of other currency assets is mainly margin deposits, financial supervision account funds and other deposits subject to usage restrictions. Refer to Note VI-67 Assets with restricted ownership or use right for details.

2. Held-for-trading financial assets

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	743,307,489.50	
Including: Investment in debt instruments		
Equity instrument investment	743,307,489.50	
Structural deposits		
Financial assets designated at fair value through profit or loss		
Including: Investment in debt instruments		

Item	Closing balance	Opening balance
Hybrid instrument investment		
Others		
Total	743,307,489.50	

3. Notes receivable

(1) Classified presentation of notes receivable

Item	Closing balance	Opening balance
Commercial acceptance draft	40,602,620.96	350,178,404.79
Banker's acceptance	553,363,673.92	709,558,838.75
Total	593,966,294.88	1,059,737,243.54

(2) Notes receivable pledged by the Company at the end of the Reporting Period

Item	Amount pledged at the end of the Reporting Period
Banker's acceptance	217,674,323.25
Commercial acceptance draft	
Total	217,674,323.25

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

Item	Amount derecognised at the end of the Reporting Period	Amount not derecognised at the end of the Reporting Period
Banker's acceptance	1,000,963,671.86	
Commercial acceptance draft		23,240,096.98
Total	1,000,963,671.86	23,240,096.98

(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 provision for bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					

Provision set aside for bad debts by portfolio	594,811,837.40	100.00	845,542.52	0.14	593,966,294.88
Of which: Banker's acceptance	553,363,673.92	93.03			553,363,673.92
Commercial acceptance draft	41,448,163.48	6.97	845,542.52	2.04	40,602,620.96
Total	594,811,837.40	100.00	845,542.52	0.14	593,966,294.88

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio	1,067,029,648.07	100.00	7,292,404.53	0.68	1,059,737,243.54
Of which: Banker's acceptance	709,558,838.75	66.50			709,558,838.75
Commercial acceptance draft	357,470,809.32	33.50	7,292,404.53	2.04	350,178,404.79
Total	1,067,029,648.07	100.00	7,292,404.53	0.68	1,059,737,243.54

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

Name	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	41,448,163.48	845,542.52	2.04
Total	41,448,163.48	845,542.52	2.04

(6) Provision for bad debts for notes receivable withdrawn, collected or reversed during the Reporting Period

Category	Opening balance	Change in the Reporting Period			Closing balance
		Provision	Recovery or reclassification	Charge-off or write-off	
Commercial acceptance draft	7,292,404.53	707,063.68	7,153,925.69		845,542.52
Banker's acceptance					
Total	7,292,404.53	707,063.6	7,153,925.69		845,542.52

(7) Notes receivable actually written off in the Reporting Period

There was no notes receivable actually written off in the Reporting Period.

4. Accounts receivable

(1) Accounts receivable listed by withdrawal methods for bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Accounts receivable of expected credit losses withdrawn individually	1,449,419,796.71	38.00	1,325,790,697.15	91.47	123,629,099.56
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	2,365,166,083.30	62.00	400,800,627.33	16.95	1,964,365,455.97
Subtotal of portfolio	2,365,166,083.30	62.00	400,800,627.33	16.95	1,964,365,455.97
Total	3,814,585,880.01	100.00	1,726,591,324.48	45.26	2,087,994,555.53

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Accounts receivable of expected credit losses withdrawn individually	1,487,466,561.80	40.11	1,350,460,284.27	90.79	137,006,277.53
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	2,221,448,326.94	59.89	321,719,768.25	14.48	1,899,728,558.69
Subtotal of portfolio	2,221,448,326.94	59.89	321,719,768.25	14.48	1,899,728,558.69

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Total	3,708,914,888.74	100.00	1,672,180,052.52	45.09	2,036,734,836.22

1) Provision for bad debts of accounts receivable provided individually

Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
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%	Reorganization by agreement
Shenzhen Yaode Technology Co., Ltd.	148,503,144.96	125,575,215.21	84.56%	Expected to be difficult to recover
Guangan Ouqishi Electronic Technology Co., Ltd.	113,140,553.53	110,965,942.46	98.08%	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.	71,539,096.65	53,654,322.49	75.00%	Expected to be difficult to recover
No. 1 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	100.00%	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
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	307,010,871.53	297,847,469.62	97.02%	Expected to be difficult to

Name	Closing balance			Reasons for the provision
	Book balance	Provision for bad debts	Provision percentage (%)	
				recover
Total	1,449,419,796.71	1,325,790,697.15	91.47%	

2) Provision for bad debts for accounts receivable made as per portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	1,664,332,357.05	33,952,378.22	2.04
One to two years	210,579,371.75	21,100,053.08	10.02
Two to three years	111,910,276.13	25,392,441.65	22.69
Three to four years	165,114,817.76	107,126,493.77	64.88
Over four years	213,229,260.61	213,229,260.61	100.00
Total	2,365,166,083.30	400,800,627.33	16.95

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

(2) Accounts receivable listed by aging portfolio

Aging	Closing balance
Within one year	1,685,919,645.47
One to two years	258,939,219.13
Two to three years	268,490,865.00
Over three years	1,601,236,150.41
Three to four years	679,278,480.01
Four to five years	716,006,713.85
Over five years	205,950,956.55
Subtotal	3,814,585,880.01
Less: Provisions for bad debts	1,726,591,324.48
Total	2,087,994,555.53

(3) Information of provision for bad debts in the Reporting Period

Category	Opening balance	Change in the Reporting Period	
		Provision	Recovery or reclassification
Provision for bad debts of accounts	1,672,180,052.52	59,109,024.45	8,944,070.58

Category	Opening balance	Change in the Reporting Period	
		Provision	Recovery or reclassification
receivable			
Total	1,672,180,052.52	59,109,024.45	8,944,070.58

(Continued)

Category	Change in the Reporting Period		Closing balance
	Charge-off or write-off	Decrease for other reasons	
Provision for bad debts of accounts receivable	1,571,951.15	-5,818,269.24	1,726,591,324.48
Total	1,571,951.15	-5,818,269.24	1,726,591,324.48

Decreases for other reasons were RMB-5,818,269.24 due to exchange rate changes.

(4) Accounts receivable actually verified during the Reporting Period

Item	Amount written off
Accounts receivable written off	1,571,951.15

(5) Top five accounts receivable in the closing balance categorised by debtors

The total amount of receivables with top five ending balance collected by arrears party for the Reporting Period was RMB1,424,661,269.74, accounting for 37.35% of the total ending balance of accounts receivable. The total ending balance of provision for bad debts correspondingly withdrawn was RMB594,613,927.63.

(6) Accounts receivable derecognised due to the transfer of financial assets

There were no accounts receivable derecognised for transfer of financial assets.

(7) Amount of assets and liabilities generated through the transfer of accounts receivable and continuing involvement

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

5. Accounts receivable financing

Item	Closing balance	Opening balance
Notes receivable	344,155,903.39	237,187,228.44
Total	344,155,903.39	237,187,228.44

6. Prepayments

(1) Age of prepayments

Item	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	458,666,394.73	88.82	332,218,631.50	85.20
One to two years	52,391,934.11	10.15	52,945,431.22	13.58
Two to three years	1,556,755.37	0.30	4,191,405.92	1.07
Over three years	3,771,408.88	0.73	592,183.75	0.15
Total	516,386,493.09	100.00	389,947,652.39	100.00

Note: The amount of prepayments aged over one year at the end of the period is RMB57,720,098.36, accounting for 11.18% of the total balance of prepayments of the Company, and consists mainly of payments for goods afloat or unsettled payments.

(2) Top five prepayments in the closing balance categorised by payees

The total amount of prepayments with top five ending balance collected by prepaid party was RMB345,703,811.55, accounting for 66.95% of the total ending balance of prepayments.

7. Other accounts receivable

Item	Closing balance	Opening balance
Interest receivable	5,279,505.89	3,878,580.64
Dividends receivable		272,999.43
Other accounts receivable	1,410,423,205.46	1,437,973,265.51
Total	1,415,702,711.35	1,442,124,845.58

7.1 Interest receivable

(1) Classification of interest receivable

Item	Closing balance	Opening balance
Interest on term deposits	5,279,505.89	3,878,580.64
Total	5,279,505.89	3,878,580.64

(2) Withdrawal of provision for bad debts for interest receivable

The Company did not have impaired interest receivable.

7.2 Dividends receivable

(1) Category of dividends receivable

Item (or investee)	Closing balance	Opening balance
Chongqing Qingjia Electronics		272,999.43

Item (or investee) Co., Ltd.	Closing balance	Opening balance
Total		272,999.43

7.3 Other receivables

(1) Classified by account nature

Nature of fund	Closing book balance	Opening book balance
Deposit and margin	1,510,004,920.83	1,411,807,968.60
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	177,858,075.72	176,571,471.89
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Others	1,496,581,720.41	1,523,970,760.63
Total	3,336,844,058.96	3,264,749,543.12

(2) Withdrawal of provision for bad debts for other receivables

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 1 January 2023	6,475,374.50	382,824,494.22	1,437,476,408.89	1,826,776,277.61
In the Reporting Period, carrying amount of other receivables on 1 January 2023	-5,096,229.69	5,096,229.69		
-- Transferred to Phase II	-5,096,229.69	5,096,229.69		
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the Reporting Period	3,427,101.55	91,765,719.66	1,286,766.29	96,479,587.50
Reclassification in the Reporting Period			5,000.00	5,000.00
Charge-off in the Reporting Period				
Write-off in the Reporting Period				
Other changes	2,006,401.54		1,163,586.85	3,169,988.39

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 30 June 2023	6,812,647.90	479,686,443.57	1,439,921,762.03	1,926,420,853.50

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 one year, the loss provision is measured according to the expected credit losses in the next 12 months.

The second stage is that credit risk has increased significantly since initial recognition but credit impairment has not yet occurred. For other receivables with an aging portfolio and a low-risk portfolio that exceed one 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 provision for bad debts for other receivables by portfolio

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,463,672,741.80	43.86	1,439,921,762.03	98.38	23,750,979.77
Other receivables of provision for bad debts withdrawn by credit risk characteristic portfolio:					
Aging portfolio	1,386,594,236.71	41.56	465,077,601.03	33.54	921,516,635.68
Low-risk portfolio	486,577,080.45	14.58	21,421,490.44	4.40	465,155,590.01
Subtotal of portfolio	1,873,171,317.16	56.14	486,499,091.47	25.97	1,386,672,225.69
Total	3,336,844,058.96	100.00	1,926,420,853.50	57.73	1,410,423,205.46

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,461,191,467.51	44.76	1,437,476,408.89	98.38	23,715,058.62
Other receivables of provision for bad debts withdrawn by credit risk characteristic portfolio:					
Aging portfolio	1,342,397,234.31	41.12	372,315,645.78	27.74	970,081,588.53
Low-risk portfolio	461,160,841.30	14.12	16,984,222.94	3.68	444,176,618.36
Subtotal of portfolio	1,803,558,075.61	55.24	389,299,868.72	21.59	1,414,258,206.89
Total	3,264,749,543.12	100.00	1,826,776,277.61	55.95	1,437,973,265.51

(4) Other receivables listed by aging

Aging	Closing balance
Within one year	543,179,086.07
One to two years	277,182,000.17
Two to three years	913,187,173.58
Three to four years	1,158,266,707.88
Four to five years	250,085,099.34
Over five years	194,943,991.92
Subtotal	3,336,844,058.96
Less: Provisions for bad debts	1,926,420,853.50
Total	1,410,423,205.46

(5) Provision for bad debts for other receivables

The amount of provision for bad debts for Reporting Period was RMB96,479,587.50, increasing RMB3,170,033.27 which was mainly due to exchange rate changes, decreasing RMB44.88 which was mainly due to loss of control.

(6) Other receivables actually written off for the Reporting Period

There were no other receivables actually written off for the Reporting Period.

(7) Top five other accounts receivable in the closing balance categorised by debtors

The total amount of other receivables with top five ending balance collected by arrears party

in the Reporting Period was RMB1,475,353,794.88, accounting for 44.21% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly withdrawn was RMB600,453,158.74.

(8) Other accounts receivable derecognised due to the transfer of financial assets

There were no other receivables derecognised due to the transfer of financial assets for the Reporting Period.

(9) Amount of assets and liabilities generated through the transfer of other accounts receivable and continuing involvement

There were no assets or liabilities formed due to the transfer and the continued involvement of other receivables during the Reporting Period.

8. Inventory

(1) Inventory classification

Item	Closing balance		
	Book balance	Provision for inventory impairment/for contract fulfilment cost impairment	Carrying value
Raw materials	1,504,770,929.78	71,727,933.75	1,433,042,996.03
Semi-finished products	130,868,472.14	37,830,224.42	93,038,247.72
Commodities in stock	2,961,430,584.10	244,868,061.46	2,716,562,522.64
Commissioned products	2,535,888.55		2,535,888.55
Contract fulfilment costs	178,053.10		178,053.10
Development costs	413,385,626.00		413,385,626.00
Total	5,013,169,553.67	354,426,219.63	4,658,743,334.04

(Continued)

Item	Opening balance		
	Book balance	Provision for inventory impairment/for contract fulfilment cost impairment	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
Commodities in stock	3,316,097,782.82	270,664,206.34	3,045,433,576.48

Item	Opening balance		
	Book balance	Provision for inventory impairment/for contract fulfilment cost impairment	Carrying value
Commissioned products	2,862,799.75		2,862,799.75
Contract fulfilment costs	254,159.33		254,159.33
Development costs	149,842,751.04		149,842,751.04
Total	4,782,467,530.40	372,699,774.18	4,409,767,756.22

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

Item	Opening balance	Increase in the Reporting Period	
		Withdrawal	Others
Raw materials	64,695,751.94	7,004,127.25	
Semi-finished products	37,339,815.90	509,216.97	
Commodities in stock	270,664,206.34	7,761,139.98	
Commissioned products			
Contract fulfilment costs			
Development costs			
Total	372,699,774.18	15,274,484.20	

(Continued)

Item	Decrease in the Reporting Period		Closing balance
	Write-off	Others	
Raw materials	1,215,334.13	-1,243,388.69	71,727,933.75
Semi-finished products	18,808.45		37,830,224.42
Commodities in stock	33,595,757.23	-38,472.37	244,868,061.46
Commissioned products			
Contract fulfilment costs			
Development costs			
Total	34,829,899.81	-1,281,861.06	354,426,219.63

Specific basis for determining the realisable 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:

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 realisable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Semi-finished products	The realisable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Commodities in stock	The realisable net value was lower than the carrying value	They have been sold in the Reporting Period

9. Contract assets

(1) Contract assets

Item	Closing balance		
	Book balance	Provision for impairment	Carrying value
Receivables among settled items, which are not unconditional payment	441,792.02	9,012.56	432,779.46
Total	441,792.02	9,012.56	432,779.46

Item	Opening balance		
	Book balance	Provision for impairment	Carrying value
Receivables among settled items, which are not unconditional payment			
Total			

(2) Withdrawal of impairment provision for contractual assets

Item	Provision in the Reporting Period	Reclassification in the Reporting Period	Charge-off/Write-off in the Reporting Period	Decrease for other reasons	Reasons
Receivables among settled items, which are not unconditional payment	9,012.56				
Total	9,012.56				

10. Non-current assets due within one year

Item	Closing balance	Opening balance	Nature
Long-term receivables due	3,630,000.00	14,630,000.00	Cash deposit

within one year			
Total	3,630,000.00	14,630,000.00	

11. Other current assets

Item	Closing balance	Opening balance
Principal and interests of entrusted loans to associated enterprises	1,867,956,911.49	1,544,592,633.44
Prepayments and deductible taxes, and refund of tax for export receivable	507,310,047.74	457,991,464.58
Deferred expenses	22,893,812.47	17,278,894.58
Costs receivable for returning goods	15,705,912.79	14,214,651.96
Others	4,325,476.35	4,763,581.27
Total	2,418,192,160.84	2,038,841,225.83

12. Long-term receivables

(1) Long-term accounts receivable

Item	Closing balance		
	Book balance	Provision for bad debts	Carrying value
Finance lease payment			
Including: Unrealised financing income			
Cash deposits of long-term receivables	4,430,400.00		4,430,400.00
Less: Long-term receivable due within one year (See Note VI. 10 for details)	3,630,000.00		3,630,000.00
Total	800,400.00		800,400.00

(Continued)

Item	Opening balance		
	Book balance	Provision for bad debts	Carrying value
Finance lease payment			
Including: Unrealised financing income			
Cash deposits of long-term receivables	15,430,400.00		15,430,400.00
Less: Long-term receivable due within one year (See Note VI. 10 for details)	14,630,000.00		14,630,000.00
Total	800,400.00		800,400.00

13. Long-term equity investment

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly known as "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.	10,591,603.87					
Shenzhen Kangyue Enterprise Co., Ltd.	32,232,415.88				-54,027.66	
Foshan Zhujiang Media Creative Park Culture 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				-894,025.70	
Chongqing Qingjia Electronics Co., Ltd.	5,831,185.33		5,831,185.33			

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Shenzhen Jielunte Technology Co., Ltd.	99,748,594.97				-4,159,623.03	
Panxu Intelligence Co., Ltd.	51,392,171.46				-274,477.86	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	7,482,864.06				1,101,394.33	
Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP)	483,905,786.35		16,750,995.01		12,807,706.86	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	3,527,761.64					
Shenzhen RF-LINK Technology Co., Ltd.						
Anhui Kaikai Shijie E-commerce Co., Ltd.	418,721,305.96					
Kunshan Kangsheng Investment Development Co., Ltd.	313,484,693.57				-10,055,178.43	
Chutian Dragon Co., Ltd.	523,726,463.18					
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	13,333,698.78				-781,563.56	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Shenzhen Yaode Technology Co., Ltd.						
Wuhan Environmental Protection Co., Ltd.	352,295,640.91				-3,659,889.05	
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02				-2,909,934.84	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	275,858,698.37				-2,876,368.35	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	107,310,029.86					
Chuzhou Kangxin Health Industry Development Co., Ltd.	183,310,823.25				-1,327,324.27	
Dongguan Guankang Yuhong Investment Co., Ltd.	521,341,722.37					
Shandong Econ Technology Co., Ltd.	1,246,099,855.22					
Dongguan Kangjia New Materials Technology Co.,	6,951,651.72				186,757.47	

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Ltd..						
Chongqing E2info Technology Co., Ltd.	1,023,251,062.59				17,264,263.57	
Yantai Kangyun Industrial Development Co., Ltd.	72,320,476.84				-2,714,568.47	
E3info (Hainan) Technology Co., Ltd.	30,708,255.04					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,371,364.87				739,175.43	
Shenzhen KONKA E-display Co., Ltd.	82,221,081.72				690,558.45	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	33,721,573.96					
Shenzhen Kangpeng Digital Technology Co., Ltd.	3,411,153.10				-1,124,071.28	
Yantai Kangtang Construction Development Co., Ltd.	232,597.64					
Dongguan Kangzhihui Electronics Co., Ltd.	23,998,624.46				25,519.24	
Sichuan Huayi Jiakang	121,403.90					

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Technology Co., Ltd.						
Shenzhen Aimi jiakang Technology Co., Ltd. (formerly: Sichuan Aimi jiakang Technology Co., Ltd.)	1,585,761.09				-327,859.93	
Beijing Konka Jingyuan Technology Co., Ltd.	733,832.84					
Chongqing Liangshan Enterprise Management Co., Ltd.	121,802.33					
Shenzhen Kangene Technology Innovation Development Co., Ltd.	967,323.92				58,982.15	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	1,373,981.26				-1,273,205.73	
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	1,182,963.46				622,762.16	
Guangdong Kangyuan Semiconductor Co., Ltd.	12,777,082.28				-1,809,061.91	
Chongqing Kangyiqing	1,010,683.91				-199,975.02	

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Technology Co., Ltd.						
Shenzhen Kangying Semiconductor Technology Co., Ltd.	13,254,520.44				-6,742,110.44	
Wiselite International (HK) Limited	1,641,595.45					
Chongqing Kangjian Optoelectronics Technology Co., Ltd.	11,493,032.21				-800,000.00	
Anhui Kangta Supply Chain Management Co., Ltd.	18,060,000.00				-528,765.53	
Wuhan Kangtang Information Technology Co., Ltd.	26,654,950.30				-958,720.49	
Sichuan Chengrui Real Estate Co., Ltd.	41,423,514.93				-4,691,048.46	
Konka Industrial Development (Wuhan) Co., Ltd.	43,290,693.00					
Hefei KONSEMI Storage Technology Co., Ltd.	180,146,610.27				-13,033,084.11	
Sichuan Hongxinchen Real Estate Development Co., Ltd.				54,880,000.00	-807,774.07	

Investee	Opening balance	Change in the Reporting Period				
		Increase in the investment	Decrease in the investment	Cost method to equity method	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
	6,351,232,955.58		22,582,180.34	54,880,000.00	-28,505,538.53	

(Continued)

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly known as "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.					10,591,603.87	
Shenzhen Kangyue Enterprise Co., Ltd.					32,178,388.22	
Foshan Zhujiang Media Creative Park Culture					2,834,367.04	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Development Co., Ltd.						
Kangkai Technology Service (Chengdu) Co., Ltd.					209,048.32	
Puchuang Jiakang Technology Co, Ltd.		1,000,000.00			1,764,459.01	
Chongqing Qingjia Electronics Co., Ltd.						
Shenzhen Jielunte Technology Co., Ltd.					95,588,971.94	
Panxu Intelligence Co., Ltd.					51,117,693.60	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					8,584,258.39	
Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP)					479,962,498.20	
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		29,400,000.00			274,029,515.14	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Investment Development Co., Ltd.						
Chutian Dragon Co., Ltd.				-523,726,463.18		
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					12,552,135.22	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						12,660,222.73
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	90,301,655.75	3,078,000.00			435,859,407.61	
Chuzhou Konka Technology Industry Development Co., Ltd.					46,748,462.18	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					272,982,330.02	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					107,310,029.86	
Chuzhou Kangxin Health					181,983,498.98	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Industry Development Co., Ltd.						
Dongguan Guankang Yuhong Investment Co., Ltd.					521,341,722.37	
Shandong Econ Technology Co., Ltd.					1,246,099,855.22	
Dongguan Kangjia New Materials Technology Co., Ltd.					7,138,409.19	
Chongqing E2info Technology Co., Ltd.					1,040,515,326.16	
Yantai Kangyun Industrial Development Co., Ltd.					69,605,908.37	
E3info (Hainan) Technology Co., Ltd.					30,708,255.04	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					6,110,540.30	
Shenzhen KONKA E-display Co., Ltd.					82,911,640.17	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.					33,721,573.96	
Shenzhen Kangpeng Digital					2,287,081.82	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Technology Co., Ltd.						
Yantai Kangtang Construction Development Co., Ltd.					232,597.64	
Dongguan Kangzhihui Electronics Co., Ltd.					24,024,143.70	
Sichuan Huayi Jiakang Technology Co., Ltd.					121,403.90	
Shenzhen Aimijiakang Technology Co., Ltd. (formerly: Sichuan Aimijiakang Technology Co., Ltd.)					1,257,901.16	
Beijing Konka Jingyuan Technology Co., Ltd.					733,832.84	
Chongqing Liangshan Enterprise Management Co., Ltd.					121,802.33	
Shenzhen Kangene Technology Innovation Development Co., Ltd.					1,026,306.07	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.					100,775.53	
Henan Kangfei Intelligent					1,805,725.62	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Electrical Appliances Co., Ltd.						
Guangdong Kangyuan Semiconductor Co., Ltd.					10,968,020.37	
Chongqing Kangyiqing Technology Co., Ltd.					810,708.89	
Shenzhen Kangying Semiconductor Technology Co., Ltd.					6,512,410.00	
Wiselite International (HK) Limited					1,641,595.45	
Chongqing Kangjian Optoelectronics Technology Co., Ltd.					10,693,032.21	
Anhui Kangta Supply Chain Management Co., Ltd.					17,531,234.47	
Wuhan Kangtang Information Technology Co., Ltd.					25,696,229.81	
Sichuan Chengrui Real Estate Co., Ltd.					36,732,466.47	
Konka Industrial Development (Wuhan) Co., Ltd.					43,290,693.00	
Hefei KONSEMI Storage Technology Co., Ltd.					167,113,526.16	

Investee	Change in the Reporting Period				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Withdrawal of impairment provision Reserve	Others		
Sichuan Hongxinchen Real Estate Development Co., Ltd.					54,072,225.93	
Total	90,301,655.75	33,478,000.00		-523,726,463.18	5,888,122,429.28	312,875,719.43

14. Other equity instrument investments

(1) Other equity instrument investments

Item	Closing balance	Opening balance
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 Centre	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 Centre of Digital TV Co., Ltd.	2,400,000.00	2,400,000.00
BOHUA UHD	5,000,001.00	5,000,001.00
Total	23,841,337.16	23,841,337.16

(2) Investment in non-trading equity instruments in the Reporting Period

Item	Dividend income recognised 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 Centre			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	

Item	Dividend income recognised 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 Digital TV National Engineering Laboratory Co., Ltd.			1,273,594.84		Long-term holding based on strategic purpose	
Shanghai National Engineering Research Centre of Digital TV Co., Ltd.					Long-term holding based on strategic purpose	
BOHUA UHD					Long-term holding based on strategic purpose	
Total			17,146,663.84			

15. Other non-current financial assets

Item	Closing balance	Opening balance
China Asset Management-Jiayi Overseas Designated Plan	200,732,067.00	200,732,067.00
Tianjin Huacheng Property Development Co., Ltd.	1,000,000.00	1,000,000.00
Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)	28,540,777.26	28,540,777.26
CCB Trust-Cai Die No. 6 Property Rights Trust Scheme	66,080,293.70	66,080,293.70
Daye Trust Co., Ltd.	100,000,000.00	100,000,000.00
Yibin OCT Sanjiang Properties Co., Ltd.	179,805,828.50	171,141,605.35
Yili Ecological Restoration Co., Ltd.	34,489,731.24	41,812,139.03
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	232,628,605.68	233,834,173.06
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	200,810,700.41	195,312,419.69
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	60,880,333.86	67,706,235.45
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	59,700,013.59	59,700,013.59
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	167,287,646.77	167,230,693.52
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	146,077,069.28	146,160,043.51
Shenzhen Kanghuijia Technology Co., Ltd.	10,137.30	10,137.30
Subtotal of equity investments	1,478,043,204.59	1,479,260,598.46
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	101,032,880.10	626,244,139.25
Ningbo Yuanqing No. 9 Investment Partnership	148,855,198.11	148,855,198.11
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	9,163,411.30
Nanjing Kangfeng Dejia Asset Management Partnership (Limited Partnership)	100,000,000.00	100,000,000.00
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	103,690,684.93	100,000,000.00
Shenzhen Zitang No.1 Enterprise Consulting Management Partnership (Limited Partnership)	99,000,000.00	100,386,000.00
Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)	15,785,194.99	17,752,926.20
Subtotal of debt investments	635,527,369.43	1,160,401,674.86

Item	Closing balance	Opening balance
Total	2,113,570,574.02	2,639,662,273.32

16. Investment property

(1) Investment properties measured at cost

Item	Land use right	Properties and buildings	Total
I. Original carrying value			
1. Opening balance	46,121,506.92	873,265,339.70	919,386,846.62
2. Increase in the Reporting Period	44,819,750.13	593,074,164.96	637,893,915.09
(1) External purchase			
(2) Fixed assets\construction in progress\transfer of intangible assets	44,819,750.13	593,074,164.96	637,893,915.09
3. Decrease in the Reporting Period		15,171.30	15,171.30
(1) Disposal		15,171.30	15,171.30
(2) Other transfer out			
4. Closing balance	90,941,257.05	1,466,324,333.36	1,557,265,590.41
II. The accumulative depreciation and accumulative amortisation			
1. Opening balance	8,602,890.38	108,376,111.64	116,979,002.02
2. Increase in the Reporting Period	11,759,541.86	16,329,248.90	28,088,790.76
(1) Provision or amortisation	11,759,541.86	16,329,248.90	28,088,790.76
3. Decrease in the Reporting Period		3,897.13	3,897.13
(1) Disposal		3,897.13	3,897.13
(2) Other transfer out			
4. Closing balance	20,362,432.24	124,701,463.41	145,063,895.65
III. Provision for impairment			
1. Opening balance			

Item	Land use right	Properties and buildings	Total
2. Increase in the Reporting Period			
(1) Provision			
3. Decrease in the Reporting Period			
(1) Disposal			
(2) Other transfer out			
4. Closing balance			
IV. Carrying value			
1. Closing carrying value	70,578,824.81	1,341,622,869.95	1,412,201,694.76
2. Opening carrying value	37,518,616.54	764,889,228.06	802,407,844.60

(2) Investment properties measured at fair value

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

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

Item	Carrying value	Reason that the certificate of title was not completed
Konka Standard Electronic Product Plants Project in Sunning	262,318,214.53	Settlement of the project is underway, and the certificate can be handled only after the settlement
Total	262,318,214.53	

(4) Investment properties with restricted ownership or use rights

Item	Carrying value	Reasons for the restriction
Tower 1 of Konka Guangming Technology Center (Phase I)	101,798,700.19	As collateral for loan
Total	101,798,700.19	

17. Fixed assets

Item	Closing carrying value	Opening carrying value
Fixed assets	4,021,128,223.39	4,114,029,693.38
Liquidation of fixed assets		
Total	4,021,128,223.39	4,114,029,693.38

(1) Fixed assets

Item	Properties and buildings	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
I. Original carrying value						
1. Opening 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
2. Increased amount of the period	17,093,650.47	78,602,521.68	13,399,791.51	696,486.57	2,345,289.89	112,137,740.12
(1) Purchase	737,833.56	70,361,885.25	10,413,390.40	696,486.57	2,320,688.11	84,530,283.89
(2) Transfer-in of construction in progress	16,355,816.91	8,229,911.50	2,895,079.35		24,601.78	27,505,409.54
(3) Increase through consolidation						
(4) Other transfer-in		10,724.93	91,321.76			102,046.69
3. Decreased amount of the period	12,174,081.35	23,220,251.48	13,061,482.92	1,695,052.22	1,293,362.43	51,444,230.40
(1) Disposal or write-off	78,890.76	22,971,062.12	13,061,482.92	1,378,087.77	1,029,221.71	38,518,745.28
(2) Decrease for loss of controlling right						
(3) Other decreases	12,095,190.59	249,189.36		316,964.45	264,140.72	12,925,485.12
4. Ending balance	2,865,213,279.27	3,158,727,401.32	302,648,047.08	58,880,607.44	187,077,378.57	6,572,546,713.68
II. Accumulated depreciation						
1. Opening 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
2. Increased amount of	41,189,192.38	125,682,629.90	12,632,971.50	2,271,500.06	7,437,906.27	189,214,200.11

Item	Properties and buildings	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
the period						
(1) Provision	41,189,192.38	125,682,629.90	12,605,623.17	2,271,060.28	7,437,906.27	189,186,412.00
(2) Increase through consolidation						
(3) Other increase			27,348.33	439.78		27,788.11
3. Decreased amount of the period	21,741.20	16,614,229.86	11,811,369.32	1,575,541.36	1,094,457.84	31,117,339.58
(1) Disposal or write-off	21,741.20	16,339,565.32	11,811,369.32	1,357,208.24	921,706.47	30,451,590.55
(2) Decrease for loss of controlling right						
(3) Other decreases		274,664.54		218,333.12	172,751.37	665,749.03
4. Ending balance	714,552,153.89	1,367,582,287.90	202,509,947.03	43,525,651.00	120,928,590.42	2,449,098,630.24
III. Provision for impairment						
1. Opening balance	23,987,527.51	75,533,448.92	1,351,990.45	827,482.72	5,121,291.27	106,821,740.87
2. Increased amount of the period		223.01			19,728.84	19,951.85
(1) Provision		223.01			19,728.84	19,951.85
3. Decreased amount of the period		4,473,816.19	36,578.16	182.58	11,255.74	4,521,832.67
(1) Disposal or write-off		4,473,816.19	16,849.32	182.58	11,255.74	4,502,103.83
(2) Other decrease			19,728.84			19,728.84

Item	Properties and buildings	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
4. Ending balance	23,987,527.51	71,059,855.74	1,315,412.29	827,300.14	5,129,764.37	102,319,860.05
IV. Carrying value						
1. Ending carrying value	2,126,673,597.87	1,720,085,257.68	98,822,687.76	14,527,656.30	61,019,023.78	4,021,128,223.39
2. Opening 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) List of temporarily idle fixed assets

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Carrying value
Machinery and equipment	824,823,845.49	372,859,046.34	58,181,788.74	393,783,010.41
Electronic equipment	10,365,732.04	8,155,615.63	57,874.03	2,152,242.38
Transport equipment	3,673,189.64	3,365,811.65		307,377.99
Properties and buildings	266,352,257.20	135,135,305.00	7,899,900.07	123,317,052.13
Other equipment	1,799,875.89	901,797.73	46,523.56	851,554.60
Total	1,107,014,900.26	520,417,576.35	66,186,086.40	520,411,237.51

(3) Fixed assets leased out through operating leases

Item	Closing carrying value
Electronic equipment	246,282.58
Machinery and equipment	25,553,563.94
Other equipment	442,665.13
Transport equipment	299.03
Total	26,242,810.68

(4) Details of fixed assets failed to accomplish certification of property

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Net book value	Reason that the certificate of title was not completed
Ankang's plants	602,674,461.92	26,307,073.35		576,367,388.57	Being handled
Bokang's phase II plants on the second and third floors for printed boards	33,616,122.84	2,519,102.25		31,097,020.59	Being handled
Jingyuan Building property	7,700,000.00	4,157,986.63		3,542,013.37	Being handled
Yikang Building property	76,610,752.33	41,214,156.47		35,396,595.86	Being handled

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Net book value	Reason that the certificate of title was not completed
Buildings and constructions of Chongqing Konka	453,857,134.27	5,485,450.94		448,371,683.33	Being handled
Total	1,174,458,471.36	79,683,769.64		1,094,774,701.72	

(5) Fixed assets with restricted ownership or use right

Item	Closing carrying value	Reasons for the restriction
Housing and buildings of Anhui Tongchuang	142,712,112.61	Mortgage loan
Machinery equipment of Jiangxi Konka	13,378,706.66	Finance lease mortgage
Machinery equipment of Xinfeng Microcrystalline	36,487,041.12	Finance lease mortgage
Housing and buildings of Frestec Refrigeration	83,749,203.78	Finance lease mortgage
Buildings of Konka Group	73,963,459.56	Mortgage loan
Housing and buildings of XingDa HongYe	36,142,004.46	Mortgage loan, finance lease mortgage
Anhui Konka's buildings	607,509,925.08	Mortgage loan
Machinery equipment of Xingda Hongye	9,487,826.36	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	10,040,946.29	Finance lease mortgage
Housing and buildings of Jiangxi Konka	2,733,931.24	As collateral for guarantee when as shareholder
Housing and buildings of Jiangsu Konka Intelligent	36,798,337.13	Mortgage loan
Housing and buildings of Chongqing Konka	340,452,555.35	Mortgage loan
Total	1,393,456,049.65	

18. Construction in progress

(1) Construction in progress

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Chongqing Konka Semiconductor Optoelectronics Park Project	646,716.96		646,716.96	197,885,487.81		197,885,487.81
Guangming Project				466,051,847.89		466,051,847.89
Jiangxi High-permeability Crystalization Kiln	246,576,748.57	20,063,348.57	226,513,400.00	246,576,748.57	20,068,730.37	226,508,018.20
Dongguan Konka New Industrial Park	426,653,039.42		426,653,039.42	398,018,288.30		398,018,288.30
Construction of Suining Electronic Industrial Park Workshops	229,461,268.53		229,461,268.53	221,981,375.38		221,981,375.38
Frestec Smart Home Appliances Park	187,025,745.30		187,025,745.30	113,146,458.03		113,146,458.03
Other projects	468,950,870.45	43,191,700.46	425,759,169.99	410,734,273.00	43,964,371.54	366,769,901.46
Total	1,559,314,389.23	63,255,049.03	1,496,059,340.20	2,054,394,478.98	64,033,101.91	1,990,361,377.07

(2) Changes in major projects under construction in the Reporting Period

Name of item	Opening balance	Increase in the	Decrease in the Reporting Period	Closing balance
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		Reporting Period	Transferred to long-term assets	Other decreases	
Chongqing Konka Semiconductor Optoelectronics Park Project	197,885,487.81	1,298,004.56	198,536,775.41		646,716.96
Guangming Project	466,051,847.89	6,504,273.24	472,556,121.13		
Jiangxi High-permeability Crystalization Kiln	246,576,748.57				246,576,748.57
Dongguan Konka New Industrial Park	398,018,288.30	28,634,751.12			426,653,039.42
Construction of Suining Electronic Industrial Park Workshops	221,981,375.38	7,585,264.27		105,371.12	229,461,268.53
Frestec Smart Home Appliances Park	113,146,458.03	73,879,287.27			187,025,745.30
Total	1,643,660,205.98	117,901,580.46	671,092,896.54	105,371.12	1,090,363,518.78

(Continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalisation	Including: Amount of interest capitalisation in the Reporting Period	Capitalisation rate of the interests of the period (%)	Source of fund
Chongqing Konka Semiconductor Optoelectronics Park Project	7.57	95.00	95.00	32,272.52	32,272.52		Self-owned fund and bank financing
Guangming Project	5.2	100.00	100.00	24,439,935.19	2,111,837.68	1.43	Self-owned fund and project loans

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalisation	Including: Amount of interest capitalisation in the Reporting Period	Capitalisation rate of the interests of the period (%)	Source of fund
Jiangxi High-permeability Crystalization Kiln	3.4	72.52	72.52	32,249,994.16			Self-owned fund and bank financing
Dongguan Konka New Industrial Park	5.97	71.47	71.47	22,693,029.73	7,426,357.70	4.23	Self-owned fund and bank financing
Construction of Suining Electronic Industrial Park Workshops	7.34	59.74	59.74				Self-owned fund
Frestec Smart Home Appliances Park	4.88	38.32	38.32	308,750.00	226,250.00	4.50	Self-owned fund and bank financing
Total				79,723,981.60	9,796,717.90		

19. Right-of-use assets

Item	Properties and buildings	Electronic equipment	Transport equipment	Total
I. Original carrying value				
1. Opening balance	105,879,545.84	243,493.34		106,123,039.18
2. Increase in the Reporting Period	1,993,337.34			1,993,337.34
(1) Rent	1,771,436.60			1,771,436.60
(2) Others	221,900.74			221,900.74
3. Decrease in the Reporting Period	16,937,812.60			16,937,812.60
(1) Decrease for loss of controlling right				
(2) Others	16,937,812.60			16,937,812.60
4. Closing balance	90,935,070.58	243,493.34		91,178,563.92
II. Accumulated depreciation				
1. Opening balance	56,047,009.73	56,190.77		56,103,200.50
2. Increase in the Reporting Period	11,720,071.18	28,095.39		11,748,166.57
(1) Provision	11,720,071.18	28,095.39		11,748,166.57
(2) Others				
3. Decrease in the Reporting Period	10,160,601.40			10,160,601.40
(1) Decrease for loss of controlling right				
(2) Others	10,160,601.40			10,160,601.40
4. Closing balance	57,606,479.51	84,286.16		57,690,765.67
III. Provision for impairment				
1. Opening balance				
2. Increase in the Reporting Period				
(1) Provision				
3. Decrease in the Reporting Period				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	33,328,591.07	159,207.18		33,487,798.25
2. Opening carrying	49,832,536.11	187,302.57		50,019,838.68

Item	Properties and buildings	Electronic equipment	Transport equipment	Total
value				

20. 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	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
2. Increased amount of the period				12,707,974.60	3,923,438.71	16,631,413.31	16,631,413.31
(1) Purchase					3,923,438.71	3,923,438.71	3,923,438.71
(2) Transfer-in of construction in progress				12,707,974.60		12,707,974.60	12,707,974.60
(3) Transfer from R&D							
(4) Increase through consolidation							
(5) Other reasons							
3. Decreased	44,819,750.13		18,240.10		162,365.17	180,605.27	45,000,355.40

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) Disposal							
(2) Decrease for loss of controlling right							
(3) Decrease for other reasons	44,819,750.13		18,240.10		162,365.17	180,605.27	45,000,355.40
4. Ending balance	875,512,041.98	72,197,456.33	116,697,625.44	181,261,770.74	169,896,017.96	540,052,870.47	1,415,564,912.45
II. Accumulated amortisation							
1. Opening 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
2. Increased amount of the period	11,057,240.93	2,081,758.04		5,007,931.48	7,981,651.40	15,071,340.92	26,128,581.85
(1) Provision	11,057,240.93	2,081,758.04		5,007,931.48	7,981,651.40	15,071,340.92	26,128,581.85
(2) Other increases							
3. Decreased	10,826,630.74		18,240.10		30,949.24	49,189.34	10,875,820.08

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) Disposal							
(2) Decrease for loss of controlling right							
(3) Decrease for other reasons	10,826,630.74		18,240.10		30,949.24	49,189.34	10,875,820.08
4. Ending balance	99,377,253.39	21,333,868.53	71,300,180.50	6,568,614.77	98,123,470.23	197,326,134.03	296,703,387.42
III. Provision for impairment							
1. Opening balance		564,705.88	44,943,521.62		235,294.12	45,743,521.62	45,743,521.62
2. Increased amount of the period							
(1) Provision							
(2) Increase in business combinations							

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
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	776,134,788.59	50,298,881.92	453,923.32	174,693,155.97	71,537,253.61	296,983,214.82	1,073,118,003.41
2. Opening 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) Land use right with certificate of title uncompleted

Item	Carrying value	Reason that the certificate of title was not completed
Land use right of the subsidiary Nano-Grystallization	4,961,301.96	Being handled

(3) Significant intangible assets

Item	Closing carrying value	Remaining amortisation period (year)
Land usage right of Dongguan Konka	187,867,124.67	46.17
Land usage right of Frestec Smart Home Technology	91,233,386.84	47.25
Land usage right of Frestec Refrigeration	64,815,067.18	33.25
Concessions of Yibin Konka	175,146,657.02	17.33
Land use right of Konka Huanjia	62,498,176.16	46.00

(4) Intangible assets with restricted ownership or using right

Item	Closing carrying value	Reasons for the restriction
Land use right of Dongguan Konka	187,867,124.67	Mortgage loan
Land use right of Anhui Konka	54,473,796.00	Mortgage loan
Land usage right of Frestec Refrigeration	64,815,067.18	As collateral for finance lease
Land usage right of Frestec Smart Home Technology	91,233,386.84	Mortgage loan
Land use right of Konka Tongchuang	17,700,070.99	Mortgage loan
Land use right of Jiangsu Konka	13,982,363.30	Mortgage loan
Land usage right of XingDa HongYe	13,346,838.13	Mortgage loan
Land usage right of Jiangxi Konka	12,255,316.97	Original shareholder guarantee mortgage
Land use right of Konka Guangming	5,344,167.42	Mortgage loan
Land use right of Chongqing Konka	45,073,685.19	Mortgage loan
Total	506,091,816.68	

21. Development expenses

There were no development expenses at the end of the Reporting Period.

22. Goodwill

(1) Original carrying value of goodwill

Investee	Opening balance	Increase in the Reporting Period		Decrease in the Reporting Period		Closing balance
		Formed through business combinations	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
Total	384,268,615.26					384,268,615.26

(2) Provision for goodwill impairment

Investee	Opening balance	Increase in the Reporting Period		Decrease in the Reporting Period		Closing balance
		Provision	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	21,959,947.14					21,959,947.14
Total	362,071,880.15					362,071,880.15

(3) Information on the asset group or the combination of asset groups of the goodwill

The asset group or combination of asset groups in which the goodwill is located is the composition of all main business operating tangible assets and identifiable intangible assets (excluding working capital and non-operating assets) reflected in the balance sheet of the corresponding subsidiary and related to goodwill Asset group. As of 30 June 2023, there were no specific signs of impairment during the reporting period, and no provision for impairment was required.

23. Long-term prepaid expense

Item	Opening balance	Increase in the Reporting Period	Amortisation in the Reporting Period	Other decreased amount	Closing balance
Decoration expenses	263,367,218.24	134,516,167.24	33,594,230.18	174,102.43	364,115,052.87
Shope expense	18,787,080.49	11,228,271.92	10,138,894.42	89,761.11	19,786,696.88
Others	105,155,204.34	29,976,322.80	19,215,146.82	106,194.70	115,810,185.62
Total	387,309,503.07	175,720,761.96	62,948,271.42	370,058.24	499,711,935.37

24. Deferred income tax assets/deferred income tax liabilities

(1) Deferred tax assets that have not been offset

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Deductible losses	4,098,631,230.28	848,280,716.81	3,446,211,696.71	710,037,893.08
Provision for asset impairment	1,701,969,895.32	374,586,824.01	1,665,450,141.63	364,146,193.07
Deferred revenue	117,990,955.16	29,205,238.79	90,355,036.00	22,296,259.01
Accrued expenses	278,506,825.93	59,960,993.91	208,346,464.01	49,058,992.22
Unrealised internal sales profits	37,964,452.00	9,491,113.00	62,006,060.41	15,501,515.10
Others	150,433,381.08	35,004,869.54	192,042,399.09	40,620,988.75
Total	6,385,496,739.77	1,356,529,756.06	5,664,411,797.85	1,201,661,841.23

(2) Deferred tax liabilities that have not been offset

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Estimated added value of assets not under the same control	176,116,420.43	37,688,081.44	193,084,308.55	41,509,033.61
Prepaid interest	53,353,541.64	13,338,385.41	46,965,768.40	11,741,442.10
Accelerated depreciation of fixed assets	40,552,515.38	9,987,203.85	4,406,228.55	1,376,446.54
Financial assets at fair value through profit or loss	461,426,619.30	115,356,654.83	98,900,582.49	24,725,145.63
Others	136,243,885.68	33,578,141.66	92,458,572.57	19,678,578.52
Total	867,692,982.43	209,948,467.19	435,815,460.56	99,030,646.40

(3) Breakdown of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible losses	2,098,966,791.56	2,114,844,242.75
Deductible temporary differences	2,554,384,865.59	2,967,427,358.07
Total	4,653,351,657.15	5,082,271,600.82

(4) Deductible losses of unrecognised deferred tax assets matured/will mature in the following year

Year	Closing balance	Opening balance	Notes
2023	128,930,652.40	134,203,193.22	

Year	Closing balance	Opening balance	Notes
2024	27,800,217.79	92,292,924.99	
2025	87,209,765.43	136,655,028.18	
2026	174,626,635.88	263,654,830.43	
2027	340,755,561.77	1,488,038,265.93	
2028 and following years	1,339,643,958.29		
Total	2,098,966,791.56	2,114,844,242.75	

25. Other non-current assets

Item	Closing balance		
	Book balance	Provision for impairment	Carrying value
Prepayment for land-purchase	1,031,630,446.98		1,031,630,446.98
Prepayment for construction, equipment and other long-term assets	262,170,619.82		262,170,619.82
Total	1,293,801,066.80		1,293,801,066.80

(Continued)

Item	Opening balance		
	Book balance	Provision for impairment	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
Total	1,710,245,378.26		1,710,245,378.26

26. Short-term loans

(1) Classification of short-term loans

Type of borrowings	Closing balance	Opening balance	Notes
Unsecured loan	4,837,751,882.14	5,252,631,775.26	
Guaranteed loan	1,617,632,258.71	1,953,423,601.39	□□□□
Mortgage loan	324,461,605.28	373,503,928.32	□□□□
Total	6,779,845,746.13	7,579,559,304.97	

□ The Company provides joint and several liability guarantee for the short-term borrowings totaling

RMB1,052,003,230.90 to its subsidiaries Anhui Konka, Dongguan Konka, Yibin Smart, Anhui Tongchuang, Boluo Precision, Jiangxi Konka, Jiangxi High-permeability Substrate, Xinfeng Microcrystalline, Liaoyang Kangshun and Konka Xinyun.

□ The Company has obtained short-term borrowings amounting to RMB510,570,138.89 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.

□ The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB4,850,000.00 from Shenzhen Sub-branch of Bank of Hangzhou Co., Ltd., for which Shenzhen Qianhai Datang Technology Co., Ltd. provides guarantee.

□ The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB50,208,888.92 from Cixi Guancheng Branch of Bank of China Limited, for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at a ratio of 3:2.

□ The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to RMB120,854,386.40 from Chuzhou Branch of Bank of China Limited, for which it provides land use rights of a carrying value of RMB36,265,753.33 and houses and buildings of a carrying value of RMB419,389,308.53 as mortgage.

□ The Company's subsidiary Jiangsu Konka Smart has obtained short-term borrowings amounting to RMB30,189,125.00 from Changzhou Branch of ZheShang Bank Co., Ltd., for which it provides buildings of a carrying value of RMB36,798,337.13 and land use rights of RMB13,982,363.30 as mortgage.

□ The Company's subsidiary XingDa HongYe has obtained short-term borrowings amounting to RMB94,106,816.10 from Zhongshan Fusha Sub-branch of Zhongshan Rural Commercial Bank, for which it provides land use rights of a carrying value of RMB13,346,838.13 and buildings of a carrying value of RMB32,508,579.22 as mortgage and certificates of time deposit of RMB19,800,000.00 as pledge and Hu Zehong provides joint and several liability guarantee.

□ The Company's subsidiary Anhui Tongchuang has obtained short-term borrowings amounting to RMB79,311,277.78 from Hefei Branch of ZheShang Bank Co., Ltd., for which it provides buildings of a carrying value of RMB142,712,112.61 and land use rights of RMB17,700,070.99 as mortgage.

(2) Outstanding Short-term borrowings overdue

There were no outstanding short-term borrowings overdue at the end of the Reporting Period.

27. Notes payable

Type of note	Closing balance	Opening balance
Banker's acceptance	965,232,549.62	881,426,104.13
Commercial acceptance draft	191,314,370.08	173,147,717.91
Total	1,156,546,919.70	1,054,573,822.04

28. Accounts payable

Item	Closing balance	Opening balance
Within one year	2,576,717,410.79	2,330,698,958.02
One to two years	102,890,328.05	155,636,729.60
Two to three years	129,155,491.56	89,142,446.14
Over three years	118,222,655.92	84,468,429.17
Total	2,926,985,886.32	2,659,946,562.93

29. Accounts received in advance

Type of note	Closing balance	Opening balance
Rents		825.69
Total		825.69

30. Contract liabilities

Item	Closing balance	Opening balance
Sales advances received	698,842,722.45	601,044,358.35
Total	698,842,722.45	601,044,358.35

31. Employee remuneration payable

(1) List of payroll payable

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
Short-term remuneration	343,646,678.61	719,840,311.47	883,580,151.76	179,906,838.32
Post-employment benefits-defined contribution plans	4,600,603.98	53,677,921.52	56,607,348.20	1,671,177.30
Dismissal benefits	360,921.46	6,681,292.01	6,576,287.67	465,925.80
Other benefits due within one year				
Total	348,608,204.05	780,199,525.00	946,763,787.63	182,043,941.42

(2) Short-term remuneration

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
Salaries, bonuses, allowances and subsidies	334,684,052.90	627,794,483.80	793,883,970.52	168,594,566.18
Employee	3,936,505.74	26,927,394.98	23,011,331.06	7,852,569.66

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
benefits				
Social insurance premiums	1,058,903.83	28,162,423.38	28,403,658.03	817,669.18
Including: Medical insurance premiums	542,052.97	25,212,748.22	25,234,686.15	520,115.04
Work injury insurance premiums	258,547.07	1,790,935.44	2,045,091.89	4,390.62
Maternity insurance premiums	258,303.79	1,158,739.72	1,123,879.99	293,163.52
Housing fund	302,288.94	30,708,276.31	30,929,187.43	81,377.82
Labour union funds and education funds	2,815,551.22	6,247,733.00	6,502,628.74	2,560,655.48
Short-term absence with payment				
Short-term profit sharing plan				
Others	849,375.98		849,375.98	
Total	343,646,678.61	719,840,311.47	883,580,151.76	179,906,838.32

(3) Defined contribution plans

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
Basic endowment management insurance	4,410,027.51	52,338,803.77	55,194,755.17	1,554,076.11
Unemployment insurance premiums	190,576.47	1,339,117.75	1,412,593.03	117,101.19
Annuity contribution				
Total	4,600,603.98	53,677,921.52	56,607,348.20	1,671,177.30

32. Tax and fees payables

Item	Closing balance	Opening balance
Corporate income tax	81,680,682.71	178,994,811.66
Value-added tax	58,801,002.32	60,178,835.36
Fund for disposing abandoned appliances and electronic products	15,232,892.00	14,716,729.00
City construction and maintenance tax	3,354,684.29	3,710,919.05

Item	Closing balance	Opening balance
Education fees and local education Surcharge	2,445,441.96	2,735,721.75
Stamp duty	7,284,321.59	9,955,063.53
Land use tax	11,049,570.88	11,028,106.31
Personal income tax	2,031,906.97	2,477,590.24
Property tax	4,367,360.15	4,511,721.21
Tariff	1,572,800.19	1,624,434.41
Others	1,481,969.85	1,168,746.84
Total	189,302,632.91	291,102,679.36

33. Other Payables

Item	Closing balance	Opening balance
Interest payable	40,524.22	29,590,464.00
Other payables	1,728,597,316.54	1,866,120,909.34
Total	1,728,637,840.76	1,895,711,373.34

33.1. Interests payable

Item	Closing balance	Opening balance
Interest on long-term borrowings with interest paid by instalment and principal paid at maturity		29,271,307.22
Interest payable on short-term borrowings	40,524.22	319,156.78
Total	40,524.22	29,590,464.00

33.2 Other Payables

(1) Listed by account nature

Nature of fund	Closing balance	Opening balance
Trading funds	587,476,707.68	677,014,483.12
Expenses payable	537,067,094.62	538,693,780.45
Related party borrowing	210,445,900.64	286,552,967.74
Cash deposit and front	293,368,012.84	286,952,679.25
Advance payment	6,254,533.38	5,482,995.92
Equity transfer payment	6,302,796.96	6,302,796.96
Others	87,682,270.42	65,121,205.90
Total	1,728,597,316.54	1,866,120,909.34

(2) Significant other accounts payable with an age of more than one year

Unit	Closing balance	Reason for non-repayment or carry-over
The Third Construction Engineering Company Ltd. of China Construction Second Engineering Bureau	21,877,760.25	Not yet due for payment
Total	21,877,760.25	

34. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	3,707,359,363.54	249,391,640.39
Long-term payables due within one year	79,815,088.04	139,213,550.70
Bonds payable due within one year	1,522,701,645.91	
Lease liabilities due within one year	10,403,563.49	20,614,839.60
Total	5,320,279,660.98	409,220,030.69

35. Other current liabilities

Item	Closing balance	Opening balance
Accounts payable with trade acceptance notes	21,548,290.82	26,744,560.49
Tax to be charged off	27,268,196.78	21,806,789.93
Refunds payable	20,828,377.91	19,898,433.29
Total	69,644,865.51	68,449,783.71

36. Long-term borrowings

(1) Classification of long-term loans

Type of borrowings	Closing balance	Opening balance	Notes
Guaranteed loan	4,103,161,904.83	3,116,984,312.66	□□□□□□□□
Mortgage loan	922,805,731.59	849,816,227.52	□□□□□□□□
Entrusted borrowings	2,554,463,826.38	2,595,372,200.43	□
Unsecured loan	3,213,210,743.03	2,536,925,213.87	
Pledge loan	87,125,658.45	57,225,088.80	□□
Less: Portion due within one year	3,707,359,363.54	249,391,640.39	
Total	7,173,408,500.74	8,906,931,402.89	

□The Company has obtained long-term borrowings amounting to RMB1,000,777,777.73 from Shenzhen Branch of China Development 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.

□The Company has obtained long-term borrowings amounting to RMB1,889,387,500.00 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.

□The Company has obtained long-term borrowings amounting to RMB1,000,933,333.33 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.

□The Company's subsidiary Sichuan Konka has obtained long-term borrowings amounting to RMB30,052,333.33 from Yibin Rural Commercial Bank Co. Ltd., of which the term is from 23 May 2023 to 26 April 2026, and for which the Company provides joint and several liability guarantee.

□The Company's subsidiary Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd. has obtained long-term borrowings amounting to RMB60,839,080.00 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.

□The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB120,131,666.66 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.

□The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB1,040,213.78 from Chuzhou Branch of Agricultural Bank of China Co., Ltd., of which the term is from 29 June 2023 to 24 June 2028, and for which the Company provides joint and several liability guarantee.

□The Company has obtained long-term borrowings amounting to RMB378,796,757.10 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 RMB5,344,167.42 and investment properties of a carrying value of RMB101,798,700.19 and housing buildings of a carrying value of RMB73,963,459.56 as mortgage.

□The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB91,725,600.69 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 RMB18,208,042.67 and housing buildings of a carrying value of RMB188,120,616.55 as mortgage and the Company provides joint and several liability guarantee.

□The Company's subsidiary Dongguan Konka has obtained long-term borrowings

amounting to RMB332,157,583.04 from Dongguan Fenggang Sub-branch of Agricultural Bank of China Co., Ltd., the term of which is from 23 June 2021 to 21 October 2030, and for which it provides land use rights of a carrying value of RMB187,867,124.67 as mortgage and the Company provides joint and several liability guarantee.

□The Company's subsidiary Frestec Smart Home has obtained long-term borrowings amounting to RMB10,012,500.00 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 RMB91,233,386.84 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%.

□The Company's subsidiary Yantai Kangjin has obtained long-term borrowings amounting to RMB10,100,000.00 from Yantai Rural Commercial Bank Co. Ltd. with the term from 16 January 2023 to 12 February 2026, and for which it provides construction in progress of a carrying value of RMB31,357,965.10 as mortgage.

□The Company's subsidiary Nantong Kanghai has obtained long-term borrowings amounting to RMB22,004,742.67 from Haimen Sub-branch of Bank of Suzhou Co., Ltd. with the term from 16 January 2023 to 25 July 2025, and for which it provides inventories of a carrying value of RMB100,000,000.00 as mortgage.

□The Company's subsidiary Chongqing Konka has obtained long-term borrowings amounting to RMB78,008,548.09 from Chongqing Liangjiang Branch of Industrial and Commercial Bank of China Co., Ltd., the term of which is from 30 December 2022 to 19 December 2037, and for which it provides housing buildings of a carrying value of RMB340,452,555.35 and land use rights of a carrying value of RMB45,073,685.19 as mortgage and the Company provides joint and several liability guarantee at the maximum amount.

□The Company's parent company OCT Group has extended entrusted loans amounting to RMB2,554,463,826.38 to the Company through China Merchants Bank Co., Ltd., the term of which is from 10 January 2022 to 25 May 2025.

□The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB36,141,615.32 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.

□The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB50,984,043.13 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.

37. Bonds payable

(1) List of bonds payable

Item	Closing balance	Opening balance
Corporate bonds	4,818,258,522.17	4,792,392,044.13
Less: Bonds payable due within one year	1,522,701,645.91	
Total	3,295,556,876.26	4,792,392,044.13

(2) Changes of bonds payable (excluding other financial instruments divided as financial liabilities such as preferred shares and perpetual bonds)

Bond name	Total par value	Issue date	Bond maturity	Issue amount	Opening balance
21Konka01 (note a))	1,000,000,000.00	8 January 2021	Three years	996,500,000.00	1,042,632,148.95
21Konka02 (note b))	500,000,000.00	21 May 2021	Three years	498,250,000.00	511,544,025.20
21Konka03 (note c))	800,000,000.00	9 July 2021	Three years	797,200,000.00	813,864,800.79
22Konka01 (note d))	1,200,000,000.00	14 July 2022	Three years	1,195,800,000.00	1,216,078,113.18
22Konka03 (note e))	600,000,000.00	8 September 2022	Three years	597,900,000.00	604,838,993.73
22Konka05 (note f))	600,000,000.00	18 October 2022	Three years	597,900,000.00	603,433,962.28
Total	4,700,000,000.00			4,683,550,000.00	4,792,392,044.13

(Continued)

Bond name	Issue in the Reporting Period	Accrue interest by par value	Amortisation of premium/discount
21Konka01 (note a))		22,300,000.02	550,314.48
21Konka02 (note b))		10,000,000.02	275,157.24
21Konka03 (note c))		15,799,999.98	440,251.56
22Konka01 (note d))		19,380,000.00	660,377.34
22Konka03 (note e))		9,900,000.00	330,188.70
22Konka05 (note f))		10,500,000.00	330,188.70
Total		87,880,000.02	2,586,478.02

(Continued)

Bond name	Repay during the Reporting Period	Closing balance
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Bond name	Repay during the Reporting Period	Closing balance
21Konka01 (note a))	44,600,000.00	1,020,882,463.45
21Konka02 (note b))	20,000,000.00	501,819,182.46
21Konka03 (note c))		830,105,052.33
22Konka01 (note d))		1,236,118,490.52
22Konka03 (note e))		615,069,182.43
22Konka05 (note f))		614,264,150.98
Total	64,600,000.00	4,818,258,522.17

Note 1:

a. On 8 January 2021, the Company issued RMB1 billion of private placement corporate bonds with the duration of three years, the annual interest rate of 4.46% and the due date of 8 January 2024.

b) On 21 May 2021, the Company issued RMB500 million of private placement corporate bonds with the duration of three years, the annual interest rate of 4.00% and the due date of 21 May 2024.

c) On 9 July 2021, the Company issued RMB800 million of private placement corporate bonds with the duration of three years, the annual interest rate of 3.95% and the due date of 9 July 2024.

d) On 14 July 2022, the Company issued RMB1.2 billion of public placement corporate bonds with the duration of three years, the annual interest rate of 3.23% and the due date of 14 July 2025.

e) On 8 September 2022, the Company issued RMB600 million of private placement corporate bonds with the duration of three years, the annual interest rate of 3.30% and the due date of 8 September 2025.

f) On 18 October 2022, the Company issued RMB600 million of private placement corporate bonds with the duration of three 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 liabilities guarantee for the due payment of the public and private offering of corporate bonds.

Note 3: The current year's repayments are interest.

38. Lease liabilities

Item	Closing balance	Opening balance
Lease liabilities	41,588,054.08	57,201,478.76
Less: Lease liabilities due	10,403,563.49	20,614,839.60

within one year (see Note VI-34)		
Total	31,184,490.59	36,586,639.16

39. Long-term payables

Nature of fund	Closing balance	Opening balance
Accrued financing lease outlay	88,406,103.20	152,547,691.61
Less: Unrecognised financing expenses	1,717,892.65	5,370,013.73
Less: Amount due within one year (see Note VI-34)	79,815,088.04	139,213,550.70
Total	6,873,122.51	7,964,127.18

40. Long-term employee benefits payable

Item	Closing balance	Opening balance
Termination benefits-net liabilities of defined contribution plans	4,794,271.77	4,894,209.73
Total	4,794,271.77	4,894,209.73

41. Projected liabilities

Item	Closing balance	Opening balance	Cause(s)
Product quality assurance	118,873,974.69	74,590,486.63	After-sales of household appliances
Performance compensation	82,723,436.52	82,723,436.52	
Pending litigation	206,591.51	206,591.51	
Discard expenses	1,921,004.01	1,875,064.89	
Total	203,725,006.73	159,395,579.55	

42. Deferred revenue

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Cause(s)
Government grants	334,844,966.31	74,815,467.22	47,296,452.95	362,363,980.58	Related to assets/income
Total	334,844,966.31	74,815,467.22	47,296,452.95	362,363,980.58	

(1) Category of deferred income

Government subsidy items	Opening balance	Subsidies increased in the Reporting Period	Amount recognised as non-operating income in the Reporting Period	Amount recognised as other income in the Reporting Period	Other changes	Closing balance	Related to assets/ income
Plant construction subsidy for Yibin Konkong Industrial Park	105,864,968.77			1,159,766.16		104,705,202.61	Related to assets
Medical waste centralised treatment project in Gaoxian County, Yibin City	28,405,837.81	5,739,564.92		1,009,001.83		33,136,400.90	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 Konkong	18,327,272.79			196,363.62		18,130,909.17	Related to assets
Relocation subsidy	13,085,700.00			10,000,000.00		3,085,700.00	Related-to-income
Plant decoration subsidy for Yibin Konkong Technology Park	11,513,723.80			719,607.72		10,794,116.08	Related to assets
Special funds for supporting the development of advanced	11,440,000.00					11,440,000.00	Related to assets

Government subsidy items	Opening balance	Subsidies increased in the Reporting Period	Amount recognised as non-operating income in the Reporting Period	Amount recognised as other income in the Reporting Period	Other changes	Closing balance	Related to assets/ income
manufacturing and modern service industries							
Subsidy for high-tech innovation and operation in Yancheng	10,596,031.61			449,675.04		10,146,356.57	Related to assets
Subsidy for the Micro LED R&D project of Chongqing Optoelectronic Technology Research Institute		25,000,000.00				25,000,000.00	Related to assets
Subsidy for the project of Frestec Refrigeration		21,250,000.00				21,250,000.00	Related to assets
Other government subsidies related to assets/income	115,611,431.53	22,825,902.30	8,497,260.28	24,914,778.30	350,000.00	104,675,295.25	Related to assets/income
Total	334,844,966.31	74,815,467.22	8,497,260.28	38,449,192.67	350,000.00	362,363,980.58	

43. Other non-current liabilities

Item	Closing balance	Opening balance
Contract liabilities over one year	381,807,253.24	314,233,260.08
Total	381,807,253.24	314,233,260.08

44. Share Capital

Item	Opening balance	Increase/decrease (+/-)					Closing balance
		New shares issued	Bonus issue	Bonus issue from profit	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00

45. Capital surplus

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
Other capital surplus	365,247,361.05	90,301,655.75	17,433,984.73	438,115,032.07
Total	365,247,361.05	90,301,655.75	17,433,984.73	438,115,032.07

Note: Capital surplus for the Reporting Period--other capital surplus increase and decrease due to the main reasons:

- ① The associated enterprise Wuhan Tianyuan Environmental Protection Co., Ltd. increased capital and shares, resulting in an increase in other capital surplus of RMB90,301,655.75;
- ② Other capital surplus decreased by RMB3,656,102.53 due to the disposal of the associated enterprise Guangdong Chutian Dragon Co., Ltd.
- ③ The change in the accounting method for Chutian Dragon Co., Ltd. decreased other capital surplus by RMB13,777,882.20.

46. Other comprehensive income

Item	Opening Balance	Amount incurred in the Reporting Period						Closing balance Balance
		Amount incurred before income tax in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified as profits or losses	-6,398,878.20							-6,398,878.20
Changes in the fair value of other equity instrument investments	-6,398,878.20							-6,398,878.20
Others								
II. Other comprehensive income reclassified as profits	-7,866,303.43	4,837.39				4,837.39		-7,861,466.04

Item	Opening Balance	Amount incurred in the Reporting Period						Closing balance Balance
		Amount incurred before income tax in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
and losses								
Including: Other comprehensive income that can be transferred to profits or losses under the equity method	-4,029,937.27							-4,029,937.27
Exchange difference on translating foreign operations	-3,836,366.16	4,837.39				4,837.39		-3,831,528.77
Total of other comprehensive income	-14,265,181.63	4,837.39				4,837.39		-14,260,344.24

47. Surplus reserves

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing 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
Total	1,244,180,364.24			1,244,180,364.24

48. Retained earnings

Item	This Period	Same period of the previous year
Closing balance of previous period	3,638,868,004.50	5,229,563,700.95
Add: Total beginning balance of retained earnings before adjustments		
Including: Changes in accounting policies		
Other adjustment factors		
Beginning balance of the Reporting Period	3,638,868,004.50	5,229,563,700.95
Plus: Net profit attributable to owners of the parent company in the Reporting Period	-193,240,232.33	-1,470,298,426.05
Other comprehensive income transferred to retained earnings	560,005.44	
Less: Appropriation of statutory surplus reserves		
Appropriation of discretionary surplus reserves		
Ordinary share dividends payable		120,397,270.40
Ending balance of this period	3,446,187,777.61	3,638,868,004.50

49. Operating revenue and cost of sales

(1) Operating income and operating costs

Item	Amount incurred in the Reporting Period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Principal business	9,989,383,650.13	9,658,914,170.75	16,243,380,757.24	16,013,632,913.79
Other business	482,677,521.81	420,429,613.36	652,089,519.57	468,807,708.05
Total	10,472,061,171.94	10,079,343,784.11	16,895,470,276.81	16,482,440,621.84

(2) List of deductions from operating income

Item	Amount incurred in the Reporting Period (RMB)	Details	Amount incurred in the previous period (RMB)	Details
Amount of operating income	10,472,061,171.94		16,895,470,276.81	
Total amount of items deducted from operating income	336,328,394.84		467,356,118.26	
Proportion of the total amount of items deducted from operation income in operating income (%)	3.21		2.77	
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 normal business of the listed company.	336,328,394.84	Income from sales of waste products, utility bills, rental income, income from material sales and other income not related to the main business	467,356,118.26	Income from sales of waste products, utility bills, rental income, income from material sales and other income not related to the main business
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				

Item	Amount incurred in the Reporting Period (RMB)	Details	Amount incurred in the previous period (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	336,328,394.84		467,356,118.26	
II. Income without commercial substance				
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 realised in the way of self-transaction and false income from transactions by means of Internet technology or other means.				
3. Income from businesses at unfair trade prices.				
4. Income from 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	10,135,732,777.10		16,428,114,158.55	

(3) Details of income from contracts

Category of contracts	Amount incurred in this year	Total
Product categories		
Of which: Industry trade business	4,350,074,427.45	4,350,074,427.45
Colour TV business	1,919,054,194.60	1,919,054,194.60
Consumer appliances business	2,285,781,923.95	2,285,781,923.95
Material technology business	793,973,411.72	793,973,411.72
PCB business	245,209,214.94	245,209,214.94
Semi-conductor business	5,850,208.69	5,850,208.69
Other business	872,117,790.59	872,117,790.59
Total	10,472,061,171.94	10,472,061,171.94
Classified by operating region		
Of which: Domestic	6,571,071,083.57	6,571,071,083.57
Overseas	3,900,990,088.37	3,900,990,088.37
Total	10,472,061,171.94	10,472,061,171.94

(4) Main operations (classified by product)

Item	Amount incurred in this year		Amount incurred last year	
	Income	Cost	Income	Cost
Supply chain trading business	4,350,074,427.45	4,306,025,179.35	10,171,407,159.62	10,120,679,704.92
Colour TV business	1,919,054,194.60	1,950,631,109.94	2,389,828,778.20	2,418,706,246.97
Consumer appliances business	2,285,781,923.95	2,020,436,028.43	1,900,207,771.57	1,711,652,138.98
Material technology business	793,973,411.72	778,483,727.14	774,458,509.72	749,206,296.93
PCB business	245,209,214.94	209,373,794.15	291,397,810.91	280,056,849.29
Semi-conductor business	5,850,208.69	15,242,064.76	50,916,083.90	52,958,914.59
Others	389,440,268.78	378,722,266.98	665,164,643.32	680,372,762.11
Total	9,989,383,650.13	9,658,914,170.75	16,243,380,757.24	16,013,632,913.79

(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 RMB 1,637,959,026.62,

of which RMB1,589,889,591.47 is expected to be recognized as revenue in 2023, and the remaining RMB52,657,167.35 is expected to be recognized as revenue in 2024 and following years.

50. Taxes and surcharges

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Stamp duty	17,006,122.55	15,956,693.35
Land use tax	8,628,212.80	13,241,507.04
City maintenance & construction tax	3,916,672.25	8,149,278.82
Property tax	9,429,982.31	9,150,456.54
Educational surcharge	1,795,764.31	3,669,080.87
Local educational surcharge	1,197,136.14	2,445,857.60
Water resources fund	474,599.45	228,825.54
Others	270,476.72	443,271.42
Total	42,718,966.53	53,284,971.18

51. Sales costs

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Employee benefits	171,827,349.50	159,102,544.06
Advertising expense	114,639,309.81	141,115,130.40
Promotional activities	95,664,759.55	72,748,154.60
Warranty fee	80,388,332.75	79,063,725.82
Logistic Fee	41,136,310.25	30,314,056.31
Taxes and fund	549,965.00	26,642,413.92
Lease expense	9,554,537.27	12,385,615.94
Travel expenses	5,281,279.82	7,448,071.22
Entertainment fees	6,056,077.13	5,435,508.51
Exhibition expenses	5,525,688.44	1,713,164.44
Others	27,913,056.01	24,257,299.06
Total	558,536,665.53	560,225,684.28

52. Management costs

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Employee benefits	201,752,601.81	213,795,836.28
Depreciation charges	103,962,882.38	71,715,060.26

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Intermediary fees	20,680,100.93	17,693,182.52
Travel expenses	6,391,903.53	3,765,905.28
Water and electricity expenses	580,512.03	5,296,977.22
Loss on scraping of inventories	5,169,402.73	2,086,492.21
Others	51,707,164.36	39,955,230.74
Total	390,244,567.77	354,308,684.51

53. R&D expense

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Salary	125,331,251.82	118,779,499.31
Depreciation and amortisation charge	52,673,986.51	49,464,665.22
New product trial production expense	12,377,094.01	24,519,154.67
Material expense	17,796,228.66	11,347,523.74
Commission service fee	2,048,184.94	7,150,370.69
Testing expense	3,249,155.22	3,120,118.84
Information use fee	360,938.22	1,438,063.33
Others	23,197,053.73	21,529,130.76
Total	237,033,893.11	237,348,526.56

54. Financial expenses

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Interest expense	432,772,700.64	465,576,348.06
Less: Interest income	123,908,981.38	109,353,054.39
Add: Exchange loss	-133,558,528.06	-114,830,078.08
Other expenses	23,770,433.30	25,722,111.99
Total	199,075,624.50	267,115,327.58

55. Other income

Resources	Amount incurred in the Reporting Period	Amount incurred in the previous period
Support funds	70,000,000.00	227,351,711.98
Rewards and subsidies	23,457,361.87	90,960,177.86
Transfer of deferred income	38,449,192.67	13,538,617.74

Resources	Amount incurred in the Reporting Period	Amount incurred in the previous period
Software tax refund	3,434,829.42	7,949,955.87
Post subsidies	541,457.45	2,253,703.66
Land tax rebates		1,433,605.93
Subsidies for L/C exports	2,034,374.00	249,549.87
Total	137,917,215.41	343,737,322.91

56. Investment Returns

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Returns on long-term equity investments calculated by the equity method	-30,242,661.05	59,402,481.72
Return on investment arising from the disposal of long-term equity investments	188,118,447.66	406,299,201.96
Income from remeasurement of residual stock rights at fair value after losing control power	51,474,909.15	239,092,140.86
Interest income from debt investments during the holding period	36,609,075.35	32,966,971.77
Investment income from disposal of financial assets at fair value through profit or loss	-3,794,910.98	42,739.74
Financial assets transferred from equity investments calculated by the equity method	574,780,174.75	
Investment income from holding of trading financial assets	9,383,976.00	
Others	500,000.00	
Total	826,829,010.88	737,803,536.05

57. Income from changes in fair value

Sources of income from changes in the fair value	Amount incurred in the Reporting Period	Amount incurred in the previous period
Financial assets at fair value through profit or loss	-132,580,077.43	-638,799.36
Total	-132,580,077.43	-638,799.36

58. Credit impairment loss

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Bad debt loss of notes receivable	6,446,862.01	7,050,461.27
Bad debt loss of accounts receivable	-50,164,953.87	-42,299,060.06
Bad debt loss of other accounts receivable	-96,474,587.50	-43,359,714.77
Total	-140,192,679.36	-78,608,313.56

59. Impairment Losses on Assets

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Inventory depreciation loss and contract performance cost impairment loss	-15,274,484.20	-13,309,988.75
Contractual asset impairment loss	-9,012.56	
Total	-15,283,496.76	-13,309,988.75

60. Asset disposal income ("- " for loss)

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount recorded into the current non-recurring profit or loss
Incomes from disposal of non-current assets	64,713.62	12,782,328.52	64,713.62
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	64,713.62	12,782,328.52	64,713.62
Of which: Fixed assets disposal income	-195,494.55	-75,972.28	-195,494.55
Right-of-use assets disposal income	241,619.81	14,904.57	241,619.81
Intangible assets disposal income	18,588.36	12,843,396.23	18,588.36
Total	64,713.62	12,782,328.52	64,713.62

61. Non-operating income

(1) List of non-operating income

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount recorded into the current non-recurring profit or loss
Compensation and penalty income	2,522,169.54	14,518,135.77	2,522,169.54
Government subsidies unrelated to the normal operation of the Company	8,708,660.28	200,900.00	8,708,660.28
Non-current assets damage and retirement gains	450.00	364,917.85	450.00
Debt restructuring gains		33,184.00	
Others	6,094,337.36	15,375,604.03	6,094,337.36
Total	17,325,617.18	30,492,741.65	17,325,617.18

(2) Government subsidies recorded in profit or loss of the current year

Item	Issuing body	Reason	Type
Chuzhou Huike smart home appliance industry investment project subsidy	Chuzhou Development Zone Management Committee	Subsidy received for participation in Chuzhou Huike Intelligent Home Appliance Industry Investment	Subsidy
New apprenticeship training subsidies	Zhongshan Human Resources and Social Security Bureau, Fusha Branch Office	Subsidies received for training schoolchildren	Subsidy
Others		Other employment subsidies	Subsidy

(Continued)

Item	Affect the profit and loss for the Reporting Period or not	Special subsidy or not	Amount incurred in the Reporting Period	Amount incurred in the previous period	Related to assets/income
Chuzhou Huike smart home appliance industry investment project subsidy	Not	Not	8,497,260.28		Related to income
New apprenticeship training subsidies	Not	Not	184,400.00		Related to income
Others	Not	Not	27,000.00		Related to income

Total			8,708,660.28		
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62. Non-operating expenses

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount recorded into the current non-recurring profit or loss
Losses on damage and scraping of non-current assets	1,419,908.80	829,936.20	1,419,908.80
Compensation expense	54,800.00	955,320.82	54,800.00
Others	2,851,899.22	2,075,688.78	2,851,899.22
Total	4,326,608.02	3,860,945.80	4,326,608.02

63. Income tax expenses

(1) Income tax expense

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Income tax expense of the Reporting Period	27,239,426.46	38,695,464.05
Deferred income tax expense	-43,950,094.04	-128,041,906.16
Total	-16,710,667.58	-89,346,442.11

(2) Adjustment process of accounting profits and income tax expenses

Item	Amount incurred in the Reporting Period
Profit before taxation	-345,138,634.09
Income tax expense calculated at legal/applicable tax rate	-86,284,658.52
Impact of different tax rates applied by subsidiaries	22,641,079.77
Impact of income tax in the periods before adjustment	12,568,007.52
Impact of non-taxable income	3,418,384.35
Impacts of non-deductible costs, expenses, and losses	6,267,791.52
Impact of using deductible losses on the deferred tax assets not recognised previously	-2,630,356.53
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognised in the Reporting Period	44,087,259.86
Others	-16,778,175.54
Income tax expense	-16,710,667.58

64. Other comprehensive income

For details, refer to "Note VI-46 Other comprehensive income".

65. Cash flow statement

(1) Cash generated from/used in other operating/investing/financing activities

1) Other cash received related to operating activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Income from government subsidies	196,790,552.27	398,867,359.07
Front money and guarantee deposit	107,899,740.15	194,816,415.68
Interest income from bank deposits	49,564,086.35	38,460,424.38
Trading funds	45,235,678.79	71,915,009.80
Compensation and penalty income	8,691,566.66	4,270,552.74
Others	26,051,273.52	45,629,873.92
Total	434,232,897.74	753,959,635.59

2) Other cash paid related to operating activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Cash payment fee	535,602,399.78	608,403,775.17
Deposit and margin	146,237,387.07	141,618,948.53
Payment made on behalf	5,640,757.14	9,670,660.47
Expense for bank handling charges	2,735,395.17	2,878,961.21
Others	65,077,290.21	120,570,024.96
Total	755,293,229.37	883,142,370.34

3) Other cash received related to investment activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Recovery of loan at call	382,971,149.03	2,345,834,176.94
Others	46,988,449.65	39,792,247.45
Total	429,959,598.68	2,385,626,424.39

4) Other cash paid related to investment activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Payment of loan at call	310,116,949.03	271,583,749.03
Others	161,037,718.80	25,736,148.70
Total	471,154,667.83	297,319,897.73

5) Other proceeds received related to financing activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Receiving loan at call	50,370,200.00	29,957,440.00
Recovery of margin deposit pledged	219,929,641.72	68,792,633.93
Others		23,432.92
Total	270,299,841.72	98,773,506.85

6) Other cash paid related to financing activities

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Payment of lease-related accounts	62,969,375.44	155,109,520.16
Deposit as margin for pledge	401,172,422.54	117,654,180.32
Retuning loan at call	1,870,614.17	117,768,871.27
Financing cost	20,729,450.01	21,190,465.55
Others		1,765,552.03
Total	486,741,862.16	413,488,589.33

(2) Supplemental information for consolidated cash flow statement

Item	Amount of the Reporting Period	Amount of the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	-328,427,966.51	58,490,784.63
Plus: Provision for asset impairment	15,283,496.76	13,309,988.75
Credit impairment loss	140,192,679.36	78,608,313.56
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	217,019,718.21	210,447,096.53
Depreciation of right-of-use assets	11,748,166.57	28,657,676.02
Amortisation of intangible assets	26,128,581.85	22,954,726.69
Amortisation of long-term prepaid expense	62,948,271.42	40,889,139.75
Losses on disposal of fixed assets, intangible assets and other long-lived assets	-64,713.62	-12,782,328.52

Item	Amount of the Reporting Period	Amount of the previous period
(gains: negative)		
Losses on scrap of fixed assets (gains: negative)	1,419,458.80	465,018.35
Losses on changes in fair value (gains: negative)	132,580,077.43	638,799.36
Finance costs (gains: negative)	383,689,359.03	439,621,848.38
Investment loss (gains: negative)	-826,829,010.88	-737,803,536.05
Decrease in deferred income tax assets (gains: negative)	-154,867,914.83	-127,089,601.40
Increase in deferred income tax liabilities (decrease: negative)	110,917,820.79	-932,734.69
Decrease in inventories (gains: negative)	-265,531,923.08	25,150,562.26
Decrease in accounts receivable generated from operating activities (gains: negative)	13,821,648.87	803,133,784.03
Increase in accounts payable used in operating activities (decrease: negative)	296,871,337.26	-1,251,480,426.64
Others	-38,449,192.67	-13,538,617.74
Net cash flows from operating activities	-201,550,105.24	-421,259,506.73
2. Significant investment and financing activities not involving cash		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	6,030,068,656.57	5,903,519,802.47
Less: Opening balance of cash	5,461,912,010.90	5,968,347,219.03
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	568,156,645.67	-64,827,416.56

(3) Net cash paid for the acquisition of subsidiaries in the Reporting Period

No such cases in the Reporting Period.

(4) Net cash received for the disposal of subsidiaries in the Reporting Period

Item	Amount of the Reporting Period
Cash or cash equivalents received in the Reporting Period from the	20,855,540.00

Item	Amount of the Reporting Period
disposal of subsidiaries in the Reporting Period	
Of which: Sichuan Hongxincheng Real Estate Development Co., Ltd.	20,855,540.00
Less: Cash and cash equivalents held by subsidiaries on the day when control is lost	2,036,650.33
Of which: Sichuan Hongxincheng Real Estate Development Co., Ltd.	2,036,650.33
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	
Net cash received from the disposal of subsidiaries	18,818,889.67

(5) Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	6,030,068,656.57	5,461,912,010.90
Including: Cash on hand		14.78
Bank deposits available for payment at any time	6,030,068,656.57	5,461,911,996.12
Ending balance of cash and cash equivalents	6,030,068,656.57	5,461,912,010.90

66. Items in the statement of changes in shareholders' equity

There was no "other" amount to adjust the amount at the end of the previous year in this period.

67. Assets with restricted ownership or use rights

Item	Closing carrying value	Reasons for the restriction
Monetary funds	878,270,149.59	Among them, RMB440,390,112.54 is the margin deposit, which is pledged for borrowing money or issuing bank acceptance bills; RMB307,603.35 for financial supervision account funds; RMB226,700,000.00 is time deposit that cannot be withdrawn in advance; RMB210,872,433.70 is restricted due to other reasons.
Notes receivable	217,674,323.25	Pledge for making out an invoice
Inventory	149,679,547.48	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, mortgage loan
Investment property	101,798,700.19	Mortgage loan
Fixed assets	1,393,456,049.65	Mortgage loan, financing lease mortgage, original shareholder guarantee mortgage
Intangible assets	506,091,816.68	Mortgage loan, financing lease mortgage,

Item	Closing carrying value	Reasons for the restriction
		original shareholder guarantee mortgage
Construction progress	262,754,573.95	Mortgage loan, financing lease mortgage
Total	3,509,725,160.79	

68. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Foreign currency balance at the end of the Reporting Period	Exchange rate	Balances denominated in RMB at the end of the period
Monetary funds			
Including: USD	195,999,137.08	7.2258	1,416,250,564.71
EUR	27,013.32	7.8771	212,786.62
EGP	48,519,595.32	0.2338	11,346,048.28
GBP	1.32	9.1432	12.07
HKD	10,959,014.64	0.9220	10,103,992.32
CAD	6.96	5.4721	38.09
PLN	1,969,461.89	1.7711	3,488,054.87
Accounts receivable			
Including: USD	84,267,618.26	7.2258	608,900,956.02
EUR	47,944.52	7.8771	377,663.78
EGP	11,463,548.94	0.2338	2,680,689.71
HKD	24,063,672.25	0.9220	22,186,224.54
AUD	49,764.00	4.7992	238,827.39
Other accounts receivable			
Including: USD	110,937,713.61	7.2258	801,613,731.00
EGP	108,000.00	0.2338	25,255.22
HKD	1,627,550.19	0.9220	1,500,568.72
JPY	21,400,000.00	0.0501	1,072,011.60
Short-term loans			
Including: USD			
Accounts payable			
Including: USD	29,303,729.18	7.2258	211,742,886.31
EUR	133,714.16	7.8771	1,053,279.81

Item	Foreign currency balance at the end of the Reporting Period	Exchange rate	Balances denominated in RMB at the end of the period
EGP	42,216,229.19	0.2338	9,872,039.77
HKD	454,560.50	0.9220	419,095.69
Other payables			
Including: USD	4,767,018.12	7.2258	34,445,519.53
EUR	59,956.16	7.8771	472,280.67
EGP	47,686.00	0.2338	11,151.12
HKD	5,995,982.70	0.9220	5,528,176.13

(2) Overseas entities

The significant overseas entities include Hongdin Trading, Hong Kong Konka, 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.

69. Government grants

(1) Overview of government subsidies

Category	Amount	Presented item	Amount recognised as profit and loss of the Reporting Period
Industrial support funds to Anlu Konka	40,000,000.00	Other income	40,000,000.00
Industrial support funds to Xi'an	30,000,000.00	Other income	30,000,000.00
Subsidy for the Micro LED R&D project of Chongqing Optoelectronic Technology Research Institute	25,000,000.00	Deferred revenue	
Subsidy for Frestec Refrigeration	21,250,000.00	Deferred revenue	
Others	61,350,881.11	Other income/deferred income, etc.	44,854,241.75
Total	177,600,881.11		114,854,241.75

(2) Return of Government Subsidy

No such cases in the Reporting Period.

VII. Changes of Consolidation Scope

1. Disposal of subsidiaries

Subsidiary	The equity disposal price(RMB'0,000)	Equity disposal proportion (%)	Equity disposal method	Control right losing time point	Recognition basis of control right losing time point	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)
Sichuan Hongxinchen Real Estate Development Co., Ltd.	3,472.00	31	Transfer	2023-2-27	The rights and obligations related to the underlying equity have been transferred	3,256.58

(Continued)

Subsidiary	Residual equity proportion on the date of losing control power (%)	Carrying value of residual equity on the date of losing control power (RMB'0,000)	Fair value of residual equity on the date of losing control power (RMB'0,000)	Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)	Recognition method and major assumptions of fair value of remaining equity on the day when the control right is lost	Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)
Sichuan Hongxinchen Real Estate Development Co., Ltd.	49	340.51	5,488.00	5,147.49	Evaluated price	

2. Changes in the scope of consolidation due to other reasons

(1) No subsidiaries were established by the Company from January to June 2023

(2) The Company's subsidiaries cancelled and with distribution of remaining assets from January to June 2023

Subsidiary	Registered capital (RMB'0,000)	Shareholding percentage (%)	Liquidation completion time
Anhui Zhilian	5,000	100	1 June 2023

八、 Interests in other entities

1. Interests in subsidiaries

(1) Composition of the business group

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
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	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

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
11	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment
12	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing	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	75	25	Establishment or investment
16	Konka Mobility	China, Hong Kong	China, Hong Kong	Commerce		100	Establishment or investment
17	Mobile Interconnection	Guangdong, Shenzhen	Guangdong, Shenzhen	Commerce	100		Establishment or investment
18	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing		100	Establishment or investment
19	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Manufacturing		100	Establishment or investment
20	Anhui Tongchuang	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing	100		Establishment or investment
21	Anhui Electrical Appliance	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing		51	Establishment or investment
22	Frestec Refrigeration	Henan, Xinxiang	Henan, Xinxiang	Manufacturing		51	Establishment or investment
23	Frestec Smart Home	Henan, Xinxiang	Henan, Xinxiang	Manufacturing		51	Establishment or investment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
24	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing		51	Establishment or investment
25	Frestec Household Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing		51	Establishment or investment
26	Jiangsu Konka Smart	Jiangsu, Changzhou	Jiangsu, Changzhou	Manufacturing		51	Establishment 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	Jiixin 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	Tianjin Konka	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service Industry		100	Establishment or investment
32	Konka Circuit	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing	100		Establishment or investment
33	Boluo Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing		100	Establishment or investment
34	Boluo Konka	Guangdong, Boluo	Guangdong, Boluo	Manufacturing		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

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
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
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	Commercial services		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,	Guangdong,	Manufacturing	100		Establishment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
		Shenzhen	Shenzhen				or investment
50	Shenzhen Kangcheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
51	Xiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail trade		100	Establishment or investment
52	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Trade and services		100	Establishment or investment
53	Chengdu Konka Smart	Sichuan, Chengdu	Sichuan, Chengdu	Trade and services		100	Establishment or investment
54	Chengdu Konka Electronic	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing		100	Establishment or investment
55	XingDa HongYe	Guangdong, Zhongshan	Guangdong, Zhongshan	Manufacturing		51	Establishment or investment
56	Liaoyang Kangshun Smart	Liaoning, Liaoyang,	Liaoning, Liaoyang	Wholesale		100	Establishment or investment
57	Liaoyang Kangshun Renewable	Liaoning, Liaoyang,	Liaoning, Liaoyang	Comprehensive utilisation of renewable resources		100	Establishment or investment
58	Nanjing Konka	Jiangsu, Nanjing	Jiangsu, Nanjing	Wholesale		100	Establishment or investment
59	Konka Huanjia	Liaoning, Dalian	Liaoning, Dalian	Renewable resources processing trade	51		Establishment or investment
60	Konka Huanjia (Henan)	Henan, Lankao	Henan, Lankao	Renewable resources processing trade		51	Establishment or investment
61	Shanghai Konka	Shanghai	Shanghai	Real estate	100		Establishment or investment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
62	Yantai Kangjin	Shandong, Yantai	Shandong, Yantai	Real estate		62.8	Establishment or investment
63	Jiangxi Konka	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing	51		Establishment or investment
64	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment
65	Jiangsu Konka Special Material	Jiangsu, Yancheng	Jiangsu, Yancheng	Wholesale		51	Establishment or investment
66	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
67	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductors	100		Establishment or investment
68	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment
69	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	51		Establishment or investment
70	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment
71	Konka Ronghe	Zhejiang, Jiaxing	Zhejiang, Jiaxing	Wholesale and retail trade	51		Establishment or investment
72	Suining Electronic Technological Innovation	Sichuan, Suining	Sichuan, Suining	Commercial services	100		Establishment or investment
73	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
74	Kanghong (Yantai)	Shandong, Yantai	Shandong, Yantai	Comprehensive utilisation of	51		Establishment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
	Environmental Protection			abandoned resources			or investment
75	Chongqing Kangxingrui	Chongqing	Chongqing	Recycling, processing and sales of renewable resources	51		Establishment or investment
76	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Recycling, processing and sales of waste resources		51	Establishment or investment
77	Chongqing Optoelectronic Technology	Chongqing	Chongqing	Research & experiment development	70	5	Establishment or investment
78	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
79	Konka Xinyun Semiconductor	Jiangsu, Yancheng	Jiangsu, Yancheng	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
80	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51		Establishment or investment
81	Ningbo Kanghr Electrical Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
82	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research & experiment development	51		Establishment or investment
83	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate	100		Establishment or investment
84	Yibin Kangrun	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and	67		Establishment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
				environmental governance services			or investment
85	Konka Material	Hainan, Haikou	Hainan, Haikou	Commercial services	100		Establishment or investment
86	Jiangxi High Transparent Substrate	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51	Establishment or investment
87	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
88	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing		94.9	Establishment or investment
89	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Manufacturing		97.5	Establishment or investment
90	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Manufacturing		95.05	Establishment or investment
91	Kowin Memory (Hong Kong)	China, Hong Kong	China, Hong Kong	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
92	Industrial and Trade Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
93	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Commercial services	100		Establishment or investment
94	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
95	Yibin Kangrun Environmental Protection	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		40.87	Establishment or investment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
96	Shaanxi Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment
97	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
98	Anlu Konka	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
99	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
100	Guizhou Konka New Material Technology	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Manufacturing and processing		51	Establishment or investment
101	Guizhou Kanggui Energy	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Wholesale and retail trade		100	Establishment or investment
102	Guangdong Xinwei	Guangdong, Lvfang	Guangdong, Lvfang	Semiconductors		100	Establishment or investment
103	Kangxinrun Renewable Resources	Chongqing	Chongqing	Recycling, processing and sales of renewable resources		51	Establishment or investment
104	Guizhou Kanggui Material Technology	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Manufacturing and processing	70		Establishment or investment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
105	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate	51		Establishment or investment
106	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment
107	Jiangxi Konka High-tech Park	Jiangxi, Shangrao	Jiangxi, Shangrao	Commercial services	100		Establishment or investment
108	Shangrao Konka Electronic Technology Innovation	Jiangxi, Shangrao	Jiangxi, Shangrao	Research & experiment development	100		Establishment or investment
109	Guizhou Konka New Energy	Guizhou, Kaili	Guizhou, Kaili	Manufacture of non-metallic mineral products		98	Establishment or investment
110	Zhejiang Konka Electronic	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Research & experiment development	100		Establishment or investment
111	Zhejiang Konka Technology Industry	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Commercial services	51	49	Establishment or investment
112	Xi'an Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Wholesale		51	Establishment or investment
113	Xi'an Konka Network	Shaanxi, Xi'an	Shaanxi, Xi'an	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
114	Xi'an Kanghong Technology Industry	Shaanxi, Xi'an	Shaanxi, Xi'an	Commercial services	40	60	Establishment or investment
115	Xi'an Konka Intelligent Technology	Shaanxi, Xi'an	Shaanxi, Xi'an	Retail trade	100		Establishment or investment
116	Chongqing Konka Low Carbon	Chongqing	Chongqing	Wholesale		55	Establishment or investment

No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
117	Kanghong Xintong	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
118	Songyang Industry Operation	Zhejiang, Lishui	Zhejiang, Lishui	Software and information technology services		51	Establishment or investment
119	Kangyan Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
120	Konka Photovoltaic Technology	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Science and technology promotion and application services		60	Establishment or investment
121	Songyang Konka Intelligent	Zhejiang, Lishui	Zhejiang, Lishui	Wholesale	100		Establishment or investment
122	Konka North China	Tianjin	Tianjin	Electrical machinery and equipment manufacturing	100		Establishment or investment
123	Zhongshan Kanghong	Guangdong, Zhongshan	Guangdong, Zhongshan	Computer, telecommunications and other electronic equipment manufacturing		51	Establishment or investment
124	Digital Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment

(1) Major non-wholly-owned subsidiaries

Subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in the Reporting Period	Dividends declared to be distributed to minority shareholders in the Reporting Period	Closing balance of minority shareholders' equities
Anhui Konka Electronic Co., Ltd.	22.00%	-2,653,734.78		122,251,966.99

(2) Key financial data on major non-wholly-owned subsidiaries

Subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Anhui Konka Electronic Co., Ltd.	2,936,026,320.29	868,495,196.06	3,804,521,516.35	3,061,042,160.51	187,788,596.78	3,248,830,757.29

(Continued)

Subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Anhui Konka Electronic Co., Ltd.	1,128,527,494.45	876,466,424.50	2,004,993,918.95	1,231,359,349.01	205,826,622.59	1,437,185,971.60

(Continued)

Subsidiary	Amount incurred in the Reporting Period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Anhui Konka Electronic Co., Ltd.	972,416,661.43	-12,062,430.83	-12,062,430.83	6,806,364.98

(Continued)

Subsidiary	Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities

Subsidiary	Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Anhui Konka Electronic Co., Ltd.	2,943,030,518.60	-1,594,092.50	-1,594,092.50	6,078,558.09

2. Interests in joint ventures or associated enterprises

(1) Major joint ventures or associated enterprises

Name of the joint venture or associated enterprise	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Accounting processing method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Dongfang Jiakang 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 manufacturing		42.79	Equity method

(2) Main financial information of significant associated enterprise

Item	Closing balance/amount incurred in the Reporting Period	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	974,113,527.00	267,654,771.54
Non-current assets		316,561,987.27
Total assets	974,113,527.00	584,216,758.81
Current liabilities	10,001,480.00	249,764,867.78
Non-current liabilities		114,249,555.56
Total liabilities	10,001,480.00	364,014,423.34
Equities of minority shareholders		10,838,453.25
Equities attributable to shareholders of the parent company	964,112,047.00	209,363,882.22
Share of net assets calculated based on the shareholding	479,962,498.20	95,588,971.94
Adjustments		
- Goodwill		
- Internal unrealised profit		
- Others		
Carrying value of equity investments	479,962,498.20	95,588,971.94

Item	Closing balance/amount incurred in the Reporting Period	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
in associated enterprises		
Fair values of equity investments of joint ventures with quoted prices		
Operating income		168,815,683.51
Finance costs	-284,133.17	1,539,262.28
Income tax expense		2,245,248.55
Net profit	25,641,054.77	-13,237,135.87
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	25,641,054.77	-13,237,135.87
Dividends received from the joint venture in the Reporting Period		

(Continued)

Item	Opening balance/amount incurred in the previous period	
	Dongfang Jiakang 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
Equities of minority shareholders		12,856,913.14
Equities attributable to shareholders of the parent company	971,910,181.98	220,437,385.86
Share of net assets calculated based on the shareholding	483,905,786.35	99,748,594.97
Adjustments		
- Goodwill		
- Internal unrealised profit		
- Others		
Carrying value of equity investments	483,905,786.35	99,748,594.97

in associated enterprises		
Fair values of equity investments of joint ventures with quoted prices		
Operating income		182,061,953.26
Finance costs	-229,796.85	-1,371,564.48
Income tax expense		-1,984,423.47
Net profit	-2,383,969.26	248,699.00
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-2,383,969.26	248,699.00
Dividends received from the joint venture in the Reporting Period		

(3) Combined financial data on insignificant joint ventures and associated enterprises

Item	Closing balance/amount incurred in the Reporting Period	Opening balance/amount incurred in the previous period
Associated enterprises		
Total carrying value of investment	5,312,570,959.14	5,767,578,574.26
The total of following items according to the shareholding proportions		
Net profit	-37,153,622.36	60,936,191.32
Other comprehensive income		-38,929.34
Total comprehensive income	-37,153,622.36	60,897,261.98

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. The risks related to these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The Management of the Company manages and monitors these risk exposures to ensure that these risks are controlled within a limited scope.

1. Various risk management objectives and policies

The goals of the Company engaged in the risk management are to achieve the proper balance between the risks and benefits, reduce the negative impact to the Company operating performance risk to a minimum, and maximise the profits of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determining and analysing the various risks faced by the Company, setting up the bottom line of risk and

conducting appropriate risk management, and timely supervising various risks in a reliable way and controlling 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 of 30 June 2023, 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	Balance at the end of the period	Balance at the beginning of the period
Monetary funds	195,999,137.08	106,315,046.38
Accounts receivable	84,267,618.26	86,909,542.13
Other accounts receivable	110,937,713.61	111,545,094.65
Short-term loans		15,090,462.34
Accounts payable	29,303,729.18	24,084,328.20
Other payables	4,767,018.12	205,546.18
Interest payable		10,875.01

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 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 of 30 June 2023, the

balance of such short-term borrowings was RMB6,779,845,746.13.

(2) Credit risk

As of 30 June 2023, 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 recognised 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 provision for bad debts 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 a 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 fulfil its financial obligations on the due date. The Company manages liquidity risk in the method of ensuring that there is sufficient liquidity to fulfil debt obligations without causing unacceptable loss or damage to the Company's reputation. In order to mitigate the liquidity risk, the Management of the Company has carried out a detailed inspection on the liquidity of the company, including the maturity of accounts payable and other payables, bank credit line and bond financing. The conclusion is that the Company has sufficient funds to meet the needs of the Group's short-term 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:

Amount as of 30 June 2023:

Item	Within one year	One to two years	Two to five years	Over five years	Total
Financial assets					
Monetary funds	6,908,338,806.16				6,908,338,806.16
Held-for-trading financial assets	743,307,489.50				743,307,489.50
Notes receivable	593,966,294.88				593,966,294.88
Accounts receivable	1,637,812,189.62	207,340,829.26	242,781,248.64	60,288.01	2,087,994,555.53
Other accounts receivable	538,800,413.35	245,611,216.94	631,274,801.06	16,280.00	1,415,702,711.35
Current portion of non-current assets	3,630,000.00				3,630,000.00
Long-term receivables			800,400.00		800,400.00
Other current assets	2,418,192,160.84				2,418,192,160.84
Financial liabilities					
Short-term loans	6,779,845,746.13				6,779,845,746.13
Notes payable	1,156,546,919.70				1,156,546,919.70
Accounts payable	2,576,717,410.79	102,890,328.05	243,352,180.52	4,025,966.96	2,926,985,886.32
Other payables	1,244,725,162.97	171,062,266.84	273,145,282.32	39,705,128.63	1,728,637,840.76
Payroll payable	182,043,941.42				182,043,941.42
Non-current liabilities due within one year	5,320,279,660.98				5,320,279,660.98
Long-term loans		3,619,780,819.43	2,967,359,468.60	586,268,212.71	7,173,408,500.74
Bonds payable		830,105,052.33	2,465,451,823.93		3,295,556,876.26
Long-term payables		1,562,290.65	5,310,831.86		6,873,122.51

2. Sensitivity analysis

The Company adopts sensitivity analysis technology to analyse 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	Closing balance	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	22,249,707.57	17,750,467.03
USD	Depreciation of 1% against RMB	-22,249,707.57	-17,750,467.03

(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	Closing balance	
		Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest	Up 0.5%	-25,773,357.94	-24,732,737.56

rates			
Borrowings at floating interest rates	Down 0.5%	25,773,357.94	24,732,737.56

X. The Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets measured at fair value through profit and loss for the Reporting Period				
(II) Accounts receivable financing		344,155,903.39		344,155,903.39
(III) Other equity investments				
(IV) Other equity instrument investment			23,841,337.16	23,841,337.16
(V) Investment properties				
(VI) Biological assets				
(VII) Other non-current financial assets			2,113,570,574.02	2,113,570,574.02
Total assets continuously measured at fair value		344,155,903.39	2,137,411,911.18	2,481,567,814.57
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market price of continuous and non-continuous level-1 fair value measurement projects

The first level of the input is an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date.

3. Qualitative and quantitative data on valuation techniques and important parameters adopted for continuous and non-continuous level-2 fair value measurement projects

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. Qualitative and quantitative data on valuation techniques and important parameters adopted for continuous and non-continuous level-3 fair value measurement projects

The third level of the input is the unobservable input of related assets and liabilities.

XI. Related Party and Related-party Transaction

(一) Related party relationship

1. Controlling shareholder and the ultimate controller

(1) Controlling shareholder and the ultimate controller

Name	Place of registration	Business nature	Registered capital	Shareholding ratio to the Company (%)	Voting right ratio to the Company (%)
OCT Group Co. Ltd.	Shenzhen	Tourism, real estate, electronics industry	RMB12 billion	29.999997	29.999997

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

(2) Registered capital of the controlling shareholder and its changes

Controlling shareholders	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing 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 (%)	
	Closing 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 Kangta Supply Chain Management Co., Ltd.	Associate
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associate
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associate
Dongguan Kangzhahui 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 Co., Ltd.	Associate
Kangkong Venture Capital (Shenzhen) 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

Name	Relationship with the Company
Shenzhen Yaode Technology Co., Ltd.	Associate
Sichuan Chengrui Real Estate Co., Ltd.	Associate
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Associate
Sichuan Huayi Jiakang Technology Co., Ltd.	Associate
Wuhan Kangtang Information Technology Co., Ltd.	Associate
Yantai Kangyun Industrial Development Co., Ltd.	Associate
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	Associate
E3info (Hainan) Technology Co., Ltd.	Associate
Chongqing Kangjian Photoelectric Technology Co., Ltd.	Associate
Chongqing Qingjia Electronics Co., Ltd.	Associate
Anhui Kangfu New Energy Co., Ltd.	Associate
Chutian Dragon Co., Ltd.	Associate
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen Zhongbing Konka Technology Co., Ltd.)	Associate
KK Smartech Limited	Associate
Shandong Econ Technology Co., Ltd.	Associate
Dongguan Kangjia New Materials Technology Co., Ltd.	Associate
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Associate

4. Other related parties

Names of other related parties	Relationship with the Company
HOHOELECTRICAL&FURNITURECO.,LIMITED	Minority shareholder of subsidiary
AUJET INDUSTRY 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
Shanghai SUS Environment Co.,Ltd.	Minority shareholder of subsidiary
Shenzhen New Journey Energy Conservation and Environmental Protection Service Co., Ltd.	Minority shareholder of subsidiary

Names of other related parties	Relationship with the Company
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
AMobile Intelligent Corp. Ltd.	Subsidiary of associated enterprise
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Subsidiary of associated enterprise

(二) Related-party transactions

1. Related party transactions involving the purchase and sale of goods and the supply and acceptance of services

(1) Purchasing goods/receiving services

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	186,735,395.72	181,578,952.60
Puchuang Jiakang Technology Co, Ltd.	Purchase of goods	82,483,825.77	150,151,893.73
OCT Group Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	19,556,218.59	25,346,178.36
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Purchase of goods and services	17,989,178.13	13,992,143.62
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchase of goods	14,519,171.29	21,234.50
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	13,962,407.67	18,805,740.79
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	Purchase of goods	10,289,325.37	8,959,207.84
Dongguan Kangjia New Material Technology Co., Ltd.	Purchase of goods	7,656,559.11	6,976,616.01

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
KK Smartech Limited	Purchase of goods	7,026,770.10	
Dongguan Konka Smart Electronic Technology Co., Ltd.	Purchase of goods and services	5,303,236.99	13,821,902.86
HOHOELECTRICAL&FURNITURE CO.,LIMITED	Purchase of goods	5,279,694.58	9,072,974.63
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	Purchase of goods and services		541,543,811.51
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Purchase of goods	4,317,763.40	8,145,702.87
Subtotal of other related parties	Purchase of goods and services	6,384,913.67	2,468,604.98

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

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and provision of labor service	87,808,617.20	35,546,108.63
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	61,575,942.67	117,013,253.39
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	43,083,217.15	86,686,831.47
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labor service	31,848,071.22	133,512,390.92
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Sales of goods and provision of labor service	31,298,689.17	13,440,177.22
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	销售商品	20,835,714.08	21,685,823.71

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	9,771,563.23	14,036,782.18
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	9,168,670.42	563,757.57
Hefei KONSEMI Storage Technology Co., Ltd.	Sales of goods and provision of labor service	8,004,252.90	42,085,293.63
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labor service	5,789,685.32	8,803,735.07
Dongguan Konka Smart Electronic Technology Co., Ltd.	Sales of goods and provision of labor service	5,049,897.52	12,592,625.44
Shenzhen Aimijiakang Technology Co., Ltd.	Sales of goods	1,453,563.03	25,833,743.92
HOHOELECTRICAL&FURNITURECO., LIMITED	Sales of goods		15,922,314.20
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Provision of labor service		14,150,943.39
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods		12,773,438.03
Subtotal of other related parties	Sales of goods and provision of labor service	8,788,964.79	6,726,787.89

2. Related party leases

(1) Lease situation

Lessor	Lessee	Type of leased assets	The lease fee recognised in the Reporting Period	The lease fee recognized in the same period of the previous year
Dongguan Guankang Yuhong Investment Co., Ltd.	Dongguan Konka Electronic Co., Ltd.	Factory	22,799,157.95	
OCT Group Co.	Konka Ventures	Commercial	14,099,760.00	11,610,366.36

Lessor	Lessee	Type of leased assets	The lease fee recognised in the Reporting Period	The lease fee recognized in the same period of the previous year
Ltd. and its subsidiaries	Development (Shenzhen) Co., Ltd.	residences and office buildings		
OCT Group Co. Ltd. and its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	351,831.90	755,425.60

3. Related party guarantees

(1) The Company was guarantor

Secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Boluo Precision	2,480.11	191.67	CNY	19 August 2020	19 August 2023	No
Boluo Precision	3,000.00	3,000.00	CNY	25 August 2022	24 August 2023	No
Boluo Precision	4,000.00	1,800.00	CNY	19 January 2023	18 January 2024	No
Boluo Precision	3,000.00	1,795.79	CNY	2 March 2023	2 March 2026	No
Konka Circuit	20,000.00	5,999.28	CNY	24 May 2021	30 November 2024	No
Konka Circuit	5,000.00	3,676.77	CNY	14 September 2022	13 September 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	9,800.00	CNY	19 October 2022	19 October 2023	No
Anhui Tongchuang	10,000.00	8,000.00	CNY	6 February 2023	5 February 2024	No
Liaoyang Kangshun Smart	5,000.00	3,000.00	CNY	6 January 2023	5 January 2024	No
Konka Xinyun Semiconductor	6,000.00	1,000.00	CNY	26 May 2022	25 May 2024	No

Secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Konka Xinyun Semiconductor	20,000.00	6,083.91	CNY	12 July 2021	11 July 2022	No
Electronics Technology	8,500.00	8,385.38	CNY	24 November 2022	10 January 2024	No
Electronics Technology	50,000.00	50,000.00	CNY	10 October 2022	21 July 2023	No
Dongguan Konka	5,000.00	5,000.00	CNY	24 March 2023	23 March 2024	No
Dongguan Konka	80,000.00	33,215.76	CNY	23 June 2021	7 May 2031	No
Telecommunication Technology	7,500.00	3,494.93	CNY	20 May 2022	20 May 2023	No
Sichuan Konka	4,000.00	3,000.00	CNY	23 May 2023	26 April 2026	No
Mobile Interconnection	7,000.00	4,000.00	CNY	11 August 2022	11 August 2023	No
Yibin Smart	980.00	980.00	CNY	23 May 2023	26 April 2024	No
Chongqing Konka	38,000.00	7,793.11	CNY	13 December 2022	13 December 2037	No
Xi'an Kanghong Technology Industry	30,000.00		CNY	26 May 2023	31 December 2032	No
XingDa HongYe	2,000.00	353.89	CNY	25 December 2020	25 December 2023	No
XingDa HongYe	750.00	87.55	CNY	31 May 2021	31 August 2023	No
Konka Soft Electronic	975.00	48.37	CNY	19 December 2022	19 December 2023	No
Ningbo Khr Electric Appliance	6,000.00	3,735.71	CNY	12 August 2021	27 July 2023	No
Ningbo Khr Electric Appliance	6,000.00	3,000.00	CNY	12 July 2022	11 July 2023	No
Frestec Smart Home	10,200.00	510.00	CNY	6 July 2022	4 May 2030	No
Jiangxi Konka	10,000.00	3,000.00	CNY	6 November 2020	1 December 2023	No

Secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
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	1,760.11	CNY	29 September 2020	29 September 2023	No
Jiangxi Konka	1,000.00	174.77	CNY	30 December 2020	30 December 2023	No
Xinfeng Microcrystalline	2,100.00	369.60	CNY	8 December 2020	8 December 2023	No
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	29 December 2022	28 December 2023	No
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	30 June 2023	29 June 2024	No
Jiangxi High Transparent Substrate	990.00	990.00	CNY	10 March 2022	9 March 2024	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	1,135.96	CNY	18 August 2022	18 August 2023	No
Anhui Konka	18,000.00	6,000.00	CNY	22 August 2022	22 August 2023	No
Anhui Konka	28,000.00	9,161.03	CNY	10 August 2021	15 July 2031	No
Anhui Konka	7,000.00	6,000.00	CNY	29 October 2021	26 October 2026	No
Anhui Konka	7,000.00	6,000.00	CNY	24 October 2022	26 October 2026	No
Anhui Konka	7,000.00	7,000.00	CNY	19 September 2022	18 September 2023	No
Anhui Konka	5,000.00	104.00	CNY	25 June 2023	24 June 2028	No
Econ Technology	2,498.29	1,667.36	CNY	8 July 2022	7 July 2023	No

Secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
			Y			
Econ Technology	749.49	499.66	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	3,801.79	CNY	30 September 2022	29 September 2024	No
Econ Technology	2,748.12	2,027.81	CNY	23 November 2022	23 May 2024	No
Econ Technology	1,498.97	1,498.97	CNY	22 May 2023	21 May 2024	No
Econ Technology	3,747.44	2,959.47	CNY	10 May 2023	11 August 2023	No
Anhui Electrical Appliance	13,500.00	5,000.00	CNY	3 July 2020	1 July 2023	No
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	980.00	941.66	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 2022	18 October 2025	No

(2) The Company was secured party

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Electronics Technology	51,000.00	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	21 May	No

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
		Y	2021	2024	
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	149,000.00	CNY	24 June 2021	23 June 2024	No
OCT Group	39,750.00	CNY	23 August 2022	22 August 2025	No
OCT Group	30,000.00	CNY	22 December 2022	22 December 2025	No
OCT Group	70,000.00	CNY	18 January 2023	18 January 2026	No
Hu Zehong, Liang Ruiling, Dai Yaojin	173.41	CNY	25 December 2020	25 December 2023	No
Hu Zehong, Liang Ruiling, Dai Yaojin	42.90	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
Jiangxi Xinzixin Real Estate Co., Ltd.	862.45	CNY	29 September 2020	29 September 2023	No
Zhu Xinming	85.63	CNY	30 December 2020	30 December 2023	No
Zhu Xinming	181.10	CNY	8 December 2020	8 December 2023	No
Zhu Xinming	2,940.00	CNY	29 December 2022	28 December 2023	No
Jiangxi Xinzixin Real	2,940.00	CN	30 June	29 June	No

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Estate Co., Ltd.		Y	2023	2024	
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	10 March 2022	9 March 2024	No
Econ Technology	3,300.00	CNY	13 November 2020	31 December 2024	No
Chuzhou State-owned Assets Management Co., Ltd.	249.91	CNY	18 August 2022	18 August 2023	No
Chuzhou State-owned Assets Management Co., Ltd.	1,320.00	CNY	22 August 2022	22 August 2023	No
Chuzhou State-owned Assets Management Co., Ltd.	2,015.43	CNY	10 August 2021	15 July 2031	No
Chuzhou State-owned Assets Management Co., Ltd.	1,320.00	CNY	29 October 2021	26 October 2026	No
Chuzhou State-owned Assets Management Co., Ltd.	1,320.00	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
Chuzhou State-owned Assets Management Co., Ltd.	22.88	CNY	25 June 2023	24 June 2028	No
Zhu Xinming	11,123.00	CNY	15 October 2022	14 October 2023	No
Zhu Xinming	1,323.00	CNY	15 October 2022	14 October 2023	No
Zhu Xinming	3,399.49	CNY	1 January 2023	31 December 2023	No
Zhu Xinming	13,249.19	CNY	19 February 2023	18 February 2024	No
Zhu Xinming	6,860.00	CNY	1 March 2023	28 February 2024	No
Zhu Xinming	2,330.54	CNY	9 March 2023	8 March 2024	No
Zhu Xinming	2,156.00	CNY	1 April 2023	30 September 2023	No
Zhu Xinming	443.45	CNY	13 January	31	No

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
		Y	2023	December 2023	
Zhu Xinming	44.05	CNY	30 March 2023	31 December 2023	No
Zhu Xinming	443.45	CNY	14 April 2023	31 December 2023	No
Zhu Xinming	44.05	CNY	30 June 2023	31 December 2023	No
Zhu Xinming	490.00	CNY	28 February 2023	27 February 2024	No
Zhu Xinming	5,109.05	CNY	1 January 2023	31 December 2023	No
Zhu Xinming	252.63	CNY	13 January 2023	31 December 2023	No
Zhu Xinming	101.77	CNY	13 January 2023	31 December 2023	No
Zhu Xinming	203.63	CNY	14 April 2023	31 December 2023	No
Zhu Xinming	1,862.90	CNY	1 January 2023	31 December 2023	No
Zhu Xinming	223.85	CNY	17 February 2023	31 December 2023	No
Zhu Xinming	93.12	CNY	8 March 2023	31 December 2023	No
Zhu Xinming	101.35	CNY	19 May 2023	31 December 2023	No
Zhu Xinming	93.12	CNY	8 June 2023	31 December 2023	No
Zhu Xinming	1,470.00	CNY	27 June 2023	31 October 2023	No
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	3,430.00	CNY	19 August 2020	31 October 2025	No

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	2,450.00	CNY	19 August 2020	31 October 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	30 June 2023	No
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	1 January 2018	30 June 2023	No
Suiyong Rongxin Asset Management Co., Ltd.	1,862.00	CNY	1 January 2018	30 June 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 Yongxing Technology Co., Ltd.	735.00	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.	488.37	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	552.72	CNY	1 January 2022	31 December 2025	No

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Technology Co., Ltd.					
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CNY	20 May 2021	19 May 2024	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,083.96	CNY	20 May 2021	19 May 2024	No
Shenzhen Qianhai Datang Technology Co., Ltd.	588.00	CNY	17 November 2022	16 November 2025	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

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Shenzhen Henglongtong Technology Co., Ltd.	99.75	USD	1 January 2022	31 December 2025	No
AUJET INDUSTRY LIMITED	3,227.63	USD	10 November 2021	31 December 2023	No
AUJET INDUSTRY LIMITED	89.18	USD	10 November 2021	31 December 2023	No
AUJET INDUSTRY LIMITED	1,029.00	USD	20 July 2020	31 December 2023	No

4. Loans from/to related parties

Related party	Amount(RMB'0,000)	Currency	Start date	Maturity
Borrowing:				
OCT Group	131,091.00	CNY	10 January 2022	9 January 2025
OCT Group	50,000.00	CNY	19 May 2022	18 May 2025
OCT Group	70,000.00	CNY	26 May 2022	25 May 2025
Chuzhou Hanshang Electric Appliance Co., Ltd.	10,535.00	CNY	1 February 2022	31 December 2023
Chuzhou Hanshang Electric Appliance Co., Ltd.	490.00	CNY	30 May 2023	31 December 2023
Chuzhou Hanshang Electric Appliance Co., Ltd.	1,837.50	CNY	10 November 2022	31 December 2023
Chuzhou Hanshang Electric Appliance Co., Ltd.	980.00	CNY	14 February 2023	13 February 2024
Econ Technology	33.00	CNY	31 March 2022	19 March 2024
Econ Technology	31.35	CNY	2 June 2021	19 March 2024
Econ Technology	20.13	CNY	4 June 2021	19 March 2024
Econ Technology	1,536.15	CNY	13 August 2021	19 March 2024

Related party	Amount(RMB'0,000)	Currency	Start date	Maturity
Econ Technology	285.85	CNY	13 October 2021	19 March 2024
Econ Technology	40.26	CNY	17 December 2021	19 March 2024
Econ Technology	99.26	CNY	16 February 2022	19 March 2024
Econ Technology	95.96	CNY	12 May 2022	28 February 2024
Econ Technology	39.60	CNY	16 June 2022	28 February 2024
Econ Technology	1,070.92	CNY	23 June 2022	28 February 2024
Econ Technology	49.50	CNY	19 September 2022	28 February 2024
Econ Technology	33.00	CNY	19 December 2022	28 February 2024
Econ Technology	97.02	CNY	24 February 2023	28 February 2024
Chongqing Kangjian Photoelectric Technology Co., Ltd.	666.67	CNY	26 October 2022	24 August 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
Shanghai SUS Environment Co.,Ltd.	1,000.00	CNY	9 June 2023	7 September 2023
Shanghai SUS Environment Co.,Ltd.	1,000.00	CNY	20 June 2023	7 September 2023
Total	271,505.84			
Lending:				
Dongguan Guankangyuhong Investment Co., Ltd.	19,600.00	CNY	6 August 2022	25 September 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	15,288.00	CNY	18 December 2022	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	5 January 2023	23 October 2023

Related party	Amount(RMB'0,000)	Currency	Start date	Maturity
Chuzhou Kangxin Health Industry Development Co., Ltd.	59.45	CNY	5 January 2023	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,240.03	CNY	18 December 2022	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	22 March 2023	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	21 March 2023	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	109.95	CNY	21 March 2023	23 October 2023
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,344.36	CNY	22 March 2023	23 October 2023
Sichuan Chengrui	14,724.50	CNY	21 January 2022	4 March 2025
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	16 December 2020	25 November 2022
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	23 November 2021	26 February 2024
Yantai Kangyun Industrial Development Co., Ltd.	3,230.00	CNY	25 August 2022	26 February 2024
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	17 March 2022	26 February 2024
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	23 May 2022	26 February 2024
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	1 June 2022	26 February 2024
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	15 November 2022	26 February 2024
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	25 November 2020	22 September 2023
Sichuan Hongxinchen Real Estate Development Co., Ltd.	21,963.39	CNY	15 September 2022	23 December 2023
Econ Technology	18,315.11	CNY	17 March 2023	31 December 2023
Econ Technology	4,996.58	CNY	6 April 2023	20 December 2023
Chongqing Liangshan Industrial	7,524.80	CNY	24	23

Related party	Amount(RMB'0,000)	Currency	Start date	Maturity
Investment Co., Ltd.		Y	December 2022	December 2023
Total	178,314.13			

5. Asset transfer and debt restructuring of related parties

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
OCT Group Co., Ltd. and its subsidiaries and associate enterprises	Transfer of patents, software copyrights and trademarks		12,843,396.23
Total			12,843,396.23

6. Remuneration for key management personnel

Project	Reporting Period (RMB'0,000)	Same period of the previous year (RMB'0,000)
Total remuneration	549.95	737.41

(三) Balances with related parties

1. Receivables

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Accounts receivable:				
OCT Group Co., Ltd. and its subsidiaries and associates	153,191,974.88	11,823,388.29	156,687,630.71	8,433,199.71
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	148,503,144.96	125,575,215.21	143,135,135.62	121,664,865.28
HOHOELECTRICAL&FURNITURECO., LIMITED	126,891,283.20	18,139,114.89	123,273,472.66	18,429,711.73
Chuzhou Hanshang Electric Appliance Co., Ltd.	62,593,179.59	1,276,900.87	52,156,655.05	1,063,995.77

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	41,113,303.07	2,318,660.87	47,638,172.10	2,368,282.48
Shenzhen Kanghongxing Smart Technology Co., Ltd.	39,239,778.12	34,665,687.97	39,215,316.77	32,913,147.45
Korea Electric Group Co., Ltd. and its subsidiaries	23,695,513.68	483,388.48	4,960,132.20	101,186.70
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	9,813,160.70	200,188.48	13,523,856.80	410,843.28
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	2,042,851.77	41,674.16	10,824,609.83	220,822.05
Subtotal of other related parties	17,442,982.92	940,045.58	17,711,091.20	574,271.36
Total	624,527,172.88	195,464,264.80	609,126,072.94	186,180,325.81
Financing accounts receivable/Notes receivable:				
Korea Electric Group Co., Ltd. and its subsidiaries	126,000,000.00		103,340,000.00	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,000,000.00		63,064.76	

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Chuzhou Hanshang Electric Appliance Co., Ltd.			5,028,746.39	
Total	130,000,000.00		108,431,811.15	
Dividends receivable				
Chongqing Qingjia Electronics Co., Ltd.			272,999.43	
Total			272,999.43	
Other receivables:				
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	86,901,651.51	93,512,640.31	86,901,651.51
Dai Rongxing	84,345,435.41	84,345,435.41	83,058,831.58	83,058,831.58
Chongqing Liangshan Industrial Investment Co., Ltd.	77,196,153.61	1,574,801.53	75,330,416.70	1,536,740.51
Shenzhen Kanghongxing Smart Technology Co., Ltd.	39,888,921.64	36,131,458.50	39,888,921.64	36,024,193.48
OCT Group Co., Ltd. and its subsidiaries and associates	36,778,366.11	20,417,601.13	35,760,987.33	20,304,912.84
Huanjia Group Co., Ltd.	25,083,675.53	24,582,002.02	25,083,675.53	24,582,002.02
Dongguan Guankang Yuhong Investment Co., Ltd.	22,000,000.00	220,000.00	22,000,000.00	220,000.00
HOHOELECTRICAL&FURNITURECO., LIMITED	2,535,424.83	575,287.89	2,443,773.67	554,492.25
Hu Zehong	1,587,271.29	153,103.04	2,058,174.06	41,986.75
Subtotal of other related parties	468,092.37	7,709.48	159,634.37	3,230.02

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Total	383,395,981.10	254,909,050.52	379,297,055.19	253,228,040.96
Prepayments:				
Puchuang Jiakang Technology Co, Ltd.	4,120,342.24		3,176,682.44	
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,632,500.00			
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	2,021,396.41		5,720,375.37	
Henan Kangfei Intelligent Electric Appliance Co., Ltd.	1,971,261.84			
OCT Group Co., Ltd. and its subsidiaries and associates	208,530.00		1,094,665.28	
Subtotal of other related parties	390,830.43		1,184,075.41	
Total	11,344,860.92		11,175,798.50	
Contract assets:				
OCT Group Co., Ltd. and its subsidiaries and associates	441,792.02	9,012.56		
Total	441,792.02	9,012.56		
Other current assets:				

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	247,211,577.82		238,121,355.60	
Sichuan Hongxincheng Real Estate Development Co., Ltd.	233,954,106.29			
Shandong Econ Technology Co., Ltd. and its subsidiaries	233,116,949.03		183,151,149.03	
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	228,125,919.93		220,546,846.61	
Dongguan Guankang Yuhong Investment Co., Ltd.	216,823,806.77		217,760,251.21	
Yantai Kangyue Investment Co., Ltd.	165,457,091.34		160,287,449.78	
Sichuan Chengrui	162,456,304.41		158,533,783.32	
Total	1,867,956,911.49		1,544,592,633.47	

2. Payables

Related party	Ending carrying balance	Opening carrying balance
Accounts payable:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	61,751,089.15	22,429,429.76
Puchuang Jiakang Technology Co, Ltd.	40,191,613.80	43,840.00
OCT Group Co., Ltd. and its subsidiaries and associates	24,899,469.89	13,114,183.37
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	16,376,915.47	13,942,717.31

Related party	Ending carrying balance	Opening carrying balance
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	13,727,043.65	12,879,895.22
Korea Electric Group Co., Ltd. and its subsidiaries	11,303,306.87	2,609,330.74
HOHOELECTRICAL&FURNITURECO.,LIMITED	9,872,039.77	6,083,652.55
Dongguan Kangjia New Materials Technology Co., Ltd.	4,793,873.81	1,811,519.42
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,615,128.91	4,615,128.91
Panxu Intelligence Co., Ltd. and its subsidiaries	3,737,203.15	5,894,192.83
Subtotal of other related parties	9,504,535.20	6,042,680.04
Total	200,772,219.67	89,466,570.15
Notes payable:		
Korea Electric Group Co., Ltd. and its subsidiaries	7,801,909.48	9,889,686.67
Dongguan Kangjia New Materials Technology Co., Ltd.	2,265,450.56	5,664,319.21
Chuzhou Hanshang Electric Appliance Co., Ltd.		13,000,000.00
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	880,920.54	4,868,677.92
Panxu Intelligence Co., Ltd. and its subsidiaries		4,425,575.22
Total	10,948,280.58	37,848,259.02
Contractual liabilities/other current liabilities:		
OCT Group Co., Ltd. and its subsidiaries and associates	42,311,463.60	42,395,460.49
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	9,351,106.86	2,873,318.85
Henan Kangfei Intelligent Electric Appliance Co., Ltd.	3,871,147.85	830,737.57
Shenzhen Aimijiakang Technology Co., Ltd.	1,030,654.81	2,541,156.83
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	467,417.09	1,328,665.36
Subtotal of other related parties	211,926.08	794,914.19
Total	57,243,716.29	50,764,253.29
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	177,963,968.88	185,043,644.73
Shandong Econ Technology Co., Ltd. and its subsidiaries	37,625,604.01	42,331,626.74
Shanghai SUS Environment Co.,Ltd.	20,458,916.66	
OCT Group Co., Ltd. and its subsidiaries and associates	12,966,717.20	5,897,248.07

Related party	Ending carrying balance	Opening carrying balance
Central Enterprises in poverty-stricken areas(Jiangxi)Industrial Investment Funds Partnership(L.P.)	7,200,000.00	2,400,000.00
Chongqing Kangjian Photoelectric Technology Co., Ltd.	7,151,258.03	8,029,369.86
Kangkong Venture Capital (Shenzhen) Co., Ltd.	2,486,447.97	2,483,024.67
Beijing Xuri Shengxing Technology Co., Ltd.	2,465,923.83	2,396,943.13
Korea Electric Group Co., Ltd. and its subsidiaries	2,092,105.43	1,908,700.39
Guangdong Wanrunдахeng Culture Tourism Development Co., Ltd.		83,480,206.21
Subtotal of other related parties	8,309,603.52	8,674,635.51
Total	278,720,545.53	342,645,399.31

XII. 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, Jiangxi High Transparent Substrate and Xinfeng Microcrystalline to bear joint and several liability for such debts.

On 31 October 2019, the Higher People's Court of Jiangxi Province 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 recognised in this judgment. The defendants appealed against the verdict of the first instance and the Supreme People's Court accepted the appeal. On 24 March 2021, the Supreme

People's Court made the following ruling: I. Civil Judgment (2018) G.M.CH. No. 110 made by the Higher People's Court of Jiangxi Province is abrogated; II. This case is remanded to the Higher People's Court of Jiangxi Province for retrial. As of the date of issuance of this report, the first instance of the retrial was decided, and a file was been filed.

The actual controller of Jiangxi Konka New Materials, Zhu Xinming, and his spouse, Leng Sumin, Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Zilong, Zhu Qingming and Zeng Xiaohong, as guarantors, provided a total of approximately RMB143 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 nanometre microcrystalline that all contingent debts incurred by Jiangxi Konka by the original shareholders of Konka new material in the form of joint and several liability. Jiangxi Xinzixin Real Estate Co., Ltd. has held a total of approximately RMB243 million of real estate assets as the case of the anti-guarantee mortgage to Konka group and went through the mortgage registration procedures. As of the date of this report, the case is still on trial and the above commercial acceptance bill has not been honoured.

(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 22 November 2021, the Company applied to the People's Court of Nanshan District, Shenzhen, for property preservation. On 11 January 2023, the People's Court of Nanshan District, Shenzhen, rendered a verdict of the 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 of 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 of the date of issuance of this report, the case was 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 the Wuhan Intermediate People's Court, and the court order the defendant to pay Konka Group the bills and interest. The defendant applied for retrial during the execution of the case. As of the date of issuance of this report, the case was in retrial.

(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 Zaatong 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 of the date of issuance of this report, the case 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 with 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 of 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 of 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 of the date of issuance of this report, the portion of the case, related to Anhui Tongchuang and Frestec Refrigeration, were executed in progress, while the rest was 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 compulsory enforcement was 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 of the issuance of this report, an accumulated amount of RMB125 million has been returned, and the case was executed in progress.

(9) A case has been filed on the dispute over the sales and purchase contracts between the Company's subsidiary Konka Huanjia (plaintiff) and 38 companies (defendant) including Huanjia Group Co., Ltd. and Dalian Jinshunda Material Recycling Co., Ltd., etc. The amount of the subject matter involved in it is RMB890 million. Konka Huanjia has applied for the court to seal up and freeze the defendant's corresponding property. In the case involving RMB322 million of litigation, the court delivered a ruling of the first instance to Kangjia in March 2023, rejecting the suit of Kangjia Huanjia. The remaining cases, involving RMB568 million, were decided by the court for the first instance in December 2022, and Kangjia Huanjiadun has appealed to the Liaoning Provincial High People's Court. As of the date of issuance of this report, the case involving RMB322 million of litigation was closed, while the cases, involving RMB568 million, were remanded for retrial.

(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, 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 with the court. The latter issued a judgment in favour of the Company. As of the date of issuance of this report, the case was executed in progress.

(11) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit with 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 with the court for adding shareholders as persons to be executed. As of 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 1 September 1 2021, the Intermediate People's Court of Xiamen Municipality, Fujian Province, ordered the defendants to pay the plaintiff e-commercial acceptance bills of RMB50 million and the corresponding interest. On 4 January 2022, the compulsory enforcement was filed. The case executed a return of RMB43 million. As of 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 the Shenzhen Intermediate People's Court, and the court 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 of the date of issuance of this report, the case was executed in progress, and the Company applied with 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 7 December 2021, Anhui Konka filed arbitration with the Shenzhen Court of International Arbitration. On 14 October 2022, the compulsory enforcement was filed. As of the date of issuance of this report, the case was executed in progress.

(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 26 April 2021, Konka applied to Shanghai Maritime Court for compulsory execution. On 7 June 2021, the court accepted the case. As of 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 of the date of issuance of this report, the case was 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 of 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 of the date of issuance of this report, the case was under trial.

(19) 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 goods is RMB51 million. As of the date of issuance of this report, the case was under trial.

(20) 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 of the date of issuance of this report, the case was executed in progress.

(21) 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 made verdict of first instance, which supported most of Anhui Konka's claims, and both parties appealed against the verdict of first instance. As of the date of issuance of this report, the case was under trial.

(22) 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 of the date of issuance of this report, the case was under trial.

(23) 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 of the date of issuance of this report, the case was under trial.

XIII. Commitments

1. Capital commitments

Item	Closing balance	Opening balance
Contract signed but hasn't been recognised in financial statements		
-Commitment on construction and purchase of long-lived assets		
-Large amount contract	675,769,622.91	523,553,381.89
-Foreign investment commitments		

Total	675,769,622.91	523,553,381.89
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2. Other commitments

As of 30 June 2023, there were no other significant commitments for the Company to disclose.

XIV. Events after Balance Sheet Date

1. 1. No significant non-adjusted events

2. Sales return

No such cases in the Reporting Period.

3. 3. There were no other significant events after balance sheet date for the Company.

XV. Other Significant Events

The Company has 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	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Accounts receivable of expected credit losses withdrawn individually	716,102,287.05	11.79	652,174,491.35	91.07	63,927,795.70
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	350,995,222.41	5.78	192,533,466.31	54.85	158,461,756.10
Grouping of related parties	5,004,296,403.24	82.43			5,004,296,403.24
Subtotal of portfolio	5,355,291,625.65	88.21	192,533,466.31	3.60	5,162,758,159.34
Total	6,071,393,912.70	100	844,707,957.66	13.91	5,226,685,955.04

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
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
Grouping of related parties	4,186,128,552.37	78.69			4,186,128,552.37
Subtotal of portfolio	4,596,303,329.05	86.40	193,889,834.11	4.22	4,402,413,494.94
Total	5,319,862,938.68	100.00	845,983,944.18	15.90	4,473,878,994.50

(2) Provision for bad debts of accounts receivable provided individually

Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Shanghai Huaxin International Group Co., Ltd.	299,136,676.70	293,153,943.17	98	Expected to be difficult to recover
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	160,000,000.00	80	Agreement reorganisation
Zhongfu Tiangong Construction Group Co., Ltd.	71,539,096.65	53,654,322.49	75	Expected to be difficult to recover
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	100	Expected to be difficult to recover
China Energy Electric Fuel Co., Ltd.	50,000,000.00	50,000,000.00	100	Expected to be difficult to recover
Henan Radio and Television	26,847,370.00	26,847,370.00	100	Expected to be difficult to recover

Name	Closing balance			Reasons for the provision
	Book balance	Provision for bad debts	Provision percentage (%)	
Network Co., Ltd.				
Others	13,141,038.70	13,080,750.69	99.54	Expected to be difficult to recover
Total	716,102,287.05	652,174,491.35	91.07	

1) Provision for bad debts for accounts receivable made as per portfolio

① Among the portfolio, withdrawal of expected credit loss by aging

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	98,861,669.89	2,016,778.04	2.04
One to two years	64,853,679.82	6,498,338.72	10.02
Two to three years	3,042,884.82	690,430.57	22.69
Over three years	184,236,987.88	183,327,918.98	99.51
Three to four years	2,588,464.99	1,679,396.09	64.88
Four to five years	19,473,262.48	19,473,262.48	100.00
Over five years	162,175,260.41	162,175,260.41	100.00
Total	350,995,222.41	192,533,466.31	54.85

② Among the portfolio, withdrawal of expected credit loss by adopting other method

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Grouping of related parties	5,004,296,403.24		
Total	5,004,296,403.24		

(3) Accounts receivable listed by aging portfolio

Aging	Closing balance
Within one year	4,541,756,449.61
One to two years	516,433,226.62
Two to three years	99,003,192.95
Over three years	914,201,043.52
Three to four years	72,635,057.88
Four to five years	668,764,128.97
Over five years	172,801,856.67
Subtotal	6,071,393,912.70

Less: Provisions for bad debts	844,707,957.66
Total	5,226,685,955.04

(4) Information of provision for bad debts in the Reporting Period

Category	Opening balance	Change in the Reporting Period	
		Provision	Recovery or reclassification
Provision for bad debts of accounts receivable	845,983,944.18	320,444.05	1,596,430.57
Total	845,983,944.18	320,444.05	1,596,430.57

(Continued)

Category	Change in the Reporting Period		Closing balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable			844,707,957.66
Total			844,707,957.66

(5) No actual verified accounts receivable in the Reporting Period.

(6) Top five accounts receivable in the closing balance categorised by debtors

The total amount of receivables with top five ending balance collected by arrears party for the Reporting Period was RMB4,781,615,179.61, accounting for 78.76% of the total ending balance of accounts receivable. The total ending balance of provision for bad debts correspondingly withdrawn was RMB0.

(7) There was no account receivable terminated the recognition owing to the transfer of the financial assets

(8) There was no asset and liability formed due to the transfer of accounts receivable and continued involvement in the Reporting Period

2. Other accounts receivable

Item	Closing balance	Opening balance
Interest receivable	5,279,505.89	3,878,580.64
Dividends receivable	397,213,312.02	393,563,347.61
Other accounts receivable	9,200,889,225.20	9,944,884,426.80
Total	9,603,382,043.11	10,342,326,355.05

2.1 Interest receivable

Item	Closing balance	Opening balance
Interest on term deposits	5,279,505.89	3,878,580.64
Total	5,279,505.89	3,878,580.64

2.2 Dividends receivable

Investee	Closing balance	Opening balance
Hong Kong Konka Limited	117,213,312.02	113,563,347.61
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
Total	397,213,312.02	393,563,347.61

2.3 Other receivables

(1) Classified by account nature

Nature of fund	Closing book balance	Opening book balance
Intercourse funds among subsidiaries	10,878,544,849.73	11,299,542,985.57
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related parties	67,922,245.03	50,667,315.53
Deposit and margin	13,000,446.16	17,354,107.03
Others	63,695,802.50	375,797,998.76
Total	11,164,712,493.42	11,884,911,556.89

(2) Withdrawal of provision for bad debts for other receivables

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 1 January 2023	357,726.75	57,275,497.55	1,882,393,905.79	1,940,027,130.09
In the Reporting Period, carrying amount of other receivables on 1 January 2023	-66,300.39	66,300.39		
--	-66,300.39	66,300.39		

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Transferred to Phase II				
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the Reporting Period	333,341.39	14,165,418.49	9,297,378.25	23,796,138.13
Reclassification in the Reporting Period				
Charge-off in the Reporting Period				
Write-off in the Reporting Period				
Other changes				
Balance as of 30 June 2023	624,767.75	71,507,216.43	1,891,691,284.04	1,963,823,268.22

(3) Withdrawing provision for bad debts for other receivables by portfolio

Category	Closing balance		
	Book balance	Provision for bad debts	Carrying

	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	value
Other receivables of expected credit losses withdrawn individually	1,906,715,323.40	17.08	1,891,691,284.04	99.21	15,024,039.36
Other receivables of provision for bad debts withdrawn by credit risk characteristic portfolio:					
Aging portfolio	110,462,355.71	0.99	68,547,699.96	62.06	41,914,655.75
Low-risk portfolio	16,009,185.47	0.14	3,584,284.22	22.39	12,424,901.25
Grouping of related parties	9,131,525,628.84	81.79			9,131,525,628.84
Subtotal of portfolio	9,257,997,170.02	82.92	72,131,984.18	0.78	9,185,865,185.84
Total	11,164,712,493.42	100	1,963,823,268.22	17.59	9,200,889,225.20

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	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 provision for bad debts withdrawn by credit risk characteristic					

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
c 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
Grouping of related parties	9,872,358,919.71	83.07			9,872,358,919.71
Subtotal of portfolio	9,983,533,815.82	84.00	57,633,224.30	0.58	9,925,900,591.52
Total	11,884,911,556.89	100.00	1,940,027,130.09	16.32	9,944,884,426.80

(4) Other receivables listed by aging

Aging	Closing balance
Within one year	4,613,334,198.38
One to two years	3,517,576,136.05
Two to three years	1,001,637,203.66
Three to four years	325,281,105.82
Four to five years	1,358,342,044.40
Over five years	348,541,805.11
Subtotal	11,164,712,493.42
Less: Provisions for bad debts	1,963,823,268.22
Total	9,200,889,225.20

(5) Provision for bad debts for other receivables

The amount of provision for bad debts for the Reporting Period was RMB23,796,138.13, and other receivables actually written off in this period were RMB0.00.

(6) Other receivables actually written off for the Reporting Period

There were no other receivables actually written off for the Reporting Period.

(7) Top five other accounts receivable in the closing balance categorised by debtors

The total amount of other receivables with top five ending balance collected by arrears party this year was RMB7,530,437,339.57, accounting for 67.45% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly withdrawn was

RMB1,732,011,461.53.

(8) There were no other receivables derecognised due to the transfer of financial assets for the Reporting Period.

(9) There were no assets or liabilities formed due to the transfer and the continued involvement of other receivables for the Reporting Period.

3. Long-term equity investment

(1) Category of long-term equity investment

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Investment in subsidiaries	7,334,954,047.75	781,480,000.00	6,553,474,047.75	7,277,554,047.75	781,480,000.00	6,496,074,047.75
Investment in associated enterprises and joint ventures	2,347,018,914.97	219,718,378.41	2,127,300,536.56	2,824,333,468.08	219,718,378.41	2,604,615,089.67
Total	9,681,972,962.72	1,001,198,378.41	8,680,774,584.31	10,101,887,515.83	1,001,198,378.41	9,100,689,137.42

(2) Investment in subsidiaries

Investee	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting Period	Closing balance of the provision for impairment
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		

Investee	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting Period	Closing balance of the provision for impairment
Konka Europe	3,637,470.00			3,637,470.00		
Telecommunication Technology	360,000,000.00			360,000,000.00		
Mobile Interconnection	100,000,000.00			100,000,000.00		
Anhui Tongchuang	779,702,612.22			779,702,612.22		
Kangjiatong	30,749,800.00			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	297,650,000.00	77,400,000.00		375,050,000.00		
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				-		689,680,000.00
Shenzhen Nianhua	30,000,000.00			30,000,000.00		
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		

Investee	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting Period	Closing balance of the provision for impairment
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka Industrial Park	200,000,000.00			200,000,000.00		
Konka Ronghe	5,100,000.00			5,100,000.00		
Suining Electronic Technological Innovation	200,000,000.00			200,000,000.00		
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00			10,000,000.00		
Kanghong (Yantai) Environmental Protection	1,025,100.00			1,025,100.00		
Chongqing Kangxingrui	25,500,000.00			25,500,000.00		
Chongqing Optoelectronic Technology Research Institute	933,333,333.33			933,333,333.33		
Kowin Memory (Shenzhen)	192,520,000.00			192,520,000.00		
Ningbo Kanghr Electrical Appliance	90,000,000.00			90,000,000.00		

Investee	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting Period	Closing balance of the provision for impairment
Konka Intelligent Manufacturing	510.00			510.00		
Suining Jiarun Property	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		
Industrial and Trade Technology	50,000,000.00			50,000,000.00		
Konka Huazhong	30,000,000.00			30,000,000.00		
Guizhou Kanggui Material Technology	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 Hongxincheng Real Estate Development Co., Ltd.	20,000,000.00		20,000,000.00	-		
Xi'an Kanghong Technology	12,000,000.00			12,000,000.00		

Investee	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting Period	Closing balance of the provision for impairment
Industry						
Xi'an Konka Intelligent Technology	50,000,000.00			50,000,000.00		
Tianjin Konka	171,603,013.77			171,603,013.77		
Songyang Konka Intelligent	30,000,000.00			30,000,000.00		
Konka North China	30,000,000.00			30,000,000.00		
Total	6,496,074,047.75	77,400,000.00	20,000,000.00	6,553,474,047.75		781,480,000.00

(3) Investment in associated enterprises and joint ventures

Investee	Closing balance of previous period	Change in the Reporting Period			
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,400,738.44				
Kunshan Kangsheng Investment Development Co., Ltd.	219,065,984.22			-10,055,178.43	
Chutian Dragon Co., Ltd.	523,726,463.18				
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	13,333,698.78			-781,563.56	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.					

Investee	Closing balance of previous period	Change in the Reporting Period			
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Shenzhen Zhongkang Beidou Technology Co., Ltd.					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,371,364.87			739,175.43	
Shenzhen Yaode Technology Co., Ltd.					
Wuhan Tianyuan Environmental Protection Co., Ltd.	352,295,640.91			-3,659,889.05	
Shenzhen KONKA E-display Co., Ltd.	12,567,702.52			690,558.45	
Chuzhou Konka Technology Industry Development Co., Ltd.	5,899,324.39			-2,909,934.84	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	172,987,384.01			-2,876,368.35	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	5,625,680.96				
Shenzhen Kangyue Enterprise Co., Ltd.	2,999,091.61			-54,027.66	
Dongguan Guankang Yuhong Investment Co., Ltd.					
Chongqing Yuanlv Benpao Real Estate Co., Ltd.					
Chuzhou Kangxin Health Industry Development Co., Ltd.	10,835,065.75			-1,327,324.27	
E3info (Hainan) Technology Co., Ltd.	8,574,609.73				
Shenzhen Kangpeng Digital Technology Co., Ltd.	3,411,153.10			-1,124,071.28	
Yantai Kangyun Industrial Development Co., Ltd.	4,135,456.96			-2,714,568.47	

Investee	Closing balance of previous period	Change in the Reporting Period			
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Shandong Econ Technology Co., Ltd.	1,044,184,489.99				
Dongguan Kangjia New Materials Technology Co., Ltd..	3,950,928.27			186,757.47	
Chongqing E2info Technology Co., Ltd.	163,744,169.42			15,527,141.05	
Sichuan Chengrui Real Estate Co., Ltd.	7,851,192.26			-4,691,048.46	
Wuhan Kangtang Information Technology Co., Ltd.	26,654,950.30			-958,720.49	
Sichuan Hongxinchun Real Estate Development Co., Ltd.		6,161,929.55		-3,564,612.77	
Total	2,604,615,089.67	6,161,929.55		-17,573,675.23	

(Continued)

Investee	Change in the Reporting Period				Closing balance (Carrying value)	Ending balance of depreciation reserve
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Kunshan Kangsheng Investment Development Co., Ltd.		29,400,000.00			179,610,805.79	
Chutian Dragon Co., Ltd.				-523,726,463.18		
Shaanxi Silk Road Cloud Intelligent Tech					12,552,135.22	

Investee	Change in the Reporting Period				Closing balance	Ending balance of depreciation reserve
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others	(Carrying value)	
Co., Ltd.						
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongkang Beidou Technology Co., Ltd.						-
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					6,110,540.30	
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	90,301,655.75	3,078,000.00			435,859,407.61	
Shenzhen KONKA E-display Co., Ltd.					13,258,260.97	
Chuzhou Konka Technology Industry Development Co., Ltd.					2,989,389.55	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					170,111,015.66	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					5,625,680.96	
Shenzhen Kangyue Enterprise Co., Ltd.					2,945,063.95	
Dongguan Guankang Yuhong Investment Co., Ltd.						
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Chuzhou Kangxin Health Industry					9,507,741.48	

Investee	Change in the Reporting Period				Closing balance	Ending balance of depreciation reserve
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others	(Carrying value)	
Development Co., Ltd.						
E3info (Hainan) Technology Co., Ltd.					8,574,609.73	
Shenzhen Kangpeng Digital Technology Co., Ltd.					2,287,081.82	
Yantai Kangyun Industrial Development Co., Ltd.					1,420,888.49	
Shandong Econ Technology Co., Ltd.					1,044,184,489.99	
Dongguan Kangjia New Materials Technology Co., Ltd..					4,137,685.74	
Chongqing E2info Technology Co., Ltd.					179,271,310.47	
Sichuan Chengrui Real Estate Co., Ltd.					3,160,143.80	
Wuhan Kangtang Information Technology Co., Ltd.					25,696,229.81	
Sichuan Hongxinchen Real Estate Development Co., Ltd.					2,597,316.78	
Total	90,301,655.75	32,478,000.00		-523,726,463.18	2,127,300,536.56	219,718,378.41

4. Operating revenue and cost of sales

(1) Operating income and operating costs

Item	Amount incurred in the Reporting Period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Principal business	588,736,212.10	651,086,329.20	795,988,114.95	904,792,276.47
Other business	82,606,260.87	31,456,950.98	141,186,691.51	50,784,505.04
Total	671,342,472.97	682,543,280.18	937,174,806.46	955,576,781.51

(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 RMB5,105,429.95 at the year-end, among which RMB5,105,429.95 is expected to be recognized in 2023.

5. Investment income

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Returns on long-term equity investments calculated by the equity method	-17,573,675.23	76,488,083.68
Return on investment arising from the disposal of long-term equity investments	182,495,426.59	152,614,987.18
Investment income from disposal of financial assets at fair value through profit or loss	-3,794,910.98	
Interest income from debt investments during the holding period	3,622,191.78	2,010,000.00
Equity investment calculated by the equity method and converted to financial assets	574,780,174.75	
Return on investment in the financial assets held for trading during the holding period	9,383,976.00	
Others	500,000.00	
Total	749,413,182.91	231,113,070.86

XVII. Approval of Financial Statements

The financial statement was approved on 25 August 2023 by the Board of Directors.

XVIII. Supplementary Materials

1. Items and amounts of non-recurring profit or loss

Item	Amount of the Reporting Period	Notes
Gains and losses on disposal of non-current assets	234,443,700.65	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government grants recognised in the Reporting 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	143,191,046.27	
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 recognised 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		
Gains and losses on debt restructuring		
Expenses on business reorganisation, 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 Company's common businesses	-95,971,002.08	
Reclassification of impairment loss allowances of receivables and contract assets separately tested for impairment		

Item	Amount of the Reporting Period	Notes
Gain/loss on entrustment loans	62,144,007.08	
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		
Non-operating income and expenses other than those listed above	5,709,807.68	
Other profit and loss items in line with the definition of non-recurring gains and losses	584,664,150.75	
Subtotal	934,181,710.35	
Less: Income tax effect	226,223,116.92	
Effect of minority shareholders' equities (after tax)	9,604,455.35	
Total	698,354,138.08	

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

Item	Amount	Reasons
Shareholding in Chutian Dragon Co., Ltd.	584,164,150.75	As the Company reduced part of its shareholding in Chutian Dragon Co., Ltd., the measurement of its investment in Chutian Dragon Co., Ltd. was adjusted in the current period from a long-term equity investment (under the equity method) to a held-for-trading financial asset, which incurred an exceptional gain.

(2) 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 it.

Item	Amount	Reasons
Software tax refund	3,434,829.42	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
Total	3,434,829.42	

2. Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company as the Parent	-2.55	-0.0803	-0.0803
Net profit attributable to ordinary shareholders of the Company as the Parent before exceptional gains and losses	-11.76	-0.3703	-0.3703

3. 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

(2) Net Profit and Equity Differences under CAS and Foreign Accounting Standards

Applicable Not applicable