

KONKA GROUP CO., LTD.

ANNUAL REPORT 2023

2024-18

April 2024

Part I Important Notes, Table of Contents and Definitions

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

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

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

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

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

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

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Documents Available for Reference

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

Definitions

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

Yibin Smart	Yibin Konka Smart Technology Co., Ltd.
Shenzhen KONSEMI	Shenzhen KONSEMI Co., Ltd.
Chongqing Konka	Chongqing Konka Technology Development Co., Ltd.
Kowin Memory (Shenzhen)	Kowin Memory Technology (Shenzhen) Co., Limited
Kowin Memory (Hong Kong)	Kowin Memory Technology (Hong Kong) Co., Limited
Konka Xinyun Semiconductor	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.
Konka Cross-border (Hebei)	Konka Cross-border (Hebei) Technology Development Co., Ltd.
Shenzhen Nianhua	Shenzhen Nianhua Enterprise Management Co., Ltd.
Konka Huazhong	Konka Huazhong (Hunan) Technology Co., Ltd.
Wankaida	Shenzhen Wankaida Science and Technology Co., Ltd.
Shenzhen Chuangzhi Electrical Appliances	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.
Suining Jiarun Property	Suining Jiarun Property Co., Ltd.
Anhui Konka	Anhui Konka Electronic Co., Ltd.
Kangzhi Trade	Anhui Kangzhi Trade Co., Ltd.
Telecommunication Technology	Shenzhen Konka Telecommunications Technology Co., Ltd.
Konka Mobility	Konka Mobility Co., Limited
Dongguan Konka	Dongguan Konka Electronic Co., Ltd.
Suining Konka Smart	Suining Konka Smart Technology Co., Ltd.
Chongqing Optoelectronic Technology	Chongqing Konka Optoelectronic Technology Co., Ltd.
Yibin Kangrun	Yibin Kangrun Environmental Technology Co., Ltd.
Yibin Kangrun Medical	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.
Yibin Kangrun Environmental Protection	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.
Ningbo Khr Electric Appliance	Ningbo Khr Electric Appliance Co., Ltd.
Jiangxi Konka	Jiangxi Konka New Material Technology Co., Ltd.
Jiangxi High Transparent Substrate	Jiangxi High Transparent Substrate Material Technology Co., Ltd.
Jiangsu Konka Special Material	Jiangsu Konka Special Material Technology Co., Ltd.
Xinfeng Microcrystalline	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.
Konka Huanjia	Konka Huanjia Environmental Technology Co., Ltd.
Konka Huanjia (Henan)	Konka Huanjia (Henan) Environmental Technology Co., Ltd.
Shanxi Konka Intelligent	Shanxi Konka Intelligent Appliance Co., Ltd.
Pengrun Technology	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.
Jiaxin Technology	Jiaxin Technology Co., Ltd.
Konka Ronghe	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.
Chongqing Kangxingrui	Chongqing Kangxingrui Environmental Technology Co., Ltd.
Konka Unifortune	Shenzhen Konka Unifortune Technology Co., Ltd.
Jiali International	Jiali International (Hong Kong) Limited
Kangjiatong	Sichuan Kangjiatong Technology Co., Ltd.
Kanghong (Yantai) Environmental	Kanghong (Yantai) Environmental Technology Co., Ltd.
Jiangkang (Shanghai) Technology	Jiangkang (Shanghai) Technology Co., Ltd.
Konka Intelligent Manufacturing	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.
Hainan Konka Technology	Hainan Konka Technology Co., Ltd.
Konka Ventures	Konka Ventures Development (Shenzhen) Co., Ltd.
Yibin Konka Incubator	Yibin Konka Incubator Management Co., Ltd.
Yantai Konka	Yantai Konka Healthcare Enterprise Service Co., Ltd.
Chengdu Anren	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.
Konka Enterprise Service	Guiyang Konka Enterprise Service Co., Ltd.

Konka Eco-Development	Shenzhen Konka Eco-Development Investment Co., Ltd.
Konka Europe	Konka (Europe) Co., Ltd.
Hong Kong Konka	Hong Kong Konka Limited
Hongdin Trading	Hongdin International Trading Limited
Konka North America	Konka North America LLC
Kanghao Technology	Kanghao Technology Co., Ltd.
Hongdin Invest	Hongdin Invest Development Limited
Chain Kingdom Memory Technologies	Chain Kingdom Memory Technologies Co., Limited
Chain Kingdom Semiconductor (Shaoxing)	Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.
Hongjet	Hongjet (Hong Kong) Company Limited
Chongqing Xinyuan Semiconductor	Chongqing Xinyuan Semiconductor Co., Ltd.
Anlu Konka	Anlu Konka Industry Operation Service Co. Ltd.
Kanghong Dongsheng	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)
Guizhou Konka New Material Technology	Guizhou Konka New Material Technology Co., Ltd.
Guizhou Kanggui Energy	Guizhou Kanggui Energy Co., Ltd.
Guangdong Xinwei	Guangdong Xinwei Semiconductor Co., Ltd.
Guizhou Kanggui Material Technology	Guizhou Kanggui Material Technology Co., Ltd.
Nantong Kanghai	Nantong Kanghai Technology Industry Development Co., Ltd.
Chongqing Kangyiyun	Chongqing Kangyiyun Business Operation Management Co., Ltd.
Jiangxi Konka High-tech Park	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.
Shangrao Konka Electronic Technology Innovation	Shangrao Konka Electronic Technology Innovation Co., Ltd.
Guizhou Konka New Energy	Guizhou Konka New Energy Material Technology Co., Ltd.
Zhejiang Konka Electronic	Zhejiang Konka Electronics Co., Ltd.
Zhejiang Konka Technology Industry	Zhejiang Konka Technology Industry Development Co., Ltd.
Sichuan Hongxinchen	Sichuan Hongxinchen Real Estate Development Co., Ltd.
Xi'an Konka Intelligent	Xi'an Konka Intelligent Appliance Co., Ltd.
Xi'an Konka Network	Xi'an Konka Network Technology Co., Ltd.
Xi'an Kanghong Technology Industry	Xi'an Kanghong Technology Industry Development Co., Ltd.
Xi'an Konka Intelligent Technology	Xi'an Konka Intelligent Technology Development Co., Ltd.
Anhui Konka Low Carbon	Anhui Konka Low Carbon Technology Co., Ltd.
Kanghong Xintong	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)
Songyang Industry Operation	Songyang Konka Smart Industry Operation Management Co., Ltd.
Kangyan Technology	Shenzhen Kangyan Technology Co., Ltd.
Konka Photovoltaic Technology	Konka Photovoltaic Technology Co., Ltd.
Songyang Konka Intelligent	Songyang Konka Intelligent Technology Development Co., Ltd.
Konka North China	Konka North China (Tianjin) Technology Co., Ltd.
Zhongshan Kanghong	Zhongshan Kanghong Electronic Technology Co., Ltd.
Digital Technology	Shenzhen Konka Digital Technology Development Co., Ltd.
Chongqing Kangxingrui Automobile Recycling	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.
Kangxingrui Renewable Resources	Chongqing Kangxingrui Renewable Resources Co., Ltd.
Chongqing Fangbing Real Estate	Chongqing Fangbing Real Estate Co., Ltd.

CSRC	The China Securities Regulatory Commission
SZSE	The Shenzhen Stock Exchange
CSRC Shenzhen	The Shenzhen Bureau of the China Securities Regulatory Commission
RMB, RMB'0,000, RMB'00,000,000	Expressed in the Chinese currency of RMB, expressed in tens of thousands of RMB, expressed in hundreds of millions of RMB

Part II Corporate Information and Key Financial Information

I Corporate Information

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

II Contact Information

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

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

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

IV Change to Company Registered Information

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

V Other Information

The independent audit firm hired by the Company:

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

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

Applicable Not applicable

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

Applicable Not applicable

VI Key Financial Information

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

Yes No

Reason for retrospective restatement:

Change to accounting policies

	2023	2022		2023-over-2022 change (%)	2021	
		Before	Restated	Restated	Before	Restated
Operating revenue (RMB)	17,849,331,429.24	29,607,854,255.27	29,607,854,255.27	-39.71%	49,106,513,669.58	49,106,513,669.58
Net profit attributable to the listed company's shareholders (RMB)	2,163,790,053.17	1,471,409,748.21	1,470,466,806.68	-47.15%	905,352,997.68	905,470,314.84
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	2,914,445,076.42	2,665,550,383.07	2,664,607,441.54	-9.38%	3,250,798,107.49	3,250,680,790.33
Net cash generated from/used in operating activities (RMB)	553,101,277.90	528,303,041.83	528,303,041.83	204.69%	808,756,394.11	808,756,394.11
Basic earnings per share (RMB/share)	-0.8986	-0.6111	-0.6107	-47.14%	0.3760	0.3760
Diluted earnings per	-0.8986	-0.6111	-0.6107	-47.14%	0.3760	0.3760

share (RMB/share)						
Weighted average return on equity (%)	-32.58%	-17.58%	-17.57%	-15.01%	10.33%	10.33%
	31 December 2023	31 December 2022		Change of 31 December 2023 over 31 December 2022 (%)	31 December 2021	
		Before	Restated	Restated	Before	Restated
Total assets (RMB)	35,824,818,212 .66	38,016,368,073 .05	38,023,319,6 93.08	-5.78%	39,874,520, 771.26	39,882,535,977 .55
Equity attributable to the listed company's shareholders (RMB)	5,644,401,184. 65	7,640,399,721. 99	7,641,459,98 0.68	-26.13%	9,095,278,4 36.41	9,095,395,753. 57

Reason for change to accounting policies and correction of accounting errors:

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises, which stipulates the “accounting treatments for deferred income taxes associated with assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply”, effective for the Company as of 1 January 2023. For lease liabilities and right-of-use assets recognised at the beginning of the earliest period of financial statement presentation in which the provision is first implemented that give rise to taxable temporary differences and deductible temporary differences as a result of a single transaction to which the provision applies, the Company has adjusted the cumulative effect to retained earnings at the beginning of the earliest period of financial statement presentation and other relevant financial statement items in accordance with the said provision and Accounting Standard No. 18 for Business Enterprises—Income Tax.

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

Yes No

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

Yes No

Item	2023	2022	Note
Operating revenue (RMB)	17,849,331,429.24	29,607,854,255.27	

Deductions from operating revenue (RMB)	712,619,709.55	823,347,409.73	Scrap sales revenue, utilities revenue, lease revenue, material sales revenue and other revenue irrelevant to the principal operations
Operating revenue net of deductions (RMB)	17,136,711,719.69	28,784,506,845.54	

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

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

No difference for the Reporting Period.

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

Applicable Not applicable

No difference for the Reporting Period.

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	4,600,647,851.61	5,871,413,320.33	4,404,631,998.81	2,972,638,258.49
Net profit attributable to the listed company's shareholders	152,513,923.41	-345,754,155.74	-521,630,694.97	-1,448,919,125.87
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-521,453,718.40	-370,140,652.01	-486,155,733.41	-1,536,694,972.60
Net cash generated from/used in operating activities	-1,182,725,927.02	981,175,821.78	-120,891,719.52	875,543,102.66

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

Yes No

IX Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	2023	2022	2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	198,866,019.16	755,498,679.55	4,047,094,117.70	
Government subsidies charged to current	264,798,178.16	916,334,616.72	1,352,377,548.16	

profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)				
Gain or loss on debt restructuring		-5,378,929.04	19,777.25	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-88,236,451.43	-17,595,638.89	67,789,442.65	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	3,055,800.22	32,624,581.58		
Gain or loss on loan entrustments	118,808,006.95	119,233,091.33	80,625,356.41	
Non-operating income and expense other than the above	-64,433,346.64	-97,161,898.46	48,615,769.37	
Other gains and losses that meet the definition of exceptional gain/loss	571,315,980.43		-1,907,936.23	
Less: Income tax effects	239,431,992.39	299,999,504.47	1,190,629,946.56	
Non-controlling interests effects (net of tax)	14,087,171.21	209,414,363.46	247,833,023.58	
Total	750,655,023.25	1,194,140,634.86	4,156,151,105.17	--

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

√ Applicable □ Not applicable

Item	Amount involved (RMB)	Reason
Chutian Dragon Co., Ltd.	574,780,174.75	As the Company disposed of certain interests in subordinate joint stock company and ceased to have significant influence on the joint stock company, the measurement of its investment 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.

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

√ Applicable □ Not applicable

Item	Amount involved (RMB)	Reason
Tax rebates on software	5,819,853.78	Government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards

Part III Management Discussion and Analysis

I Industry Overview for the Reporting Period

Currently, the Company's major businesses include consumer electronics, memory chip trading and semiconductor businesses. The relevant industries are described below:

(I) Consumer electronics industry

In the color TV industry, recent years have seen China's market enter an era of stock adjustment. According to statistics from All View Cloud (AVC), the retail volume of China's color TV market in 2023 was 31.42 million units, up 13.6% year on year, and the retail value was RMB109.8 billion, down 2.3% year on year. With the continuous development of future display technologies represented by Mini LED and Micro LED, as well as the intelligent upgrade of various electronic products driven by the Internet of Things (IoT), big data, cloud computing, and artificial intelligence, the development of new TV categories accelerated in 2023. The penetration rate of new display technologies, high refresh rates, and large-size mid-to-high-end products has been increasing. Regarding new display technologies, Mini LED technology entered a phase of rapid popularization in 2023. AVC's data show that the retail penetration rate of China's color TV Mini LED market was 9.8% in 2023, up 5.4% from 2022. In terms of high refresh rates, as living standards continue to improve, consumers' pursuit of quality viewing and gaming experiences has become increasingly high. Consequently, TVs with high refresh rates have seen a continuous rise in sales due to their ability to provide superior image quality. AVC's statistics indicate that the retail penetration rate of color TVs with refresh rates above 120Hz in China's market reached 31.9% in 2023, up 16.4% from 2022. Regarding large sizes, against the backdrop of consumer upgrades, the trend of larger screen sizes in China's color TV market continues, with a steady increase in the sales share of products 75 inches and above. AVC's statistics show that the retail penetration rate of 75-inch products in China's color TV market was 19.9% in 2023, up 6.4% from 2022.

In terms of the white goods industry, the pace of product upgrades accelerated in 2023, with enhancements in basic features and performance. Simultaneously, their products are more beautiful, healthy and integrated. This structural upgrade in products has driven the growth in sales of high-quality home appliances. Regarding refrigerators, according to AVC's statistics, in 2023, the refrigerator market reported a retail sales value of RMB133.3 billion, up 7.0% year on year, with a retail sales volume of 38.31 million units, up 1.5% year on year. The share of mid- to high-end products continued to rise. For washing machines, AVC's statistics indicate that the retail sales in the domestic market amounted to RMB93.4 billion in 2023, up 5.8% year on year, with a retail volume of 40.05 million units, up 3.4% year on year. Aside from the rise in sales volume, the average selling price of washing machines also saw a steady increase. Regarding air conditioners,

AVC's statistics show that China's domestic air conditioner sales reached 156.946 million units in 2023, up 10.4% year on year. This includes 90.541 million units sold domestically, up 12.9% year on year, and exports totaling 66.405 million units, up 7.3% year on year, indicating an increase in both domestic and export scales.

(II) Semiconductor industry

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

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

II Principal Activity of the Company in the Reporting Period

(I) The consumer electronics business

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

1. The multimedia business

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

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

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

2. The white goods business

The white goods produced by the Company mainly include refrigerators, washing machines, air conditioners, freezers, etc., which are sold through B2B and B2C mainly to the domestic market. And the Company profits from the margins between the costs and the selling prices of its white

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

(II) The memory chip trading and semiconductor business

Currently, the Company is engaged in memory chips, optoelectronics, etc. with respect to the semiconductor business. In memory chips, the Company primarily engages in packaging and testing of memory chip products. In optoelectronics, the Company primarily develops Micro LED-related products. The Company's memory chip trading business mainly focuses on the memory chips involved in the Company's traditional main business. The operating profit comes from the price difference between upstream procurement and downstream sales. This business is able to facilitate the development of the semiconductor business by helping accumulate customer resources for the semiconductor and chip business, provide sales channels, and achieve accurate matching of market demand, with a shortened product development period and a lower risk of mismatching of R&D and market demand.

(III) The environment protection and new materials business

In this business, renewable resources are collected, sorted, processed, distributed and sold.

III Core Competitiveness Analysis

The Company's core competitiveness lies in its manufacturing ability, R&D ability, brand, marketing network and human resources. In terms of manufacturing ability, the Company has carried out intelligent upgrading of manufacturing bases in Anhui, Dongguan, Suining, Xinxiang, etc., of which the Anhui Konka plant has been awarded the title of "National Intelligent Manufacturing Demonstration Factory", with an advanced intelligent manufacturing level in the industry. It has developed a three-tier R&D system of "Research institute+key labs+product development centers", established artificial intelligence internet of things comprehensive laboratory and 5G Ultra HD laboratory with major universities or scientific research institutions, established academician workstation, and built a technology research alliance matching the industrial layout, with nearly 100 core technologies and about 1,500 R&D talents. The Company has introduced around 100 experts on the micro LED project. In terms of brand, the Company continues to

promote brand strategy construction, system construction, image construction and cultural construction, focuses on improving the scientific and international image of the enterprise, strengthens the brand status, has a certain brand awareness and reputation in the consumer group, and has good brand credit in banks and other financing channels. In terms of marketing channels, the Company innovates channel reform, cooperates online and offline for win-win results, and strives for development at home and abroad. Regarding offline channels, the Company has 47 branches, more than 100 offices, and more than 3,000 after-sales service shops across China, and the marketing and service network is all over the country; as for online channels, the Company has settled in Tmall, JD, Suning, VIPshop, Pinduoduo and other mainstream e-commerce platforms to innovate and develop live e-commerce business, and seek a new growth pole for business development; overseas channel, the company The Company's business covers Latin America, Europe, Asia Pacific and other countries and regions, with a sound marketing network. In terms of human resources, the Company boasts a leadership team of many years of management and industry experience, as well as a high quality execution team.

IV Core Business Analysis

1. Overview

In 2023, the Company adopted a new development framework of “One Axis, Two Wheels and Three Growth Drivers”. It fully implemented lean management, and carried out campaigns such as asset revitalisation, cost control and efficiency improvement, legal person reduction and cost reduction and profit increase. Also, the Company has restructured its business layout through organisational restructuring and optimisation of business entities, and optimised its resources to focus on its two main businesses of consumer electronics and semiconductors, laying the foundation for its next step of high-quality development.

For 2023, the Company recorded operating revenue of RMB17.849 billion, down 39.71% year on year; a net profit attributable to its shareholders of RMB-2.164 billion, representing a year-on-year drop of 47.15%; and net cash generated from operating activities of RMB553 million, a turnaround from loss to profit.

As a result of the following reasons, the Company saw a year-on-year decline in operating revenue and a relatively large loss in 2023.

(1) Main causes of operating revenue decline in 2023

In 2023, the Company focused on its core business, and promoted business restructuring by proactively optimizing part of industry trade and environmental protection business segments which failed to empower the main business and had low gross margin. As a result, the Company experienced a certain degree of decline in operating revenue.

(2) Main causes of net loss in 2023

① In 2023, the Company incurred a certain degree of loss in its colour TV business due to factors such as product strategy adjustments and ongoing supply chain fluctuations. In terms of domestic sales of colour TVs, the Company made systematic adjustments to its product planning and sales strategies during the current period. The mid-to-high-end new products X6/M6/R7 were mainly launched in the second half of 2023. However, the introduction and sales ramp-up cycle of these new TV products lagged behind, failing to fully compensate for the clearance losses resulting from the discontinuation of old models. This, to some extent, affected the sales scale and total profit of the Company's domestic TV business. Regarding TV exports and OEM business, due to the continuous fluctuation in upstream supply chain costs in 2023, the gross margin of orders delivered by the Company's TV exports and OEM business was relatively low. Although strategic adjustments helped to gradually improve the operational quality in the second half of 2023, the gross margin for the full year 2023 was still unable to fully cover rigid expenses.

② In 2023, in accordance with the Company's development strategy and considering the macroeconomic environment, the Company upheld the principle of "industrial park service aligned with core business strategy" and continued to reduce its business in industrial parks. There were virtually no new large-scale industrial park projects in 2023, resulting in a decrease in related income compared to the previous year.

③ In 2023, although the Company's semiconductor business made certain achievements in several key industrial chain technologies, it remained in the early stages of industrialization. R&D investment continued to grow, but scale and efficiency in output were not achieved, affecting the overall operating profit of the Company.

④ In 2023, based on the principle of prudence, the Company made a provision for asset impairment of approximately RMB1,017 million in accordance with accounting policies and estimates, resulting in a decrease in profit.

⑤ In 2023, the Company strategically optimized non-core operations such as industry trade and environmental protection, resulting in a narrowing of profit sources and a decrease in related income.

(3) Key tasks for 2023

① The business structure and organizational system continued to be optimized

Under the new development strategy, the Company focused on two core businesses, i.e. consumer electronics and semiconductors, and actively promoted the adjustment of its business structure and the optimization of its organizational system.

In terms of business adjustments, the Company optimized non-core businesses by gradually withdrawing from industry trade and environmental protection segments to focus resources on its two core businesses - consumer electronics and semiconductors.

In terms of organizational optimization, the Company continued to refine its organizational structure by further improving the personnel remuneration system, and implementing full-scope control over the total workforce to effectively enhance personnel efficiency. This ensured that the organizational system operated more efficiently.

② Lean management yielded tangible results.

In 2023, the Company implemented the lean management concept in various aspects of research, production, supply, sales, and services, as well as the entire chain of investment, financing, management, and withdrawal. With a focus on "people, positions, and tasks", it implemented meticulous management down to the smallest detail, and intensified in-depth efficiency improvement, cost control, and fee reduction efforts, to optimize and enhance operating cash flow. Including:

As for cost control and efficiency improvement, the Company adhered to the goal of "maximizing cost efficiency" and continued to strengthen process control around aspects such as "performance drivers, classified guidance, lean management, key improvement areas, and integrated governance".

Regarding cost reduction and profit increase, the Company implemented precise cost reduction in procurement. On one hand, it focused on the prices of bulk materials and supply-demand trends, enhancing its ability to analyze and make decisions regarding raw material markets. On the other hand, it strengthened procurement process control to ensure that market fluctuations were aligned with changes in supply and demand structures.

③ Product capabilities were effectively enhanced.

In 2023, the Company was guided by market demand, led by technological innovation, and positioned products as the core to coordinate research, production, supply, sales, and services. It maintained the mindset of creating fine products, and adopted a quality-oriented approach to make, refine and optimize products and enhance the ability to generate gross profit from products. Regarding colour TVs, the Company completed the upgrading and iteration of domestically sold products, with all 12 models of the four major new product series entering mass production as planned. Exported products focused on promoting the level of product intelligence, with Google Android system platform certification completed. In 2023, the gross profit of the colour TV business increased by 17.72% YoY. For white goods, the Company launched new products including 500-liter side-by-side refrigerators, the Zhencai series washing machines, and the Zhinyin series air conditioners. The Frestec 509-liter freestanding refrigerators with five-layer sterilization technology entered mass production, while dishwasher production entered the small batch testing phase. In 2023, the gross profit of the white goods business grew by 15.00% YoY. In terms of PCB, the Company successfully achieved significant improvements in the number of layers, inner and outer layer circuitry, and circuit production capabilities. The proportion of high-

end products with multi-layer boards and metal-based boards significantly surged, facilitating the completion of product lines and propelling the brand towards a more upscale positioning. In 2023, the gross profit of the PCB business increased by 54.46% YoY.

④ Manufacturing capabilities significantly strengthened

In 2023, the Company adhered to professional and differentiated development, strengthened lean manufacturing, built a solid clientele, and solidified manufacturing capabilities. In terms of colour TVs, the Company completed the construction of a production line for 120-inch ultra-large panels. The production efficiency of the Ankang Green Smart Plant improved significantly year-on-year, and the Company also expanded its customer base to include several strategic clients. Regarding white goods, the Company's per capita efficiency for white goods products continued to improve. It established preliminary manufacturing capabilities for dishwashers and systematically advanced the Frestec refrigerator and freezer new smart plant projects. This initiative enabled the Company to build comprehensive manufacturing capabilities for "refrigerators, washing machines, air conditioners and kitchen appliances" across all product categories, and it successfully onboarded several strategic clients. For PCB, the Company's new smart plant in Suining officially commenced production, diversifying the product lines of multi-layer boards and HDI (high-density interconnect) boards. It also expanded its customer base to include leading clients in new energy, automotive electronics, Mini LED optoelectronic displays, and other fields. The proportion of mid-to-high-end products saw a significant increase.

⑤ International business steadily advanced

On one hand, the Company drove scalable development through differentiated strategies. The Company strengthened its differentiated operations in the colour TV business. In the Middle East and Africa markets, it focused on local manufacturing in Egypt. In the European market, it was driven by a combination of "best-selling + high-end" products. In emerging markets, it leveraged smart TV products as a key strategy. In 2023, the Company achieved rapid growth in TV export revenue. In the white goods business, the Company fully utilized the advantages of the China-Europe Railway Express, vigorously expanding into the European market. It focused on core clients and cultivated major clients in regions such as Russia, Germany, and West Africa. Overseas business revenue experienced remarkable year-on-year growth.

On the other hand, it constructed its own brand pattern through refined operations. In the colour TV business, by implementing hierarchical customer management and optimizing resource allocation, the Company stabilized its presence in traditional markets such as the Middle East, Latin America, and Europe. Simultaneously, it expanded into eight blank areas including Australia, Algeria, and Kazakhstan. Moreover, it assisted clients in Brazil, Japan, Russia, Gulf countries, and others in exporting customized local marketing solutions. As a result, the export revenue of its proprietary brand business witnessed significant growth in 2023.

⑥ Technological breakthroughs and industrial transformation were rapidly implemented

The Company insists on building an original technology innovation hub, focusing on advancing core technological breakthroughs and industrial transformation. In terms of core technological breakthroughs, the Company has achieved certain results in areas such as hybrid mass transfer, mass repair, chip miniaturization, and Mini LED direct view display. Chongqing Konka Optoelectronic Technology Co., Ltd. was included in the list of "Science and Technology Reform Demonstration Enterprises" by the SASAC, and its application to the SASAC for "Sailing Enterprises" has entered the defense stage. In terms of industrial transformation, the Micro LED chip and mass transfer segments have achieved sample delivery and small-scale sales to multiple clients. The Mini LED direct view display segment focused on cost reduction, sales to major clients, and collaboration with engineering clients, and developed more than ten customers in total.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2023		2022		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	17,849,331,429.24	100%	29,607,854,255.27	100%	-39.71%
By operating division					
Consumer electronics	10,204,905,315.64	57.17%	10,871,843,067.02	36.72%	-6.13%
Memory chip trading and semiconductor	3,397,161,542.60	19.03%	10,411,179,055.37	35.16%	-67.37%
Environment protection and new materials	1,145,732,124.31	6.42%	1,548,557,255.52	5.23%	-26.01%
Other	3,101,532,446.69	17.38%	6,776,274,877.36	22.89%	-54.23%
By product category					
Color TVs	4,708,450,488.99	26.38%	5,023,097,945.06	16.97%	-6.26%
White goods	4,257,423,386.71	23.85%	3,929,504,730.97	13.27%	8.35%
Memory chip trading and semiconductor	3,397,161,542.60	19.03%	10,411,179,055.37	35.16%	-67.37%
Environment protection and new materials	1,145,732,124.31	6.42%	1,548,557,255.52	5.23%	-26.01%
PCB	476,456,155.62	2.67%	663,849,487.53	2.24%	-28.23%
Other	3,864,107,731.01	21.65%	8,031,665,780.82	27.13%	-51.89%
By operating segment					
Domestic	10,716,944,822.00	60.04%	14,845,908,414.38	50.14%	-27.81%
Overseas	7,132,386,607.24	39.96%	14,761,945,840.89	49.86%	-51.68%
By marketing model					
Direct sales	5,565,516,534.04	31.18%	5,773,701,603.23	19.50%	-3.61%
Distribution	12,283,814,895.20	68.82%	23,834,152,652.04	80.50%	-48.46%

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

Applicable Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Consumer electronics	10,204,905,315.64	9,670,394,039.66	5.24%	-6.13%	-7.61%	1.51%
Memory chip trading and semiconductor	3,397,161,542.60	3,433,148,164.76	-1.06%	-67.37%	-66.94%	-1.31%
By product category						
Color TVs	4,708,450,488.99	4,756,604,973.05	-1.02%	-6.26%	-6.40%	0.14%
White goods	4,257,423,386.71	3,790,414,584.40	10.97%	8.35%	7.58%	0.63%
Memory chip trading and semiconductor	3,397,161,542.60	3,433,148,164.76	-1.06%	-67.37%	-66.94%	-1.31%
By operating segment						
Domestic	10,716,944,822.00	10,283,636,801.86	4.04%	-27.81%	-27.87%	0.07%
Overseas	7,132,386,607.24	6,865,399,948.64	3.74%	-51.68%	-52.76%	2.18%
By marketing model						
Direct sales	5,565,516,534.04	5,405,059,203.62	2.88%	-3.61%	-2.40%	-1.20%
Distribution	12,283,814,895.20	11,743,977,546.88	4.39%	-48.46%	-49.49%	1.94%

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

Applicable Not applicable

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

Yes No

Operating division	Item	Unit	2023	2022	Change (%)
Consumer electronics	Unit sales	0,000 units	1,070	1,028	4.09%
	Output	0,000 units	1,080	983	9.87%
	Inventory	0,000 units	81	73	10.96%

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

Applicable Not applicable

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

Applicable Not applicable

(5) Breakdown of Cost of Sales

By product category

Unit: RMB

Product category	Item	2023		2022		Change (%)
		Cost of sales	As % of total cost of	Cost of sales	As % of total cost	

			sales (%)		of sales (%)	
Color TVs	Color TVs	4,756,604,973.05	27.74%	5,081,621,150.13	17.65%	-6.40%
White goods	White goods	3,790,414,584.40	22.10%	3,523,413,567.24	12.24%	7.58%
Memory chip trading and semiconductor	Memory chip trading and semiconductor	3,433,148,164.76	20.02%	10,384,753,139.40	36.07%	-66.94%
Environment protection and new materials	Environment protection and new materials	1,134,022,493.39	6.61%	1,511,874,387.74	5.25%	-24.99%
PCB	PCB	420,480,569.60	2.45%	627,609,981.96	2.18%	-33.00%
Other	Other	3,614,365,965.30	21.08%	7,659,366,167.41	26.61%	-52.81%

Note:

Cost of sales changed accordingly with operating revenue.

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

Yes No

Name of subsidiary	Registered capital (RMB)	The Company's interest (%)	Date of change	Reason for change
Anhui Konka Zhilian E-Commerce Co., Ltd.	5,000	0.00	2023-6-1	De-registered
Jiangsu Konka Special Material Technology Co., Ltd.	10,000	0.00	2023-10-8	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	2,500	49.00	2023-2-27	Equity transfer
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	7,600	0.00	2023-11-27	
Chongqing Kangxingrui Environmental Technology Co., Ltd.	5,000	0.00	2023-12-5	
Zhongshan Kanghong Electronic Technology Co., Ltd.	7,000	0.00	2023-12-19	
Guizhou Kanggui Energy Co., Ltd.	10,000	0.00	2023-12-25	
Kanghong (Yantai) Environmental Technology Co., Ltd.	3,000	0.00	2023-12-28	
Chongqing Fangbing Real Estate Co., Ltd.	2,000	49.00	2023-2-27	
Chongqing Kangxingrui Renewable Resources Co., Ltd.	6,000	0.00	2023-12-5	
Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	10,000	0.00	2023-12-5	

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

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	5,029,937,059.53
Total sales to top five customers as % of total sales of the Reporting Period (%)	28.17%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	1,935,159,220.70	10.84%
2	Customer B	1,217,950,598.75	6.82%
3	Customer C	694,693,692.94	3.89%
4	Customer D	689,729,963.97	3.86%
5	Customer E	492,403,583.17	2.76%
Total	--	5,029,937,059.53	28.17%

Other information about major customers:

Applicable Not applicable

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

Major suppliers:

Total purchases from top five suppliers (RMB)	5,074,672,418.49
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	31.96%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	1,718,825,666.93	10.82%
2	Supplier B	1,268,987,192.38	7.99%
3	Supplier C	704,760,127.46	4.44%
4	Supplier D	698,255,754.27	4.40%
5	Supplier E	683,843,677.44	4.31%
Total	--	5,074,672,418.49	31.96%

Other information about major suppliers:

Applicable Not applicable

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

3. Expense

Unit: RMB

	2023	2022	Change (%)	Reason for any significant change
Selling expense	1,145,124,848.96	1,240,144,735.77	-7.66%	
Administrative expense	807,527,910.20	949,647,590.28	-14.97%	
Finance costs	562,016,110.24	522,423,743.18	7.58%	
R&D expense	497,993,759.86	543,882,024.89	-8.44%	

4. R&D Investments

Applicable Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the Company
Laser direct transfer technology development	To drive the development and breakthrough of key core technologies in the Micro LED display industry, along with the industrialization and localization of equipment, and to strengthen the upstream and downstream supply chain of the Micro LED industry.	The project has passed its mid-term inspection, and wafer testing trials to verify compliance are underway.	To achieve expected benchmarks in terms of Micro LED display mass transfer yield, efficiency, the number of chips repaired in a single attempt, and yield after repair.	To further improve the hardware facilities for mass transfer and repair based on the existing mass transfer foundation, enhancing the Company's capabilities in the field of Micro LED laser mass transfer and repair technology.
Mini chip performance improvement	To verify the production process stability of red light chips in epitaxy and chip manufacturing, and to introduce them into commercial display production in small batches.	Optical performance meets the requirements for commercial displays. Plans are underway to start mass production following the completion of the final setup.	To meet commercial display optical performance requirements and initiate mass production.	The production capacity of the epitaxy and chip lines is validated.
Micro LED chip performance enhancement	To enhance chip performance to meet the needs of internal and external customers.	Development of green and blue light chips has been completed, with ongoing efforts to further enhancements.	To meet performance and yield targets, continuously improving the input-output ratio of red light chips.	To meet the needs of internal and external customers and proceed to industrialization.
Development of metal press-fit hybrid substrates	To meet the demand for metal substrates in new energy and energy storage fields, broaden the product line, and enhance the Company's technological level.	Samples have been submitted for customer testing.	To start small-scale production in 2024.	Entering the high-end product market will enhance the Company's competitiveness.
Development of 5G metal substrate products	To independently develop projects that meet the requirements for high-tech enterprise certification.	Preliminary market research and material preparation have been completed, and the project is currently in the trial production stage.	To enter industrialization by 2025.	To enhance the Company's technology reserves, improve R&D capabilities, and maintain a technological lead.
Research and industrialization of precise fresh-keeping and intelligent storage technology for household refrigerators	To achieve precise preservation of different food materials within the refrigerator, enhancing the preservation effect of the refrigerator.	Technology development has been completed, applied to products, and mass production has been realized. The technology project won the third prize of Science and Technology Progress Award of China National Light Industry Council in 2023.	To complete the development of new technology and realize its application in a series of products.	To improve the Company's refrigerator precise fresh-keeping technology level and enhance product competitiveness.
Development of high-performance Mini LED backlight	To achieve the development of high-performance Mini LED backlight technology and productize the technology.	Technology-to-product conversion has been commercialized.	Related products have been launched in batches.	To enhance the competitiveness of the Company's products.

Details about R&D personnel:

	2023	2022	Change (%)
Number of R&D personnel	1,479	1,537	-3.77%
R&D personnel as % of total employees	10.48%	10.59%	-0.11%
Educational background of R&D personnel			
Bachelor's degree and below	1,349	1,398	-3.51%
Master's degree	124	131	-5.34%
Doctoral degree	6	8	-25.00%
Age structure of R&D personnel			
Below 30	695	716	-2.93%
30-40	551	573	-3.84%
Over 40	233	248	-6.05%

Details about R&D investments:

	2023	2022	Change (%)
R&D investments (RMB)	497,993,759.86	543,882,024.89	-8.44%
R&D investments as % of operating revenue	2.79%	1.84%	0.95%
Capitalized R&D investments (RMB)	0.00	0.00	0.00
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	0.00%

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

5. Cash Flows

Unit: RMB

Item	2023	2022	Change (%)
Subtotal of cash generated from operating activities	18,703,945,979.20	33,467,042,610.14	-44.11%
Subtotal of cash used in operating activities	18,150,844,701.30	33,995,345,651.97	-46.61%
Net cash generated from/used in operating activities	553,101,277.90	-528,303,041.83	204.69%
Subtotal of cash generated from investing activities	2,481,589,961.16	5,299,153,383.77	-53.17%
Subtotal of cash used in investing activities	2,013,333,188.02	4,972,918,573.56	-59.51%
Net cash generated from/used in investing activities	468,256,773.14	326,234,810.21	43.53%
Subtotal of cash generated from financing activities	11,690,214,069.69	21,373,734,199.02	-45.31%
Subtotal of cash used in financing activities	12,521,398,097.40	21,706,022,136.76	-42.31%
Net cash generated from/used in financing activities	-831,184,027.71	-332,287,937.74	-150.14%
Net increase in cash and cash equivalents	212,872,338.65	-506,435,208.13	142.03%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

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

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

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

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

Applicable Not applicable

V Analysis of Non-Core Businesses

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Recurrent or not
Return on investment	675,405,221.53	-24.86%	Change to the measurement method of investee company in the current period	Not
Gain/loss on changes in fair value	-97,937,910.89	3.60%	Change to the measurement method of investee company in the current period	Not
Asset impairments	-1,017,195,966.23	37.43%	Impairments of receivables and inventories	Not
Non-operating income	26,263,072.49	-0.97%	Increased gains that were not directly related to the Company's routine operations	Not
Non-operating expense	156,685,855.03	-5.77%		Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2023		1 January 2023		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	6,506,359,577.02	18.16%	5,988,095,490.71	15.75%	2.41%	
Accounts receivable	1,726,545,973.08	4.82%	2,036,734,836.22	5.36%	-0.54%	
Contract assets	2,190,385.93	0.01%		0.00%	0.01%	
Inventories	3,249,897,700.98	9.07%	4,409,767,756.22	11.60%	-2.53%	
Investment property	1,470,226,723.87	4.10%	802,407,844.60	2.11%	1.99%	
Long-term equity investments	5,566,483,863.29	15.54%	6,351,232,955.58	16.70%	-1.16%	
Fixed assets	5,218,297,745.	14.57%	4,114,029,693.38	10.82%	3.75%	

	16					
Construction in progress	860,899,498.68	2.40%	1,990,361,377.07	5.23%	-2.83%	
Right-of-use assets	197,054,423.17	0.55%	50,019,838.68	0.13%	0.42%	
Short-term borrowings	6,390,592,056.27	17.84%	7,579,559,304.97	19.93%	-2.09%	
Contract liabilities	527,975,160.12	1.47%	601,044,358.35	1.58%	-0.11%	
Long-term borrowings	7,779,150,079.88	21.71%	8,906,931,402.89	23.42%	-1.71%	
Lease liabilities	160,218,818.92	0.45%	36,586,639.16	0.10%	0.35%	

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

Applicable Not applicable

2. Assets and Liabilities at Fair Value

Applicable Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Trading financial assets (derivative financial assets excluded)	0.00	-335,611,963.64			974,897,430.42	169,648,766.00		469,636,700.78
2. Derivative financial assets	0.00							
3. Investments in other debt obligations								
4. Investments in other equity instruments	23,841,337.16							23,841,337.16
5. Other non-current financial assets	2,639,662.273.32		22,348,324.95		1,200,000.00	653,534,200.27		2,009,676,398.00
Subtotal of financial assets	2,663,503,610.48	-335,611,963.64	22,348,324.95	0.00	976,097,430.42	823,182,966.27	0.00	2,503,154,435.94
Investment property	0.00							
Productive living assets	0.00							
Other	237,187,228.44	0.00	0.00	0.00	173,396,326.14	237,187,228.44	0.00	173,396,326.14
Total of the above	2,900,690,838.92	-335,611,963.64	22,348,324.95	0.00	1,149,493,756.56	1,060,370,194.71	0.00	2,676,550,762.08
Financial liabilities	0.00							0.00

Particulars about other changes:

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Receivables	237,187,228.44				173,396,326.14	237,187,228.44		173,396,326.14

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

Yes No

3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value (RMB)	Reason for restriction
Monetary assets	831,575,227.47	Of which, RMB384,011,696.60 is security deposits put in pledge for loans or the issuance of bank acceptance bills; RMB226,611,500.00 is term deposits that cannot be withdrawn in advance; and RMB220,952,030.87 is restricted for other reasons.
Accounts receivable	2,474,071.67	In pledge for loan
Notes receivable	209,288,446.67	In pledge for the issuance of bank acceptance bill
Inventories	599,475,045.44	Affected by the small shareholder case of the subsidiary, the book value of the sealed inventory is 49679547.48 yuan, and the company has not waived its claims; The year-end book value of inventory used for mortgage loans is 549795497.96 yuan.
Investment property	585,984,804.04	As collateral for loan
Fixed assets	1,689,602,310.18	As collateral for finance lease, loan, and former shareholder guarantee
Intangible assets	620,594,057.60	As collateral for finance lease, loan, and former shareholder guarantee
Construction in progress	40,629,663.23	As collateral for loan
Total	4,579,623,626.30	

VII Investments Made

1. Total Investment Amount

Applicable Not applicable

Amount of Reporting Period (RMB)	Amount of the same period of last year (RMB)	Change (%)
1,483,759,951.04	4,490,904,118.80	-66.96%

2. Major Equity Investments Made in the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Investment method	Fixed assets investment or not	Industry involved	Input amount in the Reporting Period	Accumulative actual input amount as of the period-end	Capital resources	Progress	Estimated revenues	Accumulative realized revenues as of the period-end	Reason for not meeting the schedule and expected revenues	Disclosure date (if any)	Disclosure index (if any)
Dongguan Konka Intelligent Industrial Park	Self-build	Yes	Electronic industry	52,763,258.07	597,772,764.56	Self- and bank loan-funded				N/A	2017-03-11	http://www.cninfo.com.cn/new/index
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electronic industry	77,521,892.09	560,926,943.76	Self-funded				N/A	2018-10-17	

Chongqing Konka Semiconductor Photoelectric Industrial Park	Self-build	Yes	Electronic industry	68,261,542.5	659,258,140.16	Self- and bank loan-funded				N/A	2019-06-14	
Frestec Refrigeration Park	Self-build	Yes	Electronic industry	211,647,231.52	459,445,561.07	Self- and bank loan-funded				N/A	2020-07-21	
Xi'an Konka Smart Appliances Headquarters Project	Self-build	Yes	Electronic industry	416,624,730.62	596,286,666.50	Self- and bank loan-funded				N/A	2021-02-10	
Total	--	--	--	826,818,654.80	2,873,690,076.05	--	--			--	--	--

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

4. Financial Investments

(1) Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Variety of security	Code of security	Name of security	Initial investment cost	Accounting measurement method	Beginning carrying value	Gain/Loss on fair value changes in Reporting Period	Accumulated fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/Foreign stock	003040	Chutian Dragon	974,897,430.42	Fair value method	0.00	-335,611,963.64	0.00	974,897,430.42	169,648,766.00	-46,591,299.41	469,636,700.78	Trading financial assets	Self-funded
Other securities investments held at the period-end			0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
Total			974,897,430.42	--	0.00	-335,611,963.64	0.00	974,897,430.42	169,648,766.00	-46,591,299.41	469,636,700.78	--	--
Disclosure date of announcement on board's approving securities investment (if any)						4 April 2023							
Disclosure date of announcement on shareholders' meeting approving securities investment (if any)						N/A							

(2) Investments in Derivative Financial Instruments

□ Applicable √ Not applicable

No such cases in the Reporting Period.

5. Use of Raised Funds

Applicable Not applicable

No such cases in the Reporting Period.

VIII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

IX Major Subsidiaries

Applicable Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect on the Company's net profit

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Konka Circuit Co., Ltd.	Subsidiary	Manufacturing and sale of electronics	RMB1,000,000,000	643,458,460.23	451,677,708.59	76,790,723.30	9,997,602.71	9,795,415.03
Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Subsidiary	Manufacturing and sale of electronics	RMB800,000,000	1,811,403,982.33	823,926,619.91	3,395,712,049.58	47,468,328.76	47,607,805.41
Hong Kong Konka Co., Ltd.	Subsidiary	Export & import of electronics	HKD500,000	3,045,265,073.97	431,256,933.56	2,726,423,284.90	39,923,157.65	28,484,645.82

Subsidiaries obtained or disposed of in the Reporting Period:

Applicable Not applicable

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Anhui Konka Zhilian E-Commerce Co., Ltd.	De-registered	For better allocation of assets
Jiangsu Konka Special Material Technology Co., Ltd.		
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Equity transfer	Beneficial to the development of the Company's relevant business and bring about a certain amount of gains
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.		
Chongqing Kangxingrui Environmental Technology Co., Ltd.		
Zhongshan Kanghong Electronic Technology Co., Ltd.		
Guizhou Kanggui Energy Co., Ltd.		
Kanghong (Yantai) Environmental Technology Co., Ltd.		
Chongqing Fangbing Real Estate Co., Ltd.		
Chongqing Kangxingrui Renewable		

Resources Co., Ltd.		
Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.		

Information about principal subsidiaries and joint stock companies:

None

X Structured Bodies Controlled by the Company

Applicable Not applicable

XI Prospect of the Company's Future Development

In 2024, the Company will follow the new development strategy of "One Axis, Two Wheels and Three Growth Drivers," and adhere to long-term value-oriented principles as well as the operational strategy of focusing on the long term, making profit before expansion, and improving specialization before consolidation. It will also deepen professional integration, implement lean management, and promote high-quality development. The Company's main tasks in 2024 are listed as follows:

(I) Adhere to the spirit of reform and comprehensively deepen the new development strategy

First, reform and adjust the business structure. The Company will allocate resources to support the development of its core business, focusing on driving the growth and profitability of the white goods and PCB sectors. Lean management will be implemented to enhance value creation and reduce losses in the colour TV business. Innovation efforts will be directed towards capitalization and efficiency output of the semiconductor business, thereby creating a specialized business matrix. Second, reform and adjust the product structure. First, the Company will establish an eco product matrix for consumer electronics to drive systematic and ecological product operations. Second, the Company will focus on optimizing the product mix of its core business, increasing investment in R&D resources, fixed assets, talent pool, and other areas. Last, the Company will strengthen product synergy, and leverage its advantages in optoelectronic semiconductor technology, PCB and semiconductor memory supply chain to promote the high-end and differentiated development of consumer electronics products.

Third, reform and adjust the structure of production capacity allocation. The Company will focus its resources on steadily advancing the full operation of the PCB factory in Suining and the successful establishment of washing machine and air conditioner production bases. It will also intensify efforts to expand OEM business, aiming to enhance the operational performance of manufacturing factories through economies of scale.

Fourth, reform and adjust the organizational structure of human resources. The Company will strengthen the compatibility between production personnel and product output, control the overall labor force, and increase per capita output. It will also continuously recruit top scientific research personnel and overseas talents, improve incentives for enhancing personnel effectiveness, and boost the initiative and enthusiasm of employees to improve productivity and efficiency.

Fifth, reform and adjust the direction of science, technology and innovation. The colour TV

business will integrate traditional technologies such as picture quality and sound quality with cutting-edge technologies including Mini/Micro LED displays, 5G, 8K resolution, artificial intelligence, AI large models, and cloud computing to gain a competitive edge in the differentiated market. The white goods business aims to extensively apply cutting-edge technologies such as the Internet of Things (IoT) and sensors to products, which will meet users' needs for health, comfort, and eco-friendliness. The semiconductor optoelectronics business will strengthen breakthroughs in chip miniaturization and mass transfer technologies to capitalize on the product revolution driven by technological industrialization. The PCB business plans to combine the existing high multilayer through-hole technology with advanced technologies such as HDI, thick copper, and rigid-flex boards, to enter fields such as new energy, automotive electronics, and communication servers, aiming to establish a presence in high-end products.

(II) Adhere to the lean concept and fully practice new management strategies

First, improve indicators for core capabilities. The Company will focus on core efficiency indicators to drive value creation, and take robust and effective measures to steadily improve operational performance.

Second, continue to implement cost-cutting and cost-control measures. In terms of expenses, the Company will strengthen budget control throughout the process, and enhance management for key expense items, while optimizing expense structure and reducing administrative expenses. In terms of cost reduction, the Company will increase the proportion of centralized procurement, and implement comprehensive cost reduction measures such as reducing procurement prices, improving procurement turnover management, and integrating procurement with products to reduce costs.

Third, strengthen corporate governance. On the one hand, the Company will reduce the operating risks of legal entities and promote the inflow of funds through measures such as reducing losses, controlling deficits and reducing the number of legal entities. On the other hand, the Company will strengthen the operating responsibility awareness of legal entities, establish a two-pronged control mechanism with equal emphasis on management lines and legal entity lines, and accelerate the improvement of the core business's profitability.

(III) Insist on bottom-line thinking and consolidate the ballast against risk in all aspects

First, promote assets revitalization. The Company will implement elevated management for key assets revitalization projects in 2024, forming a work pattern where the headquarters oversees the overall revitalization plan, business units implement specific measures, and key projects warrant elevated focus for breakthroughs.

Second, optimize interest-bearing liabilities. The Company will actively adjust and optimize the structure of interest-bearing liabilities, seek medium- to long-term financing opportunities, improve the ratio of long-term to short-term debt, and reduce financing costs.

(IV) Adhere to the path of specialization and promote high-quality management on all fronts

"The drivers of products, manufacturing, and internationalization" serve as the main engine for the "two-wheel" core business development, constituting the primary driving force for the Company's core business development. The Company will adhere to long-term value-oriented principles, forge a specialized business matrix, enhance the professional capabilities in "products, manufacturing, and internationalization", and propel high-quality development of the principal business. The specific tasks are as follows:

1. Colour TVs

In 2024, the key tasks of the colour TV business are to prioritize cash flow and profit, ensuring maximization of total gross profit, operational cash flow, and per capita output efficiency. In terms of domestic sales, first, it is necessary to reshape the capability for value management to improve gross margin. Second, it involves focusing on creating high-quality products. Under the market trends such as high refresh rates (120Hz and above) and Mini LED technology, the strategy is to manufacture large-screen (65 inch and above) panels and create premium products that can rival the best in the industry. Third, sales channels need to be transformed to promote integrated development, while vigorously developing emerging channels such as OTO (Online To Offline) and interest-based e-commerce, and promoting the synergistic integration and resource reuse of white and black goods categories. In terms of export sales, with profitability as the primary objective, the focus is on expanding manufacturing for international markets and promoting brand abroad. Under the premise of maximizing gross profit, efforts are directed towards maximizing scale. Regarding manufacturing, there is a further emphasis on expanding the customer base for strategic business clients and increasing the scale of OEM production.

2. White goods

In 2024, the key tasks of the white goods business are as follows: First, the Company will aim for efficiency through scale while seeking gains from product differentiation; second, the Company will increase sales of new dishwasher categories, timely establish new production bases for product lines with insufficient capacity such as air conditioners and washing machines, and realize production with Frestec refrigeration technologies; third, the Company will maintain growth momentum in export and OEM business, focus on advantageous markets, explore opportunities in untapped markets, with a focus on Europe, Asia-Pacific, and Africa; fourth, the Company will effectively coordinate the matrix arrangement of dual brands and sub-brands, promote the high-end upgrade of brands and products, and maximize gross margin output through brand and upscale products.

3. Semiconductor technology

In 2024, the key tasks of the semiconductor technology business are twofold: First, the Company will achieve industrial scale expansion, improve production efficiency, and continuously promote BOM (Bill of Materials) optimization, process optimization, and yield improvement; second, the Company will solidly advance cost reduction and expense control, continuously reduce expenses,

strengthen expense budget management, implement comprehensive budgeting, and enforce "centralized management of costs and expenses", strictly control non-strategic expenses.

4. PCB

In 2024, the key tasks of the PCB business are threefold: First, the Company will utilize high-end smart plants and capabilities in high-layer technology, HDI technology, and rigid-flex boards, control the pace of product launch, develop strategic customers, and gradually form a scale advantage; second, the Company will adjust the customer structure and continuously promote customer base upgrading; third, the Company will create high-quality products through R&D, improve the R&D system based on new products, new materials, and new technologies, and effectively manage the transformation and utilization of technological achievements to continuously enhance product competitiveness.

5. Mobile Internet

In 2024, the key tasks of the mobile internet business are twofold: First, the Company will scientifically plan organizational structure and personnel allocation, enhance organizational efficiency, and optimize cost expenses; second, the Company will improve the gross profit of overseas mobile phone business and OEM business, and focus resources on overseas markets to create core products.

6. Industrial parks

In 2024, the key tasks of the industrial park business are to focus on assets revitalization and the operation of existing properties, provide space carriers, cash flow, and profit support for industrial layout and enable the development of the core business; at the same time, to fully revitalize park assets, integrate high-quality operating assets of the industrial park business, and unlock the value of existing park assets.

7. Investment

In 2024, the key tasks of industrial investment operations are to strengthen post-investment management, and enhance value preservation and appreciation and orderly withdrawal of invested projects to achieve capital inflow.

In 2024, the key tasks of venture capital operations are as follows: On one hand, the Company will continue exploring the operating model of commercial real estate operators, seek additional value for properties, and achieve breakthroughs in operational business; on the other hand, it will continue cost reduction and expense control efforts, optimize staffing, and control expenditure.

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

√ Applicable □ Not applicable

Date	Place	Way of communication	Type of communication	Communication party	Main discussions and materials provided by the Company	Index to main information communicated

		category	party			
6 January 2023	Conference Room of Office Building of Konka R&D Building	Other	Institution	Huaxi Securities: Chen Yulu, Li Lin Dacheng Fund: Gao Yi, Hou Yuelong, Ma Yueyang, and Shu Sijia	Record Form for Investor Relations Activities (No.: 2023-01)	
11 April 2023	Conference Room of Office Building of Konka R&D Building	Earnings communication conference	Individual	Investors participating in the 2022 Annual Results Presentation of Konka Group Co., Ltd. via the Shenzhen Stock Exchange Interaction Easy website (http://irm.cninfo.com.cn)	Record Form for Investor Relations Activities (No.: 2023-02)	
14 April 2023	Conference Room of Office Building of Konka R&D Building	Other	Institution	Huaxi Securities: Chen Yulu, La Ruimeng China Life Asset Management: Li Shanshan	Record Form for Investor Relations Activities (No.: 2023-03)	
15 May 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	China Merchants Securities: Peng Zihao Century Securities: Zheng Binbin, Luo Peng	Record Form for Investor Relations Activities (No.: 2023-04)	
3 November 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Industrial Securities: Yan Changming	Record Form for Investor Relations Activities (No.: 2023-05)	http://www.cninfo.com.cn/new/index
7 November 2023	Chongqing Konka Optoelectronic Technology Co., Ltd.	One-on-one meeting	Institution	Yufu Electronics: Zeng Jie, Zhang Fengwei, Gao Kai China Merchants Capital: Wang Ruifan, Tang Yunsheng Huaxi Securities: Chen Yulu, La Ruimeng Cinda Securities: Luo Anyang, You Ziyin Shanghai United Assets and Equity Exchange: Guan Yanhong, Wang Xiaoli China Equity: Wang Peng China Merchants Securities: Peng Zihao Shenwan Hongyuan: Liu Jialing First Capital: Li Zezi Central China Securities: Ou Yangjun Chuanshi Investment: Ren Zhengbin China Film Investment: Deng	Record Form for Investor Relations Activities (No.: 2023-06)	

				Zhongwen TF Securities: Zong Yan	
9 November 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	China Southern Asset Management: Jiang Youjie	Record Form for Investor Relations Activities (No.: 2023-07)
15 November 2023	Conference Room of Office Building of Konka R&D Building	Other	Individual	Investors participating in the Konka Group Co., Ltd. 2023 Collective Reception Day of Listed Companies of Shenzhen Districts via the Quanjing Roadshow website (http://rs.p5w.net/)	Record Form for Investor Relations Activities (No.: 2023-08)
17 November 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Topsperity Securities: Jin Wenxi	Record Form for Investor Relations Activities (No.: 2023-09)
6 December 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	CITIC Securities: Wang Weida, Pang Lili, Tan Libo	Record Form for Investor Relations Activities (No.: 2023-10)
21 December 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Cinda Securities: Luo Angyang	Record Form for Investor Relations Activities (No.: 2023-11)
29 December 2023	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	HengBang ZhaoFeng Private Securities Fund Management (Shenzhen): Wang Wenbo, Duan Yingsheng, Hao Lei, Wang Guanhua	Record Form for Investor Relations Activities (No.: 2023-12)

XIII Implementation of the Action Plan for "Double Improvement of Quality and Return"

Has the company disclosed an action plan for "dual improvement of quality and return".

Yes No

Part IV Corporate Governance

I General Information of Corporate Governance

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

(I) Shareholders and the Shareholders' General Meeting

The Company drew up Articles of Association and Rules for Procedure of Shareholders' General Meeting, ensured that all shareholders, in particular medium and minor shareholders, enjoy legal rights and equal standard. In the Reporting Period, the Company was able to publish announcement on Shareholders' General Meetings in advance, convened Shareholders' General Meeting with strictly accordance to relevant requirements, so as to enable the shareholders have their rights of information to the Company's material issues and the participation rights. In 2023, the Company convened four Shareholders' General Meeting in total. The Company seriously did well the registration, arrangement and organization work for the Shareholders' General Meeting before the circular on convening the Shareholders' General Meeting being published at the designated media. The Company convened the Shareholders' General Meeting at the office address of the Company strictly in line with relevant stipulations, which was convenient in traffic, and the shareholders could attend the session in accordance with their actual situation. The Company's directors, supervisors and senior management staffs made explanations and description for the shareholders' questions and advices at the session.

(II) Controlling shareholder and the Company

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

(III) Directors and the Board of Directors

The number and structure of the Board Bureau of the Company were in compliance with laws and regulations. The Company drew up Rules for Procedures of the Board Bureau, so as to ensure a high efficient operation and scientific decision-making of the Board Bureau; the Company has set up Independent Director System and engaged three independent directors. In the Reporting Period, the number of directors and composition of the Board of Directors of the Company as well as the procedure of selection was in accordance with the requirements of the rules and laws as well as Articles of Association. The Company set up four special committees, which were Financial Audit Committee, Nomination Committee, Remuneration & Appraisal Committee, Strategy Committee to provide profession opinion for the decision of the Board of Directors. All the directors carried out their work, fulfilled their duties and scrupulously attended the Board sessions in accordance with Rules of Procedure for the Board of Directors, Rules for Independent Directors, etc. 15 Board sessions were convened by the Company during the Reporting Period, which brought the decision-making mechanism of the Board of Directors into full play.

(IV) Supervisors and supervisory committee

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

(V) Performance Appraisal and Incentive & Restrictive Mechanism

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

(VI) Interested parties

During the Reporting Period, the Company fully respected and maintained the legal rights of the interested parties, and realized the balance of interest among the parties such as society, shareholders and employees, etc. Meanwhile, the Company protected the rights of the employees, promoted the environmental protection, and actively joined in the social benefit and charitable cause so as to jointly promote sustainable and healthy development.

(VII) Information disclosure and transparency

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

(VIII) Non-standard governance

1. Type of non-standard governance matter existed

There was a situation that the Company disclosed undisclosed information.

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

The Company provided monthly financial data to the principal shareholder.

3. Reasons for the related non-standard governance existed

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

4. Impact on Company independence

After the self-inspection, the Company kept strictly to the requirements of “Notice on Strengthening the Supervision of Listed Company’s Provision of Non-public Information to Substantial Shareholders and Actual Controllers”, and “Supplementary Notice Concerning Strengthening the Supervision of the Non-standard Governance Behavior of Listed Company's Provision of Non-public Information to Substantial Shareholders and Actual Controllers”, while

stringently performed the necessary procedures. There existed no circumstances of substantial shareholder's abuse of control and disclosure of undisclosed information for insider trading, and hence, it has no impact on the independence of the Company.

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

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

To further standardize the company's inside information management behavior, strengthen the company's inside information confidential work, and maintain the fair principle of information disclosure, the Company established Inside Information and Insider Management System in Konka Group Co., Ltd. The Company strictly implements the system in the information disclosure work, meanwhile, carefully implements the Company's inside information and insider registration and management method, registers the insider of inside information, and report to Shenzhen Stock Exchange and Shenzhen Security Regulatory Bureau according to the provision.

The Company conducted the special inspection on the inside information management during the occurrence of major event in 2023 and the annual report in 2023. After the inspection, the Company actually realized that the insider of inside information strictly kept the confidential provision, did not disclose, divulge and spread the Company's inside information to the outside, the insider of inside information did not buy and sell the Company's share with the inside information before disclosing the major sensitive information influencing the Company's share price, there was no investigation and rectification from the regulatory department during the editing, review and disclosure of regular report and major event. Management Rules for Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented in place and controlled effectively.

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

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

The Company conducted the special inspection on the inside information reporting status during the occurrence of major event in 2023 and the annual report in 2023. After the inspection, the Company's inside information reporting status complies with the requirements in Management Rules for Inside Information and Insider Management System of Konka Group Co., Ltd. Management Rules for Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented in place and controlled effectively.

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

Yes No

No such cases in the Reporting Period.

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

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

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

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

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

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

(V) Finance: the Company established an independent finance department with full-time financial personnel and an independent finance and accounting system, and independently carried out the financial work in line with requirements of relevant accounting rules; the Company promulgated sound financial management system to operate independently without sharing common accounts

with the controlling shareholder, related enterprise, other units or individual; the Company independently declared and paid the tax by laws without particulars on paying taxes together with shareholders' units.

III Horizontal Competition

Applicable Not applicable

IV Annual and Special General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Meeting resolutions
The 1 st Extraordinary General Meeting of 2023	Extraordinary General Meeting	24.4741%	13 March 2023	14 March 2023	Resolutions of the 1 st Extraordinary General Meeting of 2023
The 2022 Annual General Meeting	Annual General Meeting	24.3675%	19 June 2023	20 June 2023	Resolutions of the 2022 Annual General Meeting
The 2 nd Extraordinary General Meeting of 2023	Extraordinary General Meeting	24.2222%	28 August 2023	29 August 2023	Resolutions of the 2 nd Extraordinary General Meeting of 2023
The 3 rd Extraordinary General Meeting of 2023	Extraordinary General Meeting	24.1082%	21 December 2023	22 December 2023	Resolutions of the 3 rd Extraordinary General Meeting of 2023

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

Applicable Not applicable

V Directors, Supervisors, Senior Management and Staff

1. Basic Information

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change
Liu Fengxi	Male	53	Director, Chairman of	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	

			the Board									
Yao Wei	Male	49	Director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Zhou Bin	Male	45	Director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Ye Xingbin	Male	54	Employee director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Liu Jian	Male	58	Independent director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Wang Shuguang	Male	53	Independent director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Deng Chunhua	Female	61	Independent director	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Cai Weibin	Male	51	Supervisor, chairman of the Supervisory Committee	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Yang Guobin	Male	55	Supervisor	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Li Jun	Male	53	Employee supervisor	Incumbent	25 July 2022	25 July 2025	0	0	0	0	0	
Zhou Bin	Male	45	President	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Cao Shiping	Male	46	Executive vice president	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	

			nt									
Li Hongtao	Male	56	Vice president	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Wu Yongjun	Male	49	Board Secretary	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Li Chunlei	Male	51	CFO	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Yang Bo	Male	54	Vice president	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Lin Hongfan	Male	53	Vice president	Incumbent	18 May 2023	18 May 2026	0	0	0	0	0	
Total							0	0	0	0	0	

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

Yes No

Change of Directors, Supervisors and Senior Management

Applicable Not applicable

2. Biographical Information

1. Non-independent Director

Liu Fengxi, male, ethnic group of Han, born in 1971, was the Chairman of the Board with a master degree. He once worked as the Chief of the Operation Management Center of Konka Group, Assistant to President, Vice President, President & Secretary of the Party Committee, Chairman of the Board & Secretary of the Party Committee of Konka Group, Vice GM and the member of the Standing Committee of OCT Group. And now he is acting as the Deputy Secretary of the Party Committee, Director, GM of OCT Group, Deputy Chairman of the Board and Deputy Secretary of CPC of Shenzhen Overseas Chinese Town Co., Ltd., Vice President of China Tourism Association (concurrently) and the Board Chairman of Konka Group.

Yao Wei, Director, male, ethnic group of Han, bachelor degree, was born in 1975. He once served

as Chief Accountant in CGN Wind Power Co., Ltd., Chief Accountant in CGN New Energy Holdings Co., Ltd., Vice GM (in charge) of Financial Department, GM of Financial Department, GM of Finance and Asset Management Department in China General Nuclear Power Corporation. Currently, he acts as the director of China Everbright Bank Co., Ltd., the member of the Standing Committee and Chief Accountant in Overseas Chinese Town Holdings Company and Director of Konka Group.

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

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

2. Independent Director

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

Media Co., Ltd. Additionally, he takes on the role of an independent director of Konka Group.

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

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

3. Supervisor

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

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

a full-time Director in OCT Group and Supervisor of Konka Group.

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

4. Senior Executive

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

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

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

Group.

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

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

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

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

Offices held concurrently in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding

					entity
Liu Fengxi	OCT Group	Director, Deputy Secretary of CPC, GM	21 May 2021		Yes
Liu Fengxi	Shenzhen Overseas Chinese Town Co., Ltd.	Deputy Chairman of the Board, Deputy Secretary of CPC	22 June 2021		No
Yao Wei	OCT Group	Party Committee Standing Committee and Chief Accountant	1 July 2020		Yes
Cai Weibin	OCT Group	GM of Legal Compliance Department	1 December 2020		Yes
Yang Guobin	OCT Group	Full-time director in Board Office	7 March 2018		Yes
Notes	<p>1. Except the above situation, other directors, supervisors and senior management didn't hold any position in the shareholders' units.</p> <p>2. It is unknown the ending date of the posts of Mr. Liu Fengxi, Mr. Yao Wei, Mr. Cai Weibin and Mr. Yang Guobin held in the shareholders' units.</p>				

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Liu Fengxi	China Tourism Association	Vice president	20 December 2022		
Yao Wei	China Everbright Bank Co., Ltd.	Director	5 February 2021		
Liu Jian	The Economic Observer	Chief editor and president	16 April 2001		Yes
Liu Jian	Shandong Economic Observer Media Co., Ltd.	Director, GM	28 September 2022		
Liu Jian	Beijing Economic Observer Culture Media Co., Ltd.	Chairman of the Board	25 May 2018		
Wang Shuguang	School of Economics of Peking University	Professor			Yes
Wang Shuguang	Institute for Cultural Industries of Peking University	Deputy director			
Deng Chunhua	Zhongnan University of Economics and Law	Professor			Yes

Deng Chunhua	Zhejiang Jinke Culture Industry Co., Ltd.	Independent director	8 July 2020		Yes
Deng Chunhua	Wolong Electric Group Co., Ltd.	Independent director	7 September 2020		Yes
Deng Chunhua	Zhejiang Youchuang Material Technology Co.,Ltd. (non-listed company)	Independent director	27 October 2020		Yes
Notes		None			

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

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

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

The salary of directors and supervisors of the Company should be submitted to the shareholders meeting for review after the approval and consent by the Board of directors. Referred to the salary level of the Directors and Supervisor of the domestic listed companies of same industry, the salary proposal of the Director and Supervisors of the Company which approved and reviewed by the 2nd Extraordinary General Meeting of 2015 were as follows: (1) the basic annual salary standard of the Board Chairman was of RMB1.2 million, the subsidy standard of other Directors (excluding the Directors serving in the Company) was of RMB0.3 million per person per year and the subsidy standard of the Supervisors (excluding the Employee Supervisors) was of RMB0.2 million per person per year; which was executed since June 2015. (2) the above standards were all pre-tax standard with the individual income tax burdened in person as well as the Company withheld and remitted tax.

Other treatment for independent directors: travel expense when they went to attend the Board sessions, Supervisory sessions or Shareholders' General Meetings and the expenses when they were performing their duties as stipulated in the relevant regulations and the Articles of Association and other relevant systems, all these could be reported for deletion. The Board of Directors determined the remuneration of senior management staffs referring to the following factors: a. scope of jobs and responsibility shouldered; b. actual profit of the Company; c. market remuneration level in the same industry and same area.

The salary of senior management of the Company should be submitted to the Board of Directors for review after the review by the Remuneration and Appraisal Committee under the Board.

The remuneration for the year 2023 disclosed by directors, supervisors and senior management has been reviewed by the Remuneration and Appraisal Committee under the Board.

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

Unit: RMB'0,000

Name	Gender	Age	Office title	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Liu Fengxi	Male	53	Director, Chairman of the Board	Incumbent	0	Yes
Yao Wei	Male	49	Director	Incumbent	0	Yes
Zhou Bin	Male	45	Secretary of CPC, CEO, Director, President	Incumbent	102.06	No
Ye Xingbin	Male	54	Deputy Secretary of CPC, Employee Director	Incumbent	70.66	No
Liu Jian	Male	58	Independent director	Incumbent	30	No
Wang Shuguang	Male	53	Independent director	Incumbent	30	No
Deng Chunhua	Female	61	Independent director	Incumbent	30	No
Cai Weibin	Male	51	Chairman of the Supervisory Committee	Incumbent	0	Yes
Yang Guobin	Male	55	Supervisor	Incumbent	0	Yes
Li Jun	Male	53	Employee Supervisor	Incumbent	115.30	No
Cao Shiping	Male	46	Executive vice president	Incumbent	73.76	No
Li Hongtao	Male	56	Vice president	Incumbent	70.66	No
Wu Yongjun	Male	49	Board Secretary	Incumbent	70.66	No

Li Chunlei	Male	51	CFO	Incumbent	70.66	No
Yang Bo	Male	54	Vice president	Incumbent	70.66	No
Lin Hongfan	Male	53	Vice president	Incumbent	70.66	No
Total	--	--	--	--	805.08	--

Other notes

Applicable Not applicable

VI Performance of Duty by Independent Directors in the Reporting Period

1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 6 th Meeting of the 10 th Board of Directors	13 January 2023	17 January 2023	Resolutions of the 6 th Meeting of the 10 th Board of Directors
The 7 th Meeting of the 10 th Board of Directors	24 February 2023	25 February 2023	Resolutions of the 7 th Meeting of the 10 th Board of Directors; Resolutions on Applying for General Credit Limit from Shenzhen Branch, China Guangfa Bank Co., Ltd.;; Resolutions on Applying for General Credit Limit from China Construction Bank (CCB); Resolutions on Applying for General Credit Limit from Agricultural Bank of China (ABC); Resolutions on Applying for General Credit Limit from Shanghai Pudong Development Bank (SPD bank); Resolutions on Applying for General Credit Limit from Bank of Beijing (BOB); Resolutions on Applying for General Credit Limit from Industrial Bank Co., Ltd.;; Resolutions on Applying for General Credit Limit from Hengfeng Bank; Resolutions on Applying for General Credit Limit from China Resources Bank of Zhuhai Co., Ltd. (CRBC); Resolutions on Applying for General Credit Limit from China CITIC Bank; Resolutions on Applying for General Credit Limit from Bank of Hangzhou; Resolutions on Applying for General Credit Limit from

			<p>Shenzhen Branch, Hua Xia Bank Co., Ltd.;</p> <p>Resolutions on Applying for General Credit Limit from Shenzhen Rural Commercial Bank (SRCB);</p> <p>Resolutions on Applying for General Credit Limit from China Minsheng Bank;</p> <p>Resolutions on Applying for General Credit Limit from China Bohai Bank Co., Ltd.</p>
The 8 th Meeting of the 10 th Board of Directors	24 March 2023	28 March 2023	<p>Resolutions of the 8th Meeting of the 10th Board of Directors</p> <p>Resolutions on Business Plan and Financial Budget Plan for 2023;</p> <p>Resolutions on Letter of Commitment on Performance for 2023 for the Company's Management Team;</p> <p>Resolutions on 2023 Donation Plan;</p> <p>Resolutions on A New Fixed Assets Investment Plan for 2023;</p> <p>Resolutions on A New Equity Investment Plan for 2023;</p> <p>Resolutions on Revising the <i>Remuneration Management Measures for Heads of Konka Group Co., Ltd.</i></p>
The 9 th Meeting of the 10 th Board of Directors	31 March 2023	4 April 2023	Resolutions of the 9 th Meeting of the 10 th Board of Directors
The 10 th Meeting of the 10 th Board of Directors	27 April 2023		Resolutions of the 10 th Meeting of the 10 th Board of Directors
The 11 th Meeting of the 10 th Board of Directors	18 May 2023	19 May 2023	Resolutions of the 11 th Meeting of the 10 th Board of Directors
The 12 th Meeting of the 10 th Board of Directors	26 May 2023	27 May 2023	Resolutions of the 12 th Meeting of the 10 th Board of Directors
The 13 th Meeting of the 10 th Board of	14 June 2023		Resolutions of the 13 th Meeting of the 10 th Board of Directors

Directors			
The 14 th Meeting of the 10 th Board of Directors	10 July 2023	11 July 2023	Resolutions of the 14 th Meeting of the 10 th Board of Directors
The 15 th Meeting of the 10 th Board of Directors	10 August 2023	11 August 2023	Resolutions of the 15 th Meeting of the 10 th Board of Directors
The 16 th Meeting of the 10 th Board of Directors	25 August 2023		Resolutions of the 16 th Meeting of the 10 th Board of Directors; Resolutions on Adjusting Remunerations of Senior Management; Resolutions on Applying for General Credit Limit from the Hongkong and Shanghai Banking Corporation Limited (HSBC); Resolutions on Applying for General Credit Limit from Shenzhen Rural Commercial Bank (SRCB)
The 17 th Meeting of the 10 th Board of Directors	20 September 2023		Resolutions of the 17 th Meeting of the 10 th Board of Directors
The 18 th Meeting of the 10 th Board of Directors	30 October 2023		Resolutions of the 18 th Meeting of the 10 th Board of Directors Resolutions on Revising the <i>Compliance Management Implementation Rules of Konka Group Co., Ltd. (Revised in 2023)</i> ; Resolution on Applying for General Credit Limit from Bank of China; Resolution on Applying for General Credit Limit from Industrial and Commercial Bank of China (ICBC); Resolution on Applying for General Credit Limit from Bank of Communications; Resolution on Applying for General Credit Limit from Bank of Ningbo; Resolution on Applying for General Credit Limit from China Zheshang Bank Co., Ltd.
The 19 th Meeting of the 10 th Board of Directors	4 December 2023	6 December 2023	Resolutions of the 19 th Meeting of the 10 th Board of Directors

The 20 th Meeting of the 10 th Board of Directors	11 December 2023		Resolutions of the 20 th Meeting of the 10 th Board of Directors
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2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Liu Fengxi	15	1	14	0	0	No	0
Yao Wei	15	1	14	0	0	No	0
Zhou Bin	15	1	14	0	0	No	4
Ye Xingbin	15	1	14	0	0	No	4
Liu Jian	15	1	14	0	0	No	0
Wang Shuguang	15	1	14	0	0	No	0
Deng Chunhua	15	1	14	0	0	No	0

Why any director failed to attend two consecutive board meetings:

Not applicable

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

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

Yes No

Suggestions from directors adopted or not adopted by the Company:

During the reporting period, the directors of the company actively attended the relevant meetings, carefully reviewed the proposals, gave full play to the role of "setting strategy, making decisions, and preventing risks", and had an in-depth understanding of the development of semiconductor and other businesses, as well as the company's operating conditions, internal control construction and the implementation of the resolutions of the Board of Directors meeting.

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

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

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Audit Committee	Deng Chunhua, Yao Wei, Wang Shuguang	9	6 January 2023	The 2022 Financial statements and the Arrangement of the 2022 Annual Audit submitted by the Company's financial center (issued by the Company prior to the entry of the annual CPA)	<ol style="list-style-type: none"> The arrangement of the audit work on the 2022 Annual Report of the Company was approved. It was consented that the annual financial statements shall be provided to the CPA for the annual audit. It is required that ShineWing Certified Public Accountants (special general partnership) appointed by the Company should carry out the auditing in strict accordance with the requirements of the China Practice Standards for Certified Public Accountants, and should promptly communicate with the Committee if major problems are discovered. 		
			20 February 2023	2022 Annual Internal Audit Report of Konka Group and Konka Group's Internal Audit Quality Self-assessment Report submitted by the	No objections were raised regarding the following documents submitted by the Company: 2022 Annual Internal Audit Report of Konka Group and Konka Group's Internal Audit		

			Company	<i>Quality Self-assessment Report.</i>		
			10 March 2023	The CPAs for annual audit were engaged for the discussion and review of the Company's financial statements after they have issued preliminary audit opinions.	No objection was made to the 2022 annual financial statements of the Company preliminarily audited by ShineWing Certified Public Accountants (special general partnership).	
			14 March 2023	Communications were made with the Internal Audit Department of the Company; the 2022 annual audit performed by ShineWing Certified Public Accountants (special general partnership) was appraised; the 2022 Audit Report reviewed and retention of the accounting firm for 2023 was deliberated.	1. The 2022 annual audit performed by ShineWing Certified Public Accountants (special general partnership) was satisfying. 2. No objection was made to the 2022 Audit Report issued by ShineWing Certified Public Accountants (special general partnership). 3. It was proposed that ShineWing Certified Public Accountants (special general partnership) be retained for further service as the audit institution of the Company's 2023 annual financial statements.	
			27 April 2023	2023 Q1 financial statements of the Company	No objection was made to the 2023 Q1 financial statements of the Company.	
			26 May 2023	2023 Internal Audit Plan of Konka Group submitted by the Company	No objection was made to the 2023 Internal Audit Plan of Konka Group submitted by the Company.	
			1 August 2023	Rehiring ShineWing Certified Public Accountants (special general partnership) as the audit firm and internal control audit firm for the company's 2023 financial statements.	Make a proposal to rehire ShineWing Certified Public Accountants (special general partnership) as the audit firm and internal control audit firm for the company's 2023 financial statements.	
			25 August 2023	2023 interim financial statements of the Company	No objection was made to the 2023 interim financial statements of the Company.	
			30 October 2023	2023 Q3 financial statements of the Company	No objection was made to the 2023 Q3 financial statements of the Company.	
Remuneration and Appraisal Committee	Wang Shuguan, Yao Wei, Ye Xingbin, Liu Jian, Deng	2	14 March 2023	1. Letter of Commitment on Performance for 2023 for the Company's Management Team 2. Remunerations of directors, supervisors and senior management as	1. The Letter of Commitment on Performance for 2023 for the Company's Management Team was approved and was agreed to be submitted to the Board for deliberation. 2. Remunerations of directors,	

	Chunhua			disclosed 3. Revised Remuneration Management Measures for Heads of Konka Group Co., Ltd.	supervisors and senior management as disclosed in the Company's 2022 Annual Report were true. Remunerations of directors, supervisors and senior management as disclosed were consistent with the Company's salary management policy and no violation was found. 3. The revised Remuneration Management Measures for Heads of Konka Group Co., Ltd. was agreed to be submitted to the Board for deliberation.		
			15 August 2023	Adjusting remunerations of senior management	Agree to adjust remuneration standard of senior management and submit it to the Board of the Company for deliberation		
Nomination Committee	Liu Jian, Yao Wei, Zhou Bin, Wang Shuguang, Deng Chunhua	1	8 May 2023	Change of senior management	Approve the reappointment of Mr. Zhou Bin as the President of the Company, Mr. Cao Shiping as the Executive Vice President of the Company, Mr. Li Hongtao, Yang Bo and Mr. Lin Hongfan as Vice President of the Company, Mr. Wu Yongjun as Board Secretary of the Company, Mr. Li Chunlei as CFO of the Company, and endorse the submission of this proposal to the Company's Board of Directors for deliberation.		

VIII Performance of Duty by the Supervisory Committee

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

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	1,621
Number of in-service employees of major subsidiaries at the period-end	12,485
Total number of in-service employees at the period-end	14,106

Total number of paid employees in the Reporting Period	14,106
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	7,335
Sales	3,405
Technical	1,479
Financial	609
Administrative	1,278
Total	14,106
Educational backgrounds	
Educational background	Employees
Master and above	365
Bachelor	3,171
Junior college	3,808
High school and below	6,762
Total	14,106

2. Employee Remuneration Policy

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

3. Employee Training Plans

The Company adhered to the people-oriented and paid special attention to cultivate the talents. Surrounded by the actual strategic business development, the Company actively organized and

carried out various training activities, and continuously perfected its talents cultivation system, as well as further enhanced the employee's professional skills and overall quality.

In 2023, under the new development strategy of "One Axis, Two Wheels, and Three Growth Drivers," the Company upheld the principle of Party leadership in talent management. With the implementation of lean management as a prerequisite, the Company continued to perform tasks from three aspects: "Driving strategy implementation, supporting business transformation, and coordinating talent development".

Focusing on the project operation system of "Three Tiers and Seven Brands", Konka open classes have been organized throughout the year for all employees of the Company; and organized and carried out the new employee's training projects respectively for the graduates from campus recruiting and personnel from social recruitment. Meanwhile, the Company continued to strengthen its professional development efforts and empower business growth by conducting ongoing professional training for marketing, research and development, manufacturing, and other departments.

4. Labor Outsourcing

Applicable Not applicable

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

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

Applicable Not applicable

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

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

transparency and operability of decision-making for its dividend payout policy, and effectively protect the legal rights and interests of public investors.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Specific reasons and the next steps it intends to take to enhance the investor return level if the Company did not pay cash dividend:	N/A
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	N/A

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

Applicable Not applicable

Final Dividend Plan for the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

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

1. Establishment and Execution of the Internal Control System

The Company has established and improved the Company's internal control system in accordance with the regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, following the basic principles of internal control, and on the basis of the Company's

actual situation. The Company's Financial Audit Committee, and Supervision, Audit and Legal Affairs Center follow the guidance of value management, seek the goal of strengthening risk management and control, continuously enhance audit supervision and internal control evaluation, thereby scrutinizing and evaluating the Company's internal control management. The Company's 2023 Annual Internal Control Self-Assessment Report comprehensively, factually and accurately reflects the actual situation of the Company's internal control. During the Reporting Period, the Company had no major or significant deficiencies in its internal control.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

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

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

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

1. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	2 April 2024	
Index to the disclosed internal control self-evaluation report	http://www.cninfo.com.cn/new/index	
Evaluated entities' combined assets as % of consolidated total assets	Over 90.00%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	Over 90.00%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	Those with the following characteristics should be recognized as great defect: (1) found out there were malpractices of the Directors, Supervisors and Senior Executives of the Company that formed significant influences on the financial report; (2) the Company revised the published financial report and revised the great misstatements caused by the malpractices or the mistakes; (3) CPA found out there was great misstatement of the current financial report while didn't found during the operating process of the internal control; (4) the supervision of the internal control by the Finance Audit Committee and the	The following signs indicated there may exist great defect among the internal control of the non-financial report: (1) serious violations of national laws and regulations in business operations; (2) frequent exposure of negative news in the media, causing significant damage to the company's reputation; (3) departure of the core management team in droves or serious turnover of personnel in key positions; and (4) lack of systematic control of important

	<p>internal audit institution of the Company was invalid; (5) not yet revised the great defect after the reasonable period as which was discovered among the internal control assessment; (6) the significant business lacked of systematic control or the systematic control was invalid.. Those with the following characteristics should be recognized as significant defect: (1) not yet chosen or applied the accounting polices according to the generally accepted accounting standards; (2) not yet constructed the anti-spam process or control measures; (3) as for the accounts disposal of the unconventional or special transactions, there was no corresponding control mechanism or execution or the existence of the corresponding supplement control; (4) there was one or multiple defects during the control of the compile of the financial report at the period-end and could not reasonable guarantee the statement of the compiled financial report reach the real and accurate target; (5) not yet revised the significant defect after the reasonable period as which was discovered among the internal control assessment.</p> <p>Other defects from the internal control hadn't reached the recognition standards of the great defect or significant defect should be recognized as general defect.</p>	<p>businesses or systematic failure of the system; and (4) great deficiencies identified in internal control evaluations were not rectified in a timely manner.</p> <p>The following signs indicated there may exist significant defect among the internal control of the non-financial report: (1) negative news occurred rather frequently which caused rather big harm to the Company's reputation; (2) the outflow of the key position personnel was rather serious; (3) there was obvious defect among the control system of the significant business; (4) the significant defect found among the internal control assessment not yet be revised in time.</p> <p>Other defects from the internal control hadn't reached the recognition standards of the great defect or significant defect should be recognized as general defect.</p>
Quantitative standard	<p>Great defect: potential misstatement amount $\geq 1\%$ of the gross profit margin of the 2023 consolidated financial report of the Company; significant defect: 0.5% of the gross profit margin of the 2023 consolidated financial report of the Company \leq potential misstatement amount $< 1\%$ of the gross profit margin of the 2023 consolidated financial report of the Company; general defect: potential misstatement amount $< 0.5\%$ of the gross profit margin of the 2023 consolidated financial report of the Company.</p>	Implement in accordance with the quantitative criteria of internal control defect evaluation in financial statements
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in internal control not related to financial reporting		0

2. Independent Auditor's Report on Internal Control

Applicable Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We considered that, in all the significant aspects, Konka Group maintained efficient internal control of the financial report according to the C-SOX and the relevant regulations on 31 December 2023.	
Disclosure of such report	Disclosed

Disclosure date	2 April 2024
Index to such report disclosed	http://www.cninfo.com.cn/new/index
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

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

Yes No

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

Yes No

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

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

Part V Environmental and Social Responsibility

I Major Environmental Issues

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

Yes No

Policies and industry standards pertaining to environmental protection

The Company abides by environmental protection laws and regulations, such as the Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Noise Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and others. The water pollutant discharge standards include the Emission Standard of Water Pollutants for Electroplating DB44/1597-2015 and the Water Pollutant Discharge Limit Standard of Guangdong Province DB44/26-2001. The air pollutant emission standards include the Emission Standard of Volatile Organic Compounds for Printing Industry DB44/815-2010, Emission Standard of Electroplating Pollutants GB21900-2008, Emission Standard of Odorous Pollutants GB14554-93, and Emission Control Standard of Volatile Organic Compounds for Unorganized Emissions GB37822-2019.

Status of Environmental Protection Administrative License

1. XingDa HongYe

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

Xingda Hongye enlisted the services of the Zhongshan Environmental Protection Science Research Institute in December 2012 to perform an environmental impact evaluation for their proposed technological upgrade and expansion initiative. Following this, on 31 December 2012, the Environmental Protection Bureau of Zhongshan City granted No. ZH.H.J.SH. (2012) 115 *Approval on the Environmental Impact Assessment Report for Technological Upgrade and Expansion*

Program of Guangdong XingDa HongYe Electronic Co., Ltd. The scheme allowed for an increased production of six-layer circuit boards, eight-layer and above circuit boards, and HDI boards, while reducing the production of single-sided circuit boards. After the completion of the technological upgrade and expansion, the production capacity was expected to reach a total of 200,000 square meters for single-sided circuit boards per year, 250,000 square meters for double-sided circuit boards per year, 300,000 square meters for four-layer circuit boards per year, 200,000 square meters for six-layer circuit boards per year, 150,000 square meters for eight-layer and above circuit boards per year, and 100,000 square meters for HDI boards per year. The technical renovation and expansion project maintained the original plating equipment and process unchanged and added a browning process to the existing production process. The additional plating capacity was all outsourced. The technical renovation and expansion project began construction in 2013, was completed in January 2018, and was commissioned from 10 February to 8 July 2018. The construction of the expansion project met the requirements of the environmental impact report approval and the conditions for environmental protection acceptance of the completed construction project. In 2021, the national pollutant discharge permit of XingDa HongYe was renewed/replaced with certificate number 91442000768405216J001P. In 2022, the national pollutant discharge permit was changed, with certificate number 91442000768405216J001P. In 2023, the national pollutant discharge permit was changed, with certificate number 91442000768405216J001P

2. Boluo Konka and Boluo Konka Precision

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

Boluo Konka enlisted the services of Huizhou Environmental Science Research Institute in January 2007 to carry out an environmental impact assessment for its expansion project. No. H.SH.H.J. [2007] J32 Approval on Environmental Impact Report for Boluo Konka's Double-sided and Multilayer Board Project was issued by the Environmental Protection Bureau of Huizhou City on 8 February 2007. The approved expansion project included the installation of electroplating equipment and processes, allowing for an increase in production capacity to 1 million square meters for single-sided circuit boards per year and 650,000 square meters for double-sided and multilayer circuit boards per year. Upon completion, the project underwent an environmental protection acceptance inspection, satisfying the requirements of the environmental impact assessment approval. The company also obtained a pollutant discharge permit in the same year and underwent a name change to Boluo Konka Precision Technology Co., Ltd. In 2020, the company received a national pollutant discharge permit bearing certificate number 91441322799316208F001V. Boluo Konka Precision will produce 1.65 million square meters per year of double-sided and multilayer circuit

boards, upon the Department of Ecology and Environment of Guangdong Province's approval of the Report on the Environmental Impact of the Circuit Boards Expansion Project with an Annual Capacity of 1 million square meters (Y.H.SH. [2023] No. 124) in June 2023.

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

Name of polluter	Type of major pollutants	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
Xing Da Hong Ye	Pollution sources of waste water	PH, total copper, COD, ammonia nitrogen, total nitrogen, total phosphorus, total cyanide, total nickel, total iron, total aluminum, petroleum, suspended solids	Discharge of stationary pollution sources	1	Main discharge outlet of the waste water station	PH 6-9; total copper≤0.3mg/L; COD≤50mg/L; ammonia nitrogen≤8mg/L; total nitrogen≤15mg/L; total phosphorus≤0.5mg/L; total cyanide≤0.2mg/L; total nickel≤0.1mg/L; total iron≤2mg/L; total aluminum≤2mg/L; petroleum≤2mg/L; suspended solids≤30mg/L	GB 21900-2008 Discharge Standard For Pollutants From Electroplating	497,835 tons/year	Total discharge of major pollutants: COD 19.061250 tons/year; ammonia nitrogen 3.0498 tons/year; total nitrogen 32.9792 tons/year; total phosphorus 0.2082 tons/year	None
Xing Da Hong Ye	Waste gas pollutants	Sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen cyanide, nitrogen oxide, ammonia, benzene, toluene+xylene, TVOC,	Discharge of stationary pollution sources	14	Three on the roof of plant 1, ten on the roof of plant 2 and one on the roof of the canteen	sulfuric acid fume≤30mg/m ³ ; nitrogen oxide≤200mg/m ³ ; hydrogen chloride≤30mg/m ³ ; hydrogen cyanide≤0.5mg/m ³ ; TVOC≤90mg/m ³ ; benzene≤1mg/m ³ ; toluene+xylene≤15mg/m ³ ; tin and its	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Emission standard of Volatile Organic Compounds for Printing Industry DB44/815-2010; Guangdong Air Pollutant Emission Standard DB44/27-2001 the	2,986,560,000 standard cube/year	Total discharge: 2,986,560,000 standard cube/year (note: the total discharge is not stated in the latest version of national discharge permit in 2021; two exhaust	None

		tin and its compounds, PM(dust)				compounds \leq 8.5mg/m ³ ; PM(dust) \leq 120mg/m ³	Second Level Standard in the Second Period, Emission standard for Odor Pollutants (GB 14554-1993) Table 2 Standard	r	towers were added in 2021; calculated based on air volume in environmental impact assessment)	
Boluo Konka and Boluo Konka Precision	Pollution sources of waste water	PH, copper, COD, ammonia nitrogen, total nitrogen, total phosphorus	Discharge of stationary pollution sources	1	Main discharge outlet of the waste water station	1. Emission standard for pollution discharge certificate: copper \leq 0.5mg/L; COD \leq 80mg/L; ammonia nitrogen \leq 10mg/L; total nitrogen \leq 20mg/L; total phosphorus \leq 0.5mg/L; 2. local emission standard: copper \leq 0.5mg/L; COD \leq 30mg/L; ammonia nitrogen \leq 1.5mg/L; total nitrogen \leq 10mg/L; total phosphorus \leq 0.3mg/L	1. Discharge standard of discharge permit: Discharge Standard of Electroplating Water Pollutant for Electroplating DB44/1597-2015 Table 1 Pearl River Delta Discharge Standard; Water Pollutant Discharge Limit Standard of Guangdong Province DB44/26-2001; 2. Local discharge standard: BFBH [2019] No. 58 Document: COD, ammonia nitrogen, total phosphorus based on "Environmental Quality Standards for Surface Water GB3838-2002 " Category IV water standard, the total nitrogen discharge reaches 50% of discharge limit requirement of the corresponding industry	318,300 tons/year	COD is 19.2 tons/year; ammonia nitrogen is 2.4 tons/year; total nitrogen is 4.8 tons/year. Note: according to the discharge certificate	None
Boluo Konka and Boluo Konka Precision	Waste gas pollutants	Sulfuric acid fume, hydrogen chloride, formaldehyde	Discharge of stationary pollut	20	Six on the roof of plant 1, fourteen	sulfuric acid fume \leq 30mg/m ³ ; nitrogen oxide \leq 200mg/m ³ ; hydrogen chloride \leq 30mg/m	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5,	/	The total discharge is not stated in the latest version of national	None

ion	hyde,hydr ogen cyanide, nitrogen oxide, ammonia, benzene, methylbe nzene, TVOC, tin and its compoun ds, PM (dust), oil fume	ion sourc es	n on the roof of plant 2 and one in sewag e station	3; TVOCogen chl; benzenen chlori; methylbenzenorid e≤30; dimethylbenzene de≤30mg/; tin and its compounds≤8.5m g/m3; PM (dust) ≤≤stand i; oil fume≤2mg/m3	Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second Level Standard in the Second Period, Emission standard for Odor Pollutants (GB 14554-1993) Table 2 Standard, Emission standard of cooking fume (GB18483-2001)	discharge permit in 2020
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Treatment of pollutants

1. XingDa HongYe

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

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

2. Boluo Konka and Boluo Konka Precision

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

Boluo Konka was established in 2000. To manufacture single sided PCBs, it invested

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

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

Environmental self-monitoring plan

1. XingDa HongYe

According to the requirements of the Environmental Protection Administration, Xingda Hongye attaches great importance to environmental monitoring management. Thus, pursuant to the Measures for Self-Monitoring and Information Disclosure of National Key Monitored Enterprises, the Report on the Environmental Impact of the Technical Improvement and Expansion Project of Guangdong Xingda Hongye Electronics Co., Ltd. and the reply opinions for environmental impact assessment, the Company has formulated the Environmental Self-Monitoring Plan and reported to the municipal environmental protection bureau for approval and record. It implements online

monitoring for the PH, COD and ammonia nitrogen pollutants discharged in wastewater through real-time monitoring and an automatic frequency of every two hours, entrusts the qualified third-party online monitoring equipment operation and maintenance institute to carry out periodic maintenance on automatic monitoring equipment and monitoring data networking equipment, and entrusts the qualified third-party monitoring unit to carry out the “three wastes” project monitoring. All self-monitoring plan results will be reported and disclosed on public platforms on a periodic basis.

In the case of normal production, the results will be updated on a daily basis, with online monitoring data are disclosed in real time, or manual monitoring data on a monthly and quarterly basis are disclosed every two hours.

2. Boluo Konka and Boluo Konka Precision

In accordance with the requirements of the environmental protection administration, Boluo Konka and Boluo Konka Precision attach great importance to environmental monitoring management. Thus, pursuant to the Measures for Self-Monitoring and Information Disclosure of National Key Monitored Enterprises and requirements of the environmental impact assessment, they have formulated the Environmental Self-Monitoring Plan and reported to the Municipal Environment Protection Bureau for approval and record. Meanwhile, the PH and flow rate of wastewater discharge are automatically monitored in real time, and the pollutants such as COD, ammonia nitrogen and total phosphorus are automatically monitored online every two hours. Furthermore, they entrust the qualified third-party online monitoring equipment operation and maintenance institute to carry out periodic maintenance on automatic monitoring equipment and monitoring data networking equipment, and and entrust the qualified third-party monitoring unit to carry out the "three wastes" project monitoring, in line with the newly released national pollutant discharge permit and the corporate self-monitoring plans that have been filed. All self-monitoring plan results will be reported and disclosed on public platforms on a periodic basis. In the case of normal production, the results will be updated on a daily basis, with online monitoring data are disclosed in real time, or manual monitoring data on a monthly and quarterly basis are disclosed every two hours.

Contingency plan for emergent environmental incident

1. XingDa HongYe

In strict accordance with requirements of laws, regulations and relevant documents, such as Law of the People’s Republic of China on Emergency Response and Interim Measures on Environmental Emergency Response Plan, Guangdong Xingda Hongye Electronics Co., Ltd. has established risk prevention measures and emergency response plans, kept its emergency equipment in a normal state, formulated the Contingency Plan for Emergent Environmental Incident, and put on records at

Zhongshan Environmental Protection Bureau, Guangdong Province, record No.: 4420002017044M. In addition, the Company conducts a drill of major environmental pollution incident on its factory to enhance its emergency response capabilities for emergent environmental pollution incidents.

Furthermore, Guangdong Xingda Hongye Electronics Co., Ltd. has built an emergency pool (600m³, underground pool of sewage treatment station) and set up a fire pool (500m³ and located on Floor 1 of Factory Building No. 2), which serve as temporary storage pools for exterior drainage or fire drainage to eradicate accidental discharge of wastewater in the case of failed operation of the sewage transmission pipeline or fire accident due to outage or other special circumstances. The sewage transmission pipeline has been equipped with anti-corrosion and cathodic protection using anti-corrosion pipes and carbon steel pipes. Pursuant to the new discharge standards, the related discharge pipeline has been modified and the production department has been required to discharge strictly in accordance with discharge standards to cut the costs of wastewater treatment. Different types of wastewater are normally and properly treated through fine shunting. Personnel have been specially arranged to manage the chemical liquid warehouse and exert reasonable control and requirements over the liquid discharge by the plant and timely transportation of the liquid by suppliers; emergency tools such as protective masks, boots and immiscible pumps have been equipped.

2. Boluo Konka and Boluo Konka Precision

Boluo Konka and Boluo Konka Precision strictly abides by Emergency Response Law of the People's Republic of China, Interim Measures for the Management of Emergency Plans for Unexpected Environmental Incidents, other related laws and regulations as well as the requirements of relevant documents. They have established risk prevention measures and emergency plans, such as Emergency Plan for Unexpected Environmental Incidents, and have their emergency equipment run in a normal status. In addition, they have filed with Boluo County Branch of Ecology and Environment Bureau in Huizhou, Guangdong and Huizhou Ecology and Environment Bureau respectively with the file No. 441322-2020-0073-M and 441301-2021-004-M. They organize all staff to conduct drills for major environmental pollution incidents every year to improve their ability for the emergency response to unexpected environmental pollution incidents.

Boluo Konka and Boluo Konka Precision are well equipped with all necessary facilities for emergency response to unexpected incidents, including an emergency response pool of industrial waste water (500m³, under the ground of the sewage treatment station) and a firefighting reservoir (300m³, located beside the staff dormitory building). In the event of an unexpected environmental incident, such as leakage or failure of a waste water transporting pipe, the emergency response pool will prevent any accident of industrial waste water; in the event of a fire safety accident, the firefighting reservoir will be put into use. All departments are required to discharge pollutants

strictly in accordance with pollutant discharge standards to reduce the costs of waste water treatment by properly and reasonably dividing solution and waste water discharged from the plants. The chemical warehouses are managed by designated personnel, with standard control and requirements over the loading and unloading of chemical products by suppliers. In terms of emergency response supplies, a full set of emergency rescue tools are prepared, including gas masks, acid and alkaline resistant boots, gloves, goggles, safety ropes, helmets, fire sand and submersible pumps.

Input in environmental governance and protection and payment of environmental protection tax

In 2023, nearly RMB58 million was input in environmental governance and protection and RMB77,700 of environmental protection tax was paid in total .

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

Applicable Not applicable

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

Subsidiary	Reason for punishment	Violations	Penalty results	Impact of production and operation	Rectification measures
Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Projects under construction not submitted for approval as required	Failure to complete the environmental impact assessment approval as required by the environmental impact assessment management method.	A fine of RMB0.4334 million	The relevant production lines have been shut down	The relevant production lines have been shut down

Other environmental information that should be disclosed

1. XingDa HongYe

The environmental protection investment of Guangdong Xingda Hongye Electronics Co., Ltd. for 2023 was approximately RMB18 million, mainly used for the depreciation in Environmental governance equipment and facilities, treatment of sewage, waste gas and solid waste, as well as the maintenance and upgrading of environmental protection equipment.

2. Boluo Konka and Boluo Konka Precision

The environmental protection investment of Boluo Konka and Boluo Konka Precision for 2023 was approximately RMB40 million, of which, RMB13 million was used for daily treatment of sewage and waste gas and facility maintenance, RMB25 million was used for extension of sewage

treatment station (of new supporting plant) and RMB2 million was used for constructing the waste gas exhaust tower of the new plant.

Other Environmental Information

According to the examination by the Company, the Company and its other holding subsidiaries are not key pollutant units. All have faithfully implemented the laws and regulations related to environmental protection, such as Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste in the daily production and operation.

II Social Responsibility

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

1. To protect rights of shareholders and creditors

(1) The Company protects rights of shareholders

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

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

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

(2) The Company protects rights of creditors

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

happened.

2. The Company performs responsibilities to suppliers and customers

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

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

(2) Be honest to suppliers

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

3. Be enthusiastic to social and public welfare undertakings

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

4. Be responsible for employees

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

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

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

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

(2) To protect occupational health for employees

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

(3) To promote occupational skills by diversified professional training

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

5. Be responsible for environment

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

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

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

In 2023, the Company continued to actively purchase the agricultural and sideline products from Tianzhu and Sansui counties in Guizhou Province under the "assistance by consumption" project. The total amount spent on this project in 2023 amounted to RMB67,800. The Company held donation ceremonies for "one-on-one" pairing assistance with students from Chengguan Third Primary School in Sansui County, and for aesthetic education classrooms. A total of 100 Konka "dream partners" donated a sum of RMB328,000. In October 2023, the Company paid visits to the

students receiving assistance. Representatives of the Company's assistance team engaged in "hand-in-hand, face-to-face, and heart-to-heart" conversations with the students, providing them with economic aid and material support to ensure their basic living needs were met.

Part VI Significant Events

I Fulfillment of Commitments

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

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.**IV Explanations Given by the Board of Directors Regarding the Latest “Modified Opinion” on the Financial Statements**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises, which stipulates the “accounting treatments for deferred income taxes associated with assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply”, effective for the Company as of 1 January 2023. For lease liabilities and right-of-use assets recognised at the beginning of the earliest period of financial statement presentation in which the provision is first implemented that give rise to taxable temporary differences and deductible temporary differences as a result of a single transaction to which the provision applies, the Company has adjusted the cumulative effect to retained earnings at the beginning of the earliest period of financial statement presentation and other relevant financial statement items in accordance with the said provision and Accounting Standard No. 18 for Business Enterprises—Income Tax.

VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

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

VIII Engagement and Disengagement of Independent Auditor**Current independent auditor**

Name of the domestic independent auditor	ShineWing Certified Public Accountants LLP
The Company’s payment to the domestic independent auditor (RMB’0,000)	220

How many consecutive years the domestic independent auditor has provided audit service for the Company	5 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Tang Qimei, Liu Lihong
How many consecutive years the certified public accountants have provided audit service for the Company	3 years, 2 years
Name of the overseas independent auditor (if any)	N/A
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	0
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	N/A

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

Yes No

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

Applicable Not applicable

The Company appointed ShineWing Certified Public Accountants LLP as the internal control auditor in 2023 with RMB0.7 million (tax-exclusive) of payment for the internal control audit.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

Applicable Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Since Jiangxi Xinxin Jianan Engineering Co., Ltd. (hereinafter referred to as "Jiangxi Xinxin"), Jiangxi Shining Stone Technology Development Company Limited (hereinafter referred to as "Jiangxi Shining Stone"), Jiangxi Zhongyi Decorative Materials Co., Ltd. (hereinafter referred to as "Jiangxi Zhongyi") failed to repay the loan and its interest to Jiangxi Branch of China Great Wall Asset Management Co., Ltd. (hereinafter referred to as "Jiangxi Branch of Great Wall Asset") who sued the court for a judgment to repay the loan of RMB300 million, default penalty of RMB108,000 and interest of RMB13.65 million, and at the same time, nine guarantors including Jiangxi Kangjia, Xinfeng Microcrystalline and Nano Microcrystalline were requested to undertake joint and several liability guarantee.	31,375.8	No	The case is reheard and in the second instance.	The case is reheard and in the second instance.	The case is in trial	25 June 2019	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Jinshunda Materials Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	9,383.08	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia, sued Dalian Xinjie Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	9,383.08	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka	2,307.9	No	The case is reheard and in the	The case is reheard and in the first instance.	The case is	19 September	http://www.cninfo.com.cn/new/index

Huanjia, sued Dalian Tianxing Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.			first instance.	Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	in trial	2020	om.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Huanjia Mingtai (Dalian) Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,302.64	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Lankao Shunjia Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,358.8	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Shunhenghui Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,337.29	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Jiaxin Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return	3,358.08	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment	The case is in trial	19 September 2020	http://www.com.cn/new/index

prepayment and pay liquidated damages.				reserves in accordance with accounting policies.			
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Shengxiang Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	2,922	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.cninfo.com.cn/new/index
As the bills held by the Company failed to be paid upon maturity, the Company filed a lawsuit with the court, requesting the latter to order Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the aforesaid bills and corresponding interest to the Company.	20,000	No	The case is retired and is pending.	The case is retired and is pending. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	19 September 2020	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Dongguan Konka Electronic Co., Ltd. filed a lawsuit with Shenzhen Nanshan District People's Court, requesting the latter to order Dong Guan Gao Neng Polymer Limited Company, Wang Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd., Huang Zhihao to pay the overdue payment and corresponding liquidated damages.	9,010.1	No	The case is in execution.	The Company won and the case is in execution. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in execution.	1 June 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Jade Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,562.89	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index

Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Zhijie Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,562.89	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Zhejiang Xinkai Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,562.89	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Huanjia Trust Environmental Protection Technology Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,358.8	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Xincheng Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.	3,358.8	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Henan Guozheng Environmental	2,090	No	The case is reheard and in the first instance.	The case is reheard and in the first instance. Based on the principle of prudence, the	The case is in trial	1 June 2021	http://www.cninfo.com.cn/new/index

Technology Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin and Wang Renping, requiring them to return prepayment and pay liquidated damages.				Company has accrued corresponding impairment reserves in accordance with accounting policies.			dex
Because of a dispute over a trust contract, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co.,Ltd., Lin Yuanqin, Huang Ruirong, Chuangfu Commerce&Trade Plaza Real Estate Development(Huizhou)Co.,Ltd., requiring an order to terminate the contract, and them return the payment for goods, pay liquidated damages and give priority to the mortgaged property.	4,211.33	No	The case has entered the execution phase.	The Company won and the case is in execution.	The case is in execution.	1 December 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over a trust contract, the Company's subsidiary, Hainan Konka Material Technology Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co.,Ltd., Jiangsu East China Hardware City Co., Ltd., requiring an order to terminate the contract, and them return the payment for goods, pay liquidated damages and give priority to the mortgaged property.	6,806.6	No	The case has entered the execution phase.	The Company won and the case is in execution.	The case is in execution.	1 December 2021	http://www.cninfo.com.cn/new/index
Because of a dispute over repurchase, the Company sued Luo Zotong, Luo Jingxia, Luo Zongyin, Luo Zongwu and Shenzhen Yaode Technology Co., Ltd., requiring an order to pay the share repurchase and interests.	24,875.22	No	The case has entered the execution phase.	The Company won and the case is in execution.	The case is in execution.	1 December 2021	http://www.cninfo.com.cn/new/index

Note: Courts or arbitration bodies ruled in favor of the Company in the following cases which are currently under enforcement. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2019-63), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 19 September 2020 (Announcement No. 2020-97), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 24 November 2022 (Announcement No. 2022-89), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 June 2023 (Announcement No. 2023-37), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 22 June 2023 (Announcement No. 2023-39) and the Company's periodic reports: 1. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping industrial Co., Ltd., and Shenzhen Qianhai Baoying Factoring Co., Ltd. to pay the bill and the corresponding interest to the Company; 2. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. and Tianjin International Trade Petrochemical Co., Ltd. to pay the bill and the corresponding interest to the Company; 3. As matured notes were failed to be

accepted, the Company has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. Qingdao Bonded Zhongshe International Trading Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. to pay the bill and the corresponding interest to the Company; 4. As a consequence of the non-payment of a bill upon its expiry, Kongka Factoring has instituted legal proceedings before the court. The lawsuit seeks an injunctive order mandating Tahe Group Co., Ltd., Fuzhou Taijia Industrial Co., Ltd., and Xiamen Lianchuang Microelectronics Co., Ltd. to remit payment for the bill amount, along with the corresponding interest, to Kongka Factoring.; 5. As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the bill and the corresponding interest to the Company; 6. Due to dispute arisen from a logistics contract, the Company's subsidiary Anhui Konka filed a lawsuit to request the freight forwarder Shanghai Triangle Link Logistics Co., Ltd. Shenzhen Branch to make compensation; 7. Due to contract dispute, the Company's subsidiary Shenzhen Nianhua applied for arbitration to request the respondent Fang Xianglong and Jiang Yan to make compensation for corresponding annual profit and fund possession cost; 8. Due to payment dispute, the Company's subsidiary Hong Kong Konka applied for an arbitration to Shenzhen Court of International Arbitration to request the respondent Makena Electronic (Hong Kong) to pay for goods and liquidated damages; 9. Because of a dispute over capital increase, the Company's subsidiary, Shenzhen Konka Investment Holding Co., Ltd., applied for arbitration with the Shenzhen Court of International Arbitration (SCIA), requesting the respondents, Elion Resources Group and Elion Ecological Co., Ltd., to perform the repurchase obligation; 10. As a result of a dispute stemming from an international sale of goods contract, Anhui Konka Electronic Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Maoxinyuan Electronics (Hong Kong) Co., Ltd. The lawsuit seeks an injunctive order compelling the respondent to pay the applicant the overdue payment interest losses; 11. As a result of a dispute arising from an international sale of goods contract, Anhui Kangzhi Trade Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against B&L TECHNOLOGY CO., LIMITED. The lawsuit seeks an injunctive order compelling the respondent to pay the purchase price, as well as any penalties for breach of contract. 12. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Guangxin Environmental Protection Equipment Technology Development Co., Ltd., requiring the latter to return equipment payment already made and pay liquidated damages. 13. Because of a dispute over a contract, the Company filed a lawsuit with Zhengzhou Intermediate People's Court, requiring Henan Radio and Television Network Co., Ltd. to take delivery of goods, make payment for goods, and pay interest and liquidated damages according to the contract. 14. As a result of contractual disputes, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Limited Partnership, Shenzhen Xiangrui Yingtong Investment Management Limited Partnership, Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong, and Luo Saiyin, seeking restitution for goods received and claiming damages for breach of contract. 15. On account of the infringement of the Company's trademark rights and the practice of unfair competition, a lawsuit has been instituted by the Company against Xinshang Electronics Co., Ltd., located in Fu'an City, as well as Fujian Zhaoguan Industry and Trade Co., Ltd., Jinhua Kangjia Medical Equipment Factory, and Wang Jun, seeking an injunctive order to halt the infringement, and claiming compensation for any incurred losses. 16. Due to the dispute over the entrustment contract, Anhui Kangjia Electronics Co., Ltd., a subsidiary of the company, sued Shenzhen Meisen Plastic Electronics Co., Ltd., Shantou Meisen Technology Co., Ltd., Lin Yuanqin, Huang Ruirong and Jiangsu Huadong Hardware City Co., Ltd., asking for an order to terminate the contract, return the payment for goods and pay liquidated damages, and give priority to the mortgage property. The case is being executed; 17. Due to the contract dispute, the Company's subsidiary Anhui Kangjia Electronics Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisen Source Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware City Co., Ltd., requiring the order to terminate the contract, the defendant to return the payment and pay liquidated damages, the mortgage property priority compensation, the case is being executed; 18. Due to the dispute over the loan contract, the Company sued Yantai Kangyue Investment Co., Ltd., requiring the defendant to repay the loan and interest, and the case is being executed. 19. Due to the dispute over the guarantee contract, Anhui Konka Electronics Co., Ltd., a subsidiary of the Company, sued Maoxinyuan Electronics (Shenzhen) Co., Ltd., requesting the defendant to assume joint and several guarantee liability for the plaintiff, and the case is being executed; 20. Due to the share buyback dispute, the Company's subsidiary Shenzhen Nianhua Enterprise Management Co., Ltd. sued Fang Xianglong and Jiang Yan to buy back the share and pay the buyback price, and the case is being executed. 21. Due to the dispute over the sales contract, Sichuan Kangjia Intelligent Terminal Technology Co., Ltd., a subsidiary of the Company, sued Shenzhen Junxing Communication Technology Co., Ltd., Shenzhen Hongxing Fengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., Liuyang Huaichuan Heyuan Villa Co., Ltd., Zeng Jiankai and Zhong Yuhua, demanding payment of goods and liquidated damages. The case is being executed. 22. Due to contract disputes, Hong Kong Konka

Communication Technology Co., Ltd., a subsidiary of the Company, sued Hong Kong Junxing Electronics International Co., Ltd., Zeng Jiankai and Zhong Yuhua, demanding payment of goods and liquidated damages, and the case is being executed.

The following cases have been disclosed in current announcements and periodic reports and are currently in trial. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2020-97) and the Announcement on Accumulated Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48) and the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 24 November 2022 (Announcement No. 2022-89), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 June 2023 (Announcement No. 2023-37), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 22 June 2023 (Announcement No. 2023-39) and the Company's periodic reports: 1. The customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIAIE COMERCIO S.A (Brazil) was insolvent, and obtained the approval of the judicial reorganization application of Cotia Third Civil Court of the Court of Sao Paulo, Brazil in May 2013. As the creditor of H-BUSTER, Hong Kong Konka filed the debt declaration documents, and in August 2014, the amount confirmed of debt was USD2.78 million. 2. Because of a dispute over an agency agreement, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd., sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., and Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets, and the case was heard in the second trial; 3. In view of a dispute arising from a commission contract, Shenzhen Konka Pengrun Technology & Industry Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Guang'an Ouchishi Electronic Technology Co., Ltd., Guan Hongshao, Huaying Gaoke De Electronic Technology Co., Ltd., Huaying Gaoke Long Electronic Technology Co., Ltd., Guizhou Jiaguida Technology Co., Ltd., Sichuan Hongrongyuan Property Co., Ltd., Du Xinyu, Lin Bolong, and Wang Shisheng, seeking an order for the defendants to pay the purchase price and claiming damages for breach of contract; 4. Due to a dispute arising from a guarantee contract, Hong Kong Konka Limited, a subsidiary of the Company, has initiated legal proceedings against Xu Xiang, Zheng Baoyao, Ke Hanhua, and Shenzhen Jinzhong Industry Co., Ltd., seeking an order for the defendants to assume guarantee liability, and the case has been closed; 5. As a result of a dispute arising from an international sale of goods contract, Jiaxin Technology Co., Ltd., a subsidiary of the Company, has initiated legal proceedings against Dingxin Electronic Technology (Hong Kong) Co., Ltd., Chen Wenhuan, and Chen Baohong, seeking an order for the defendants to pay for the goods and claiming damages for breach of contract; 6. Due to a dispute arising from an installment purchase contract, Wu Rong has instituted legal proceedings against the Company and its subsidiary, Shenzhen Konka Electronics Technology Co., Ltd., seeking an order for the payment of the purchase price and overdue payment interest to the plaintiff, and the case is being heard in the second instance; 7. As a result of a dispute arising from a contract, Shenzhen Oriental Entrepreneurship Investment Co., Ltd. has initiated legal proceedings against the Company, seeking an order for the payment of the repurchase amount and claiming damages for breach of contract. 8. As a result of a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin Bank Co., Ltd. and Huanjia Group Co., Ltd., seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution, and the case is reheard and in the first instance. 9. As a result of a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin Bank Co., Ltd. and Dalian Jinjia Materials Recycling Co., Ltd., seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution, and the case is reheard and in the first instance. 10. Due to a dispute arising from a third-party objection to execution, Konka Huanjia Environmental Technology Co., Ltd., a subsidiary of the Company, has instituted legal proceedings against Fuxin Bank Co., Ltd., Dalian Jinkaisuan Renewable Resource Acquisition Chain Co., Ltd., Dalian Yingtai Paper Co., Ltd., Dalian Zhanhong Renewable Resource Recycling Co., Ltd., and Wang Jinping, seeking an order from the court to affirm the plaintiff's ownership of the goods and to exclude the defendant's execution, and the case is reheard and in the first instance. 11. Due to a contractual dispute, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, filed a lawsuit against Shenzhen Junxing Communication Technology Co., Ltd., Gumei Electronics (Hongkong) Technology Limited, Shenzhen Hongxingfengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., Zeng Jiankai, Zhang Zhenyu, Herewin Technology Group (HK) Co., Ltd., Zhang Lixia, Anhui Baolin Industrial Co., Ltd., Zeng Qingpeng, and Zhong Yuhua to return the payment for goods and pay the corresponding liquidated damages. 12. Due to a purchase and sales contract, the Company's subsidiary Konka Huanjia Environmental Technology Co., Ltd. appealed against Xu Jianhua and Guangxi BG New Materials Co., Ltd. to request the court to

refuse Xu Jianhua's all claims and request Guangxi BG New Materials Co., Ltd. to make payment for goods and pay liquidated damages, and the case is reheard and in the first instance. 13. Due to a dispute over an equity transfer agreement, the Company filed a lawsuit against Beijing Langruihaoteng Technology Development Co., Ltd., Beijing Beida Jade Bird Security System Engineering Technical Co., Ltd., and Beijing Jingruihaoteng Technology Development Co., Ltd., seeking the final payment of the equity transfer, and the case was won in first instance, the judgment has entered into force and the application for enforcement is in progress. 14. Due to a dispute over the cancellation of creditor's rights, the Company's subsidiary Anhui Konka Electronic Co., Ltd. filed a lawsuit against Wu Rong and Makena Electronic (Shenzhen) Co., Ltd., seeking for the cancellation of the *Agreement on the Transfer of Creditor's Rights* and the relevant supplemental agreement previously signed by the defendants, and the case is being heard in second instance. 15. Due to a purchase and sales contract, Sichuan Shuwu Guangrun Logistics Co., Ltd. filed a lawsuit against the Company's subsidiary Dongguan Konka Electronic Co., Ltd., requesting the latter to make payment for goods and pay liquidated damages. 16. Due to a dispute over bankruptcy, Xinxiang Jiahui Dakeluo Crafts Products Co., Ltd. filed a lawsuit against the Company's subsidiary Henan Frestec Refrigeration Appliance Co., Ltd., requesting a confirmation that the period-end excess VAT paid that had been returned by the tax authority to the defendant should have been other properties to be distributed. 17. Due to a purchase and sales contract of international goods, Micro Crystal Transfer Group Ltd. filed a lawsuit against the Company's subsidiary Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd., requesting the latter to make payment for goods and pay liquidated damages. 18. Due to a contractual dispute, the Company filed a lawsuit against Zhu Xinming, Leng Sumin, Gongqingcheng Jinzhuanrong Investment Management Partnership (Limited Partnership), and Gongqingcheng Xinrui Investment Management Partnership (Limited Partnership), requesting them to pay the performance compensation.

XII Punishments and Rectifications

√ Applicable □ Not applicable

Name	Type	Reason	Type of punishment	Conclusion (if any)	Disclosure date	Disclosure index
Konka Group Co., Ltd.	Other	Some purchase and sale transactions, conducted by the Company's relevant subsidiaries from 2020 to 2021, did not have commercial substance, the recognition of income and costs of which was short of evidence. Consequently, financial data disclosed in the corresponding periodic report of the Company were inaccurate.	Charging correction	Therefore, the Shenzhen Bureau of the China Securities Regulatory Commission (CSRC Shenzhen) decided to take a regulatory measure, requesting the Company to make a correction, in accordance with Item 1, Article 52 of the <i>Measures for the Administration of Information Disclosure by Listed Companies</i> and Article 21 of the <i>Rules for the On-site Inspection of Listed Companies</i> (Z.H.J.H.G.G. [2022] No. 21).	4 January 2023	http://www.cninfo.com.cn/new/index
Konka Group Co., Ltd.	Other	(I) Long-term assets impairment tests were not prudent. The Company's subsidiary, Jiangxi Konka New Material Technology Co., Ltd., and its affiliated enterprises did not exercise due	Charging correction and regulatory interview	Pursuant to Article 51 and Article 52 of the <i>Measures for the Administration of Information Disclosure by Listed Companies</i> , and Article 21 of the <i>Rules for the On-site Inspection of Listed Companies</i> (Z.J.H.G.G. [2022] No. 21), the Shenzhen Bureau	13 July 2023	

		diligence in the long-term assets impairment tests for 2021. (II) Information disclosure was not standardized. In the Company's 2022 results forecast, information about the reasons for the year-on-year decline in revenue from consumer electronics was not completely disclosed. Some inventory of the Company's related subsidiaries was seized in 2019, but such limitation was not disclosed in the financial statements' notes until the 2022 annual report.		of the China Securities Regulatory Commission decided to take regulatory measures, including ordering the Company to make corrections and conducting regulatory interviews with relevant personnel of the Company.		
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Information on rectification

Applicable Not applicable

As of the end of the Reporting Period, the Company had completed all remediation tasks in line with the relevant regulatory requirements. For details, see the Report on the Remediation Based on the Corrective Measures of the Shenzhen Bureau of the China Securities Regulatory Commission against the Company (Announcement No.: 2023-09) and the Report on the Remediation Based on the Corrective Measures of the Shenzhen Bureau of the China Securities Regulatory Commission against the Company (Announcement No.: 2023-51) disclosed by the Company on <http://www.cninfo.com.cn/new/index> respectively on 25 February 2023 and 11 August 2023.

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

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

Related party	Relationship with the	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB '0,000)	As % of total value of all same-type	Approved transaction line (RMB '0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type	Disclosure date	Index to disclosed information

	Company						transactions)			transactions		n
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Purchase of commodities and services	Property management, utilities, office leases	Negotiated price	Market price	11,343.52	1.17%	10,000	Not	Cash	N/A	28 March 2023	http://www.cninfo.com.cn/new/index
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Sales of goods and services	Sale of TVs, intelligent terminals, etc. and relevant services	Negotiated price	Market price	7,802.34	0.76%	20,000	Not	Cash	N/A	28 March 2023	
Total				--	--	19,145.86	--	30,000	--	--	--	--	--
Large-amount sales return in detail				N/A									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period				The Company has published the Forecasting Public Notice on Routine Related-party Transaction for Y2023 on Securities Times, Shanghai Securities News, and China Securities Journal as well as the Internet website designated by CSRC http://http://www.cninfo.com.cn/new/index on 28 March 2023. In the Reporting Period, the basis for pricing, transaction price, transaction amount and settlement methods of raw materials purchased by the Company were basically in accordance with the forecast. The total amount incurred was RMB191,458,600.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

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

Applicable Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

Applicable Not applicable

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

Yes No

No credits receivable with related parties

Liabilities payable to related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
OCT Enterprises Co., Ltd.	Controlling shareholder	The Company applies entrusted loan to it	131,091.00	0.00	50,000.00	3.45%	4,551.91	81,091.00
			50,000.00	0.00	0.00	3.45%	1,748.96	50,000.00
			70,000.00	0.00	0.00	3.45%	2,448.54	70,000.00
Effects of liabilities with related parties on the Company's operating results and financial conditions			The Company applies entrusted loan from OCT Enterprises Co., Ltd. which meets the needs of the company's existing business development and reduces the financing cost.					

5. Transactions with Related Finance Companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other Major Related-Party Transactions

(1) Guarantee Limits for Affiliated Companies: The 7th meeting of the 10th Board of Directors on 24 February 2023 and the First Extraordinary General Meeting of Shareholders in 2023 on 13

March 2023, passed the proposal *Providing Guarantee Limits for Chuzhou Kangjin Health Industry Development Co., Ltd.* The Company provided a credit guarantee limit of RMB259.7 million for Chuzhou Kangjin Health Industry Development Co., Ltd. according to its shareholding proportion, with a guarantee limit valid for fourteen years. This credit guarantee limit was used to apply for loans from banks by Chuzhou Kangjin Health Industry Development Co., Ltd. Other shareholders of Chuzhou Kangjin Health Industry Development Co., Ltd. will provide guarantees for it based on their respective shareholding proportions, together with the Company.

(2) Application for Comprehensive Credit Limit from China Everbright Bank Co., Ltd.: The 7th meeting of the 10th Board of Directors on 24 February 2023, approved the proposal Application for Comprehensive Credit Limit from China Everbright Bank Co., Ltd. The Company applied for a comprehensive credit limit not exceeding RMB1.5 billion from China Everbright Bank Co., Ltd. to meet its daily operating capital needs. During the reporting period, the ongoing credit amount of the Company with China Everbright Bank Co., Ltd. was RMB1 billion.

(3) Counter-guarantees for Bank Credit Facilities Application: The 7th meeting of the 10th Board of Directors on 24 February 2023 and the First Extraordinary General Meeting of Shareholders in 2023 on 13 March 2023, approved the proposal *Providing Counter-guarantees for Bank Credit Facilities Application by the Company*. To reduce financing costs, Overseas Chinese Town Holdings Company (OCT Group) provided a guarantee for the Company's bank credit facilities application, not exceeding RMB1 billion. In turn, the Company offered counter-guarantees to OCT Group of an equal amount and term, with a counter-guarantee amount not exceeding RMB1 billion, and a guarantee limit valid for a maximum of three years.

(4) The Company's non-public issuance of corporate bonds and the provision of counter-guarantees to OCT Group: At the 15th meeting of the 10th Board of Directors held on 10 August 2023, and the second extraordinary general meeting of shareholders in 2023 held on 28 August 2023, the proposal on Plan for Non-public Issuance of Corporate Bonds by the Company was deliberated and passed. To reduce financing costs, OCT Group intends to provide a full, unconditional, and irrevocable joint liability guarantee for the Company's non-public issuance of corporate bonds not exceeding RMB2.3 billion. Simultaneously, the Company plans to provide an equivalent and concurrent credit counter-guarantee to OCT Group, with the counter-guarantee amount not exceeding RMB2.3 billion and the guarantee period not exceeding 5 years.

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on the Provision of Guarantee Line for Joint Stock Company and the Related-party Transaction	25 February 2023	http://www.cninfo.com.cn/new/index

Announcement on the Application to China Everbright Bank for Comprehensive Credit Line & the Related-party Transaction	25 February 2023	
Announcement on the Provision of Counter-guarantee for the Application to Bank for Credit Line & the Related-party Transaction	25 February 2023	
Announcement on Plan for Non-public Issuance of Corporate Bonds by the Company and Provision of Counter-Guarantee to OCT Group	11 August 2023	

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

Note to leases

No significant leases in the Reporting Period.

The rent of Konka Development Building has received RMB67,229,722.75 in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

2. Major Guarantees

Applicable Not applicable

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)

Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Econ Technology	28 April 2022	50,000	30 September 2022	3,747	Joint-liability	No	Not	Two years	Not	Not
			23 November 2022	2,748	Joint-liability	No	Not	One year and a half	Not	Not
			22 May 2023	1,499	Joint-liability	No	Not	One year	Not	Not
			10 May 2023	3,747	Joint-liability	No	Not	One year	Not	Not
			5 July 2023	4,997	Joint-liability	No	Not	One year	Not	Not
			19 July 2023	2,498	Joint-liability	No	Not	One year	Not	Not
			28 August 2023	999	Joint-liability	No	Not	One year	Not	Not
			29 December 2023	1,374	Joint-liability	No	Not	One year	Not	Not
			28 December 2023	2,498	Joint-liability	No	Not	One year	Not	Not
Foshan Pearl River Media Creative Park Culture Development Co., Ltd.	28 April 2022	1,372	17 May 2022	980	Joint-liability	No	Not	Six years	Not	Not
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not
Jiangxi Zhongyi Decoration Materials Co.,		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not

Ltd.										
Jiangxi Shanshi Technological Development Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability	No	Not		Not	Not
OCT Group	30 March 2022 and 25 February 2023	370,000	8 September 2022	60,000	Joint-liability	No	Not	Three years	Not	Yes
			18 October 2022	60,000	Joint-liability	No	Not	Three years	Not	Yes
			22 September 2023	50,000	Joint-liability	No	Not	Three years	Not	Yes
			13 December 2023	30,000	Joint-liability	No	Not	Three years	Not	Yes
Total approved line for such guarantees in the Reporting Period (A1)		361,770	Total actual amount of such guarantees in the Reporting Period (A2)						97,612	
Total approved line for such guarantees at the end of the Reporting Period (A3)		1,083,642	Total actual balance of such guarantees at the end of the Reporting Period (A4)						255,087	
Guarantees provided between the Company and subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Anhui Tongchuang	25 February 2023	55,000	2 June 2022	3,000	Joint-liability	No	Not	Two years	Not	Not
			6 February 2023	10,000	Joint-liability	No	Not	One year	Not	Not
			14 August 2023	5,000	Joint-liability	No	Not	One year	Not	Not
			19 October 2023	10,000	Joint-liability	No	Not	One year	Not	Not
			20 November 2023	3,000	Joint-liability	No	Not	One year and a half	Not	Not

Boluo Precision	28 April 2022 and 25 February 2023	125,000	19 January 2023	4,000	Joint-liability	No	Not	One year	Not	Not
			25 August 2023	4,500	Joint-liability	No	Not	Three years	Not	Not
Electronics Technology	25 February 2023	100,000	24 November 2022	8,500	Joint-liability	No	Not	One year and a half	Not	Not
			26 September 2023	50,000	Joint-liability	No	Not	One year	Not	Not
Dongguan Konka	24 March 2021 and 25 February 2023	90,000	24 March 2023	5,000	Joint-liability	No	Not	One year	Not	Not
			23 June 2021	80,000	Joint-liability	No	Not	Ten years	Not	Not
Jiangxi Konka	31 October 2018	6,990	10 March 2022	990	Joint-liability	No	Other shareholder of Jiangxi Konka provides a counter guarantee for the Company for 49% of the guarantee line	Two years	Not	Not
			15 August 2023	6,000	Joint-liability	No		One year	Not	Not
Xinfeng Microcrystalline	30 March 2019	25,000	30 June 2023	7,200	Joint-liability	No	Other shareholder of Xinfeng Microcrystalline provides a counter guarantee for the Company for 49% of the guarantee line	One year	Not	Not
Jiangxi High Transparent Substrate	30 March 2019	45,000	10 March 2022	990	Joint-liability	No	Other shareholder of Jiangxi High Transparent	Two years	Not	Not

							Substrate provides a counter guarantee for the Company for 49% of the guarantee line			
Sichuan Konka	24 March 2021 and 25 February 2023	20,000	23 May 2023	4,000	Joint-liability	No	No	Three years	Not	Not
Ningbo Khr Electric Appliance	28 April 2022	12,000	2 March 2023	6,000	Joint-liability	No	No	One year	Not	Not
			13 July 2023	6,000	Joint-liability	No	No	One year	Not	Not
Yibin Kangrun	24 October 2020	10,000	13 November 2020	10,000	Joint-liability	No	Other shareholder of Yibin Kangrun provides a counter guarantee for the Company for 33% of the guarantee line	Four years	Not	Not
Telecommunication Technology	28 April 2022	20,000	23 July 2023	7,500	Joint-liability	No	No	One year	Not	Not
Anhui Konka	28 April 2022	110,000	10 August 2021	10,216	Joint-liability	No	Other shareholder of Anhui Konka provides a counter guarantee for the Company for 22% of	Ten years	Not	Not
			29 October 2021	7,000	Joint-liability	No		Five years	Not	Not
			24 October 2022	7,000	Joint-liability	No		Four years	Not	Not
			19 September 2022	7,000	Joint-liability	No		Two years	Not	Not

			25 June 2023	5,000	Joint-liability	No	the guarantee line	Five years	Not	Not
			31 August 2023	5,500	Joint-liability	No		One year	Not	Not
			22 September 2023	18,000	Joint-liability	No		One year	Not	Not
Konka Circuit	24 March 2021	50,000	14 September 2022	5,000	Joint-liability	No	No	One year and a half	Not	Not
			22 December 2022	5,000	Joint-liability	No		One year and a half	Not	Not
			19 July 2023	10,000	Joint-liability	No		Three and a half years	Not	Not
Mobile Interconnection	28 April 2022 and 25 February 2023	15,000	10 November 2023	7,000	Joint-liability	No	No	One year	Not	Not
Liaoyang Kangshun	24 March 2021 and 28 April 2022	20,000	6 January 2023	5,000	Joint-liability	No	No	One year	Not	Not
Konka Xinyun Semiconductor	24 March 2021	30,000	12 July 2021	20,000	Joint-liability	No	No	Five years	Not	Not
			26 May 2022	6,000	Joint-liability	No	No	Two years	Not	Not
Yibin Konka Intelligent	24 March 2021	10,000	23 May 2023	980	Joint-liability	No	No	One year	Not	Not
Chongqing Konka	24 March 2021	55,600	13 December 2022	38,000	Joint-liability	No	No	Fifteen years	Not	Not
Frestec Smart Home	28 April 2022	12,240	6 July 2022	10,200	Joint-liability	No	No	Eight years	Not	Not
Konka Soft Electronic	28 April 2022	19,000	19 December 2022	975	Joint-liability	No	No	Four years	Not	Not

Xi'an Kanghong Technology Industry Development Co., Ltd.	25 February 2023	30,000	26 May 2023	30,000	Joint-liability	No	No	Ten years	Not	Not
Total approved line for such guarantees in the Reporting Period (B1)					275,845	Total actual amount of such guarantees in the Reporting Period (B2)				209,680
Total approved line for such guarantees at the end of the Reporting Period (B3)					1,076,885	Total actual balance of such guarantees at the end of the Reporting Period (B4)				429,551
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
N/A										
Total approved line for such guarantees in the Reporting Period (C1)					1,530	Total actual amount of such guarantees in the Reporting Period (C2)				0
Total approved line for such guarantees at the end of the Reporting Period (C3)					1,530	Total actual balance of such guarantees at the end of the Reporting Period (C4)				0
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)					639,145	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				307,292
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)					2,162,057	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				684,638
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets										121%
Of which:										
Balance of guarantees provided for shareholders, actual controller and their related parties (D)										200,000
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)										684,638
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)										402,418
Total of the three amounts above (D+E+F)										684,638

Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)	N/A
Provision of external guarantees in breach of the prescribed procedures (if any)	N/A

Compound guarantees:

None

3. Cash Entrusted for Wealth Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

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

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

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

√ Applicable □ Not applicable

(I) Corporate bonds issue: Currently, as for the non-public offering of corporate bonds of RMB2.3 billion, RMB1.5 billion of corporate bonds have been issued on 29 January 2024, and the rest of corporate bonds of RMB0.8 billion have been issued on 18 March 2024.

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

The total scale of the Kunshan-CITIC-Konka Emerging Industry Development Investment Fund was RMB1,006,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.70% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB195.21 million. The fund invested in UNIONTECH, Hercules Microsystems (HME), etc.

The total scale of the Tongxiang Wuzhen Jiayu Digital Economic Industry Fund was RMB500 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB200 million, accounting for 40% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB200,000,000. The fund invested in Feidi Technology (Shenzhen) Co., Ltd., Allystar Technology (Shenzhen) Co., Ltd., etc.

The total scale of Yancheng Kangyan Industry Investment Fund was RMB3,000 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1,201,500,000, accounting for 40.05% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB217.36 million. The fund invested in Anhui Zhongdian Xingfa and Xinlong Co., Ltd., Chongqing E2info Technology Co., Ltd., etc.

The total scale of Yibin Kanghui Electronic Information Industry Equity Investment Fund was RMB1,002,000,000. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB401 million, accounting for 40.02% of the total units. By the issuance date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB104 million. The fund invested in Chongqing E2info Technology Co., Ltd., etc.

The total scale of Chongqing Kangxin Equity Investment Fund was RMB2 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1 billion, accounting for 50% of the total units. By the date of this report,

Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB148,248,300. The fund invested in Shanghai VEIGLO Information System Co., Ltd., Jiangxi Taide Wisdom Technology Co., Ltd., etc.

(III) Disclosure index of significant information

Announcement No.	Date	Title	Page on newspaper	Website link
2023-01	4 January 2023	Announcement on Receiving the Shenzhen Bureau of the China Securities Regulatory Commission's Decision to Take Corrective Measures against Konka Group Co., Ltd.	Securities Daily B108, Shanghai Securities News 116, etc.	http://www.cninfo.com.cn/new/index
2023-02	17 January 2023	Announcement on Resolutions of the Sixth Meeting of the Tenth Board of Directors	Securities Daily B31, Shanghai Securities News 17, etc.	
2023-03	17 January 2023	Announcement on Proposed Sale of Some of Equity in Chutian Dragon Co., Ltd.	Securities Daily B31, Shanghai Securities News 17, etc.	
2023-04	17 January 2023	Announcement on Proposed Sale of Some of Equity in Wuhan Tianyuan Environmental Protection Co., Ltd.	Securities Daily B26, Shanghai Securities News 17, etc.	
2023-05	18 January 2023	Announcement on Progress in the Provision of External Guarantee	Securities Daily B75, Shanghai Securities News 81, etc.	
2023-06	31 January 2023	2022 Result Forecast	Securities Daily B143, Shanghai Securities News 148, etc.	
2023-07	25 February 2023	Announcement on Resolutions of the Seventh Meeting of the Tenth Board of Directors	Securities Daily B57, Shanghai Securities News 41, etc.	
2023-08	25 February 2023	Announcement on Resolutions of the Fourth Meeting of the Tenth Board of Supervisors	Securities Daily B58, Shanghai Securities News 41, etc.	
2023-09	25 February 2023	Report on the Remediation Based on the Corrective Measures of the Shenzhen Bureau of the China Securities Regulatory Commission against the Company	Securities Daily B58, Shanghai Securities News 41, etc.	
2023-10	25 February 2023	Announcement on External Guarantee	Securities Daily B57, Shanghai Securities News 41, etc.	
2023-11	25 February 2023	Announcement on Providing Security Limit to and Conducting Connected Transaction with Shareholding Company	Securities Daily B57, Shanghai Securities News 41, etc.	
2023-12	25 February 2023	Notice on Convening 2023 First Extraordinary General Meeting	Securities Daily B57, Shanghai Securities News 41, etc.	
2023-13	25 February 2023	Announcement on Providing Financial Assistance to Shandong Econ Technology Co., Ltd. at	Securities Daily B58, Shanghai Securities News 41, etc.	

		Shareholding Ratio	
2023-14	25 February 2023	Announcement on Applying for a Comprehensive Line of Credit to and Conducting Connected Transactions with China Everbright Bank	Securities Daily B57, Shanghai Securities News 41, etc.
2023-15	25 February 2023	Announcement on Providing Counter Guarantee and Conducting Connected Transaction for Applying for Bank Credit Business	Securities Daily B50, Shanghai Securities News 41, etc.
2023-16	25 February 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Daily B58, Shanghai Securities News 41, etc.
2023-17	14 March 2023	Announcement on Resolutions of 2023 First Extraordinary General Meeting	Securities Daily B49, Shanghai Securities News 41, etc.
2023-18	28 March 2023	2022 Annual Report	Securities Daily B178, Shanghai Securities News 177, etc.
2023-19	28 March 2023	Abstract of 2022 Annual Report	Securities Daily B178, Shanghai Securities News 177, etc.
2023-20	28 March 2023	Announcement on Resolutions of the Eighth Meeting of the Tenth Board of Directors	Securities Daily B178, Shanghai Securities News 177, etc.
2023-21	28 March 2023	Announcement on Resolutions of the Fifth Meeting of the Tenth Board of Supervisors	Securities Daily B178, Shanghai Securities News 177, etc.
2023-22	28 March 2023	Announcement on Expected Routine Connected Transactions in 2023	Securities Daily B178, Shanghai Securities News 177, etc.
2023-23	28 March 2023	Announcement on Plan of Profit Distribution for 2022	Securities Daily B178, Shanghai Securities News 177, etc.
2023-24	28 March 2023	Announcement on Accrual of Asset Impairment Reserves for 2022	Securities Daily B178, Shanghai Securities News 177, etc.
2023-25	4 April 2023	Announcement on Change in Accounting Method of Shareholding Company	Securities Daily B90, Shanghai Securities News 65, etc.
2023-26	4 April 2023	Announcement on Proposed Sale of Some of Equity in Chutian Dragon Co., Ltd.	Securities Daily B90, Shanghai Securities News 65, etc.
2023-27	4 April 2023	Announcement on Resolutions of the Ninth Meeting of the Tenth Board of Directors	Securities Daily B90, Shanghai Securities News 65, etc.
2023-28	4 April 2023	Announcement on Holding 2022 Online Result Release	Securities Daily B90, Shanghai Securities News 65, etc.
2023-29	29 April 2023	2023 Q1 Report	Securities Daily B1204, Shanghai Securities News 988, etc.
2023-30	29 April 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Daily B1204, Shanghai Securities News 988, etc.

2023-31	29 April 2023	Announcement on Some Accounting Policy Changes	Securities Daily B1204, Shanghai Securities News 988, etc.
2023-32	13 May 2023	Announcement on the Postponement of Reply to Inquiry Letter on 2022 Annual Report from Shenzhen Stock Exchange	Securities Daily B128, Shanghai Securities News 12, etc.
2023-33	19 May 2023	Announcement on Resolutions of 11th Meeting of the Tenth Board of Directors	Securities Daily B21, Shanghai Securities News 36, etc.
2023-34	20 May 2023	Announcement on Reply to Inquiry Letter on 2022 Annual Report from Shenzhen Stock Exchange	Securities Daily B173-B174, Shanghai Securities News 161, etc.
2023-35	27 May 2023	Announcement on Resolutions of 12th Meeting of the Tenth Board of Directors	Securities Daily B42, Shanghai Securities News 100, etc.
2023-36	27 May 2023	Notice on Convening 2022 Shareholders' General Meeting	Securities Daily B42, Shanghai Securities News 100, etc.
2023-37	1 June 2023	Announcement on Accumulative Lawsuits and Arbitrations	Securities Daily B32, Shanghai Securities News 41, etc.
2023-38	20 June 2023	Announcement on Resolutions of 2022 Shareholders' General Meeting	Securities Daily B100, Shanghai Securities News 57, etc.
2023-39	22 June 2023	Announcement on Accumulative Lawsuits and Arbitrations	Securities Daily B93, Shanghai Securities News 73, etc.
2023-40	22 June 2023	Announcement on Progress in the Provision of External Guarantee	Securities Daily B93, Shanghai Securities News 73, etc.
2023-41	11 July 2023	Announcement on the Extension of outstanding maturities of Dongfang Jiakang Industry M&A Fund	Securities Daily B39, Shanghai Securities News 11, etc.
2023-42	11 July 2023	Announcement on Resolutions of 14th Meeting of the Tenth Board of Directors	Securities Daily B39, Shanghai Securities News 11, etc.
2023-43	13 July 2023	Announcement on Receiving the Shenzhen Bureau of the China Securities Regulatory Commission's Decision to Take Administrative Supervision Measures	Securities Daily B82, Shanghai Securities News 12, etc.
2023-44	15 July 2023	2023 Interim Results Forecast	Securities Daily B4, Shanghai Securities News 132, etc.
2023-45	11 August 2023	Announcement on Providing Financial Assistance to Dongguan Guankang Yuhong Investment Company Limited According to Shareholding Ratio	Securities Daily B49, Shanghai Securities News 73, etc.
2023-46	11 August 2023	Announcement on Appointment of Audit Firms for 2023 Financial Statements and Internal Control Audit	Securities Daily B49, Shanghai Securities News 73, etc.

2023-47	11 August 2023	Notice on Convening 2023 Second Extraordinary General Meeting	Securities Daily B49, Shanghai Securities News 73, etc.
2023-48	11 August 2023	Announcement on Resolutions of 15th Meeting of the Tenth Board of Directors	Securities Daily B50, Shanghai Securities News 73, etc.
2023-49	11 August 2023	Announcement on the Resolutions of the 7th Meeting of the 10th Board of Supervisors	Securities Daily B50, Shanghai Securities News 73, etc.
2023-50	11 August 2023	Announcement on Issuing the Plan for the Company's Private Offering of Corporate Bonds and Providing Counter Guarantee for OCT Group	Securities Daily B49, Shanghai Securities News 73, etc.
2023-51	11 August 2023	Report on the Remediation Based on the Corrective Measures of the Shenzhen Bureau of the China Securities Regulatory Commission against the Company	Securities Daily B49, Shanghai Securities News 73, etc.
2023-52	11 August 2023	Announcement on Progress in the Provision of External Guarantee	Securities Daily B49, Shanghai Securities News 73, etc.
2023-53	28 August 2023	Summary of 2023 Interim Report	Securities Daily B66, Shanghai Securities News 17, etc.
2023-54	28 August 2023	2023 Interim Report	Securities Daily B66, Shanghai Securities News 17, etc.
2023-55	28 August 2023	Announcement on Semi-annual Provision for assets impairment for 2023	Securities Daily B66, Shanghai Securities News 17, etc.
2023-56	29 August 2023	Announcement on Resolutions of 2023 Second Extraordinary General Meeting	Securities Daily B71, Shanghai Securities News 345, etc.
2023-57	15 September 2023	Announcement on Progress in the Provision of External Guarantee	Securities Daily B56, Shanghai Securities News 57, etc.
2023-58	23 September 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Subsidiaries	Securities Daily B11, Shanghai Securities News 12, etc.
2023-59	31 October 2023	The Third Quarterly Report of 2023	Securities Daily B749, Shanghai Securities News 20, etc.
2023-60	4 November 2023	Announcement on the Participation in 2023 Shenzhen Online Group Reception Day for Listed Company Investors	Securities Daily B38, Shanghai Securities News 49, etc.
2023-61	18 November 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Subsidiaries	Securities Daily B20, Shanghai Securities News 20, etc.
2023-62	18 November 2023	Announcement on the Receipt of SZSE No Objection Letter for 2023 Corporate Bond Listing Qualification	Securities Daily B20, Shanghai Securities News 20, etc.
2023-63	28 November	Announcement on Overdue Shareholder Loans to	Securities Daily B16, Shanghai Securities

	2023	Shareholding Companies	News 52, etc.
2023-64	6 December 2023	Announcement on Providing Financial Assistance to Chuzhou Kangxin Health Industry Development Company Limited According to Shareholding Ratio	Securities Daily B22, Shanghai Securities News 28, etc.
2023-65	6 December 2023	Announcement on Resolutions of 19th Meeting of the Tenth Board of Directors	Securities Daily B22, Shanghai Securities News 28, etc.
2023-66	6 December 2023	Notice on Convening 2023 Third Extraordinary General Meeting	Securities Daily B22, Shanghai Securities News 28, etc.
2023-67	22 December 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Subsidiaries	Securities Daily B54, Shanghai Securities News 68, etc.
2023-68	22 December 2023	Announcement on Resolutions of 2023 Third Extraordinary General Meeting	Securities Daily B54, Shanghai Securities News 68, etc.
2023-69	26 December 2023	Announcement on Progress of Guarantee Provision for Wholly-owned Subsidiaries	Securities Daily B54, Shanghai Securities News 68, etc.

XVII Significant Events of Subsidiaries

Applicable Not applicable

Part VII Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

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

Reasons for the share changes:

Applicable Not applicable

Approval of the share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	84,916	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	86,489	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Share holding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Shares
OVERSEAS TOWN CHINESE HOLDINGS COMPANY	State-owned legal person	21.75%	523,746,932	0	0	523,746,932		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.48%	180,001,110	0	0	180,001,110		

WANG JINGFENG	Domestic natural person	2.91%	70,000,000	-35,000,000	0	70,000,000		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.48%	59,706,843	479,618	0	59,706,843		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0	0	57,289,100		
GAOLING FUND ,L.P.	Foreign legal person	1.88%	45,366,683	-7,434,567	0	45,366,683		
NAMNGAI	Foreign natural person	0.96%	23,000,000	-19,800	0	23,000,000		
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.93%	22,292,686	7,154,180	0	22,292,686		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.82%	19,865,520	407,800	0	19,865,520		
BOCOM INTERNATIONAL SECURITIES LIMITED	Foreign legal person	0.78%	18,896,037	0	0	18,896,037		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Holdings Company (OCT Group), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and OCT Group are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the				Shares by type			

	period-end	Type	Shares
OVERSEAS CHINESE TOWN HOLDINGS COMPANY	523,746,932	RMB-denominated ordinary stock	523,746,932
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	180,001,110	Domestically listed foreign stock	180,001,110
WANG JINGFENG	70,000,000	RMB-denominated ordinary stock	70,000,000
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	59,706,843	Domestically listed foreign stock	59,706,843
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign stock	57,289,100
GAOLING FUND ,L.P.	45,366,683	Domestically listed foreign stock	45,366,683
NAMNGAI	23,000,000	Domestically listed foreign stock	23,000,000
HONG KONG SECURITIES CLEARING COMPANY LTD.	22,292,686	RMB-denominated ordinary stock	22,292,686
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,865,520	Domestically listed foreign stock	19,865,520
BOCOM INTERNATIONAL SECURITIES LIMITED	18,896,037	Domestically listed foreign stock	18,896,037
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Holdings Company (OCT Group), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and OCT Group are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	Wang Jingfeng holds 70,000,000 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd.		

Top 10 shareholders involved in refinancing shares lending

Applicable Not applicable

Changes in top 10 shareholders compared with the prior period

Applicable Not applicable

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

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Overseas Chinese Town Holdings Company	Zhang Zhengao	11 November 1985	91440300190346175T	Export of textile, light industrial products, etc; import of self-used goods in Shenzhen, mechanical equipment, light industrial products, etc. as approved by the relevant authorities of Shenzhen (under Government Document JMB [92] WJMGTSZZ No. A19024); compensation trade; investment in tourism and relevant cultural industry (including art performance, entertainment and their services, etc), industry, real estate, commerce & trade, packaging, decoration and investment in printing industry. The convert of export commodities into domestic sale and the domestic sales of import commodities. Travelling, rental of warehouses, culture and art, bonded warehouse of car donation, convention and exhibition services (the projects involved in license management can be operated after getting the relevant license first); sales of automobile (sedan car included)
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	As of 31 December 2023, Overseas Chinese Town Holdings Company directly held 47.01% equity of Shenzhen Overseas Chinese Town Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ. 000069) and indirectly held 0.96% equity of Shenzhen Overseas Chinese Town Co., Ltd. through OCT Capital Investment Management Co., Ltd. Meanwhile, Shenzhen Overseas Chinese Town Co., Ltd. indirectly held 70.94% equity of OCT (Asia) Holdings Ltd. (a company listed on the main Board of Hong Kong Stock Exchange, 3366.HK). Overseas Chinese Town Holdings Company indirectly held 53.88% equity of Yunnan Tourism Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002059).Overseas Chinese Town Holdings Company held 7.11% equity of China Everbright Bank Company Limited (a company listed on the main Board of Shanghai Stock Exchange (SH.601818) and the main Board of Hong Kong Stock Exchange (6818.HK). Overseas Chinese Town Holdings Company indirectly held 2.74% equity of Zhejiang Century Huatong Group Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002602) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd. Overseas Chinese Town Holdings Company indirectly held 11.12% of equity of Jiangsu Guoxin Corporation Limited (a company listed in Shenzhen Stock Exchange, SZ. 002608) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd..			

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
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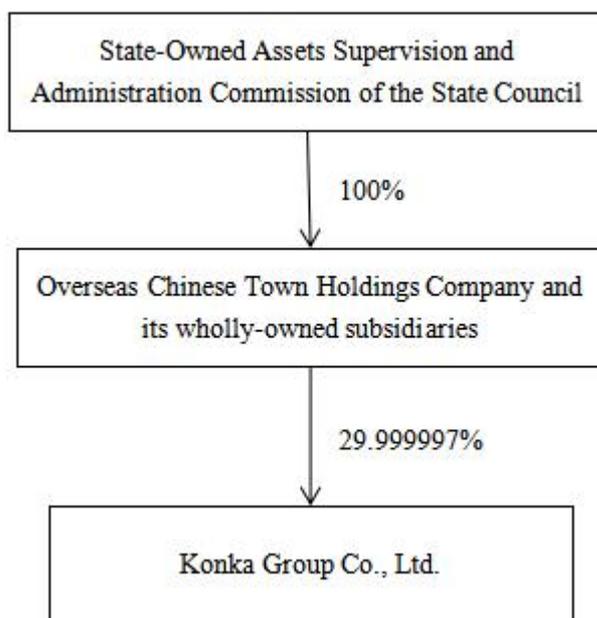
State-owned Assets Supervision and Administration Commission of the State Council	Zhang Yuzhuo		Not applicable	Not applicable
Actual controller's holdings in other listed companies at home or abroad in the Reporting Period				Not applicable

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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



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

Applicable Not applicable

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

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

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

Applicable Not applicable

IV Specific Implementation of Share Repurchases in the Reporting Period

Progress on any share repurchases:

Applicable Not applicable

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

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No Preference shares in the Reporting Period.

Part IX Corporate Bonds

Applicable Not applicable

I Enterprise Bonds

Applicable Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

Applicable Not applicable

1. Basic Information of the Corporate Bonds

Unit: RMB'0,000

Name	Abbr.	Code	Issue date	Value date	Due date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption	Trade place
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche I)	21 Konka 01	114894	8 January 2021	8 January 2021	8 January 2024	100,000.00	4.46%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche II)	21 Konka 02	133003	21 May 2021	21 May 2021	21 May 2024	50,000.00	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche III)	21 Konka 03	133040	9 July 2021	9 July 2021	9 July 2024	80,000.00	3.95%	Interests shall be paid every year and the principals shall be repaid when	Shenzhen Stock Exchange

								expired.	
Corporate bonds publicly offered to professional investors in 2022 of Konka Group Co., Ltd. (Tranche I) (Variety I)	22 Konka a 01	149987	14 July 2022	14 July 2022	14 July 2025	120,000.0 0	3.23%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2022 of Konka Group Co., Ltd (Tranche I) (Variety I)	22 Konka a 03	133306	8 Septembe r 2022	8 Septembe r 2022	8 Septembe r 2025	60,000.00	3.30%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2022 of Konka Group Co., Ltd (Tranche II)	22 Konka a 05	133333	18 October 2022	18 October 2022	18 October 2025	60,000.00	3.50%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd (Tranche I)	24 Konka a 01	133759	29 January 2024	29 January 2024	29 January 2027	150,000	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd (Tranche II) (Variety I)	24 Konka a 02	133782	18 March 2024	18 March 2024	18 March 2027	40,000	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange

Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd (Tranche II) (Variety II)	24 Konka a 03	133783	18 March 2024	18 March 2024	18 March 2027	40,000	4.03%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	“21 Konka 01”、“21 Konka 02”, “21 Konka 03”, “22 Konka 03”, “22 Konka 05”, “24 Konka 01”, “24 Konka 02” and “24 Konka 03” were placed privately to professional investors meeting the requirements of management method for investors eligibility of Shenzhen Stock Exchange, which not exceeding 200 persons. “22 Konka 01” was offered publicly to professional institutional investors meeting the requirements of Measures for the Administration of Issuing and Trading Corporate Bonds and opening a qualified A-share securities account in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.								
Applicable trade mechanism	Comprehensive protocol trading platform: Match-and-deal, click-and-deal, inquire-and-deal, bid-and-deal, and negotiate-and-deal								
Risk of delisting (if any) and countermeasures	No								

Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

3. Intermediary

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

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

	Public Accountants (Special General Partnership)	Chaoyangmen Beidajie, Dongcheng District, Beijing	Miaoling, Liu Jianhua, Tang Qimei		
24 Konka 01 24 Konka 02 24 Konka 03	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	China Merchants Securities Co. Ltd.	No. 111, Fuhua 1st Road, Futian Street, Futian District, Shenzhen, Guangdong	/	Chen Cheng, Feng Shu	0755-82943666
	Sinolink Securities Co., Ltd.	23/F, Zizhu International Building, No. 1088 Fangdian Road, Pudong New Area, Shanghai	/	Yao Heng, Qing Chunlin, Zhu Jing, Zhu Caiyu	021-68826021
	Century Securities Co., Ltd.	16/F, Building C, Huahai Financial Innovation Center, No. 5073, Menghai Avenue, Nanshan District, Shenzhen	/	Li Jiaqing, Yang Qi	0755-83199417
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	Shinewing Certified Public Accountants (Special General Partnership)	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Tang Qimei, Liu Lihong	Tang Qimei, Liu Lihong	020-28309500

Did the intermediary change during the Reporting Period?

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
21 Konka 01	100,000.00	100,000.00	0	It has been operating well		Yes

21 Konka 02	50,000.00	50,000.00	0	and there has been no violation of relevant regulations and fund supervision agreements.		
21 Konka 03	80,000.00	80,000.00	0			
22 Konka 01	120,000.00	120,000.00	0			
22 Konka 03	60,000.00	60,000.00	0			
22 Konka 05	60,000.00	60,000.00	0			
24 Konka 01	150,000.00	100,000.00	50,000.00			
24 Konka 02	40,000.00	0	40,000.00			
24 Konka 03	40,000.00	0	40,000.00			

The raised funds were used for project construction

Applicable Not applicable

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

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

OCT Group provides full, unconditional and irrevocable joint liability guarantee for “21 Konka 01”, “21 Konka 02”, “21 Konka 03”, “22 Konka 01”, “22 Konka 03”, “22 Konka 05”, “24 Konka 01”, “24 Konka 02” and “24 Konka 03”. The Credit Enhancement Mechanisms, Redemption Plans and Other Redemption Security Measures during the Reporting Period are executed according to agreement. No change occurred.

III Debt Financing Instruments of Non-financial Enterprises

Applicable Not applicable

No such cases in the Reporting Period.

IV Convertible Corporate Bonds

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

Item	Details of loss	Reason for loss	Impact on the company's production, operation and solvency
Net profit attributable to shareholders of listed companies	During the Reporting Period, the Company's net profit loss attributable to shareholders of listed companies was RMB2,164 million, accounting for 38.34% of the net assets.	<p>1. In 2023, the Company incurred a certain degree of loss in its colour TV business due to factors such as product strategy adjustments and ongoing supply chain fluctuations. In terms of domestic sales of colour TVs, the Company made systematic adjustments to its product planning and sales strategies during the current period. The mid-to-high-end new products X6/M6/R7 were mainly launched in the second half of 2023. However, the introduction and sales ramp-up cycle of these new TV products lagged behind, failing to fully compensate for the clearance losses resulting from the discontinuation of old models. This, to some extent, affected the sales scale and total profit of the Company's domestic TV business. Regarding TV exports and OEM business, due to the continuous fluctuation in upstream supply chain costs in 2023, the gross margin of orders delivered by the Company's TV exports and OEM business was relatively low. Although strategic adjustments helped to gradually improve the operational quality in the second half of 2023, the gross margin for the full year 2023 was still unable to fully cover rigid expenses.</p> <p>2. In 2023, in accordance with the Company's development strategy and considering the macroeconomic environment, the Company upheld the principle of "industrial park service aligned with core business strategy" and continued to reduce its business in industrial parks. There were virtually no new large-scale industrial park projects in 2023, resulting in a decrease in related income compared to the previous year.</p> <p>3. In 2023, although the Company's semiconductor business made certain achievements in several key industrial chain technologies, it remained in the early stages of industrialization. R&D investment continued to grow, but scale and efficiency in output were not achieved, affecting the overall operating profit of the Company.</p> <p>4. In 2023, based on the principle of prudence, the Company made a provision for asset impairment of approximately RMB1,017million in accordance with accounting policies</p>	<p>The Company will follow the new development strategy of "One Axis, Two Wheels and Three Growth Drivers," and adhere to long-term value-oriented principles and the operational strategy of focusing on the long term, making profit before expansion, and improving specialization before consolidation. It will also deepen professional integration, implement lean management, and promote high-quality development. The Company will allocate resources to support the development of its core business, focusing on driving the growth and profitability of the white goods and PCB sectors. Lean management will be implemented to enhance value creation and reduce losses in the colour TV business. Innovation efforts will be directed towards capitalization and efficiency output of the semiconductor business, thereby creating a specialized business matrix. The loss for the reporting period will not affect the normal production and operation of the Company and the repayment of debts due.</p>

		and estimates, resulting in a decrease in profit. 5. In 2023, the Company strategically optimized non-core operations such as industry trade and environmental protection, resulting in a narrowing of profit sources and a decrease in related income.	
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VI Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable Not applicable

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

Yes No

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

Unit: RMB'0,000

Item	31 December 2023	31 December 2022	Increase/decrease
Current ratio	87.69%	118.17%	-25.79%
Debt/asset ratio	83.51%	77.74%	5.77%
Quick ratio	70.07%	88.59%	-20.91%
	2023	2022	Increase/decrease
Net profit after deducting non-recurring profit or loss	-291,444.51	-266,555.04	-9.34%
EBITDA/debt ratio	-6.33%	-3.45%	-2.88%
Times interest earned	-3.50	-1.99	-75.88%
Times interest earned of cash	2.17	0.42	416.67%
Times interest earned of EBITDA	-2.39	-1.12	-113.39%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Part X Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	29 March 2024
Name of the independent auditor	ShineWing Certified Public Accountants (Special General Partnership)
Reference number of audit report	XYZH/2024SZAA8B0233
Name of the certified public accountants	Tang Qimei, Liu Lihong

Independent Auditor's Report

XYZH/2024SZAA8B0233

Konka Group Co., Ltd.

All shareholders of Konka Group Co., Ltd.:

I. Opinion

We have audited the accompanying financial statements of Konka Group Co., Ltd. (the "Konka Group"), which comprise the Company's and consolidated balance sheets of the parent company as at 31 December 2023, the Company's and consolidated income statements of the parent company, the Company's and consolidated cash flow statements of the parent company, the Company's and consolidated statements of changes in shareholders' equity of the parent company for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements attached were prepared in line with the regulations of Accounting Standards for Business Enterprises in all significant aspects which gave a true and fair view of the consolidated and parent financial position of the Company as at 31 December 2023 and the consolidated and parent business performance and cash flow of the Company for 2023.

II. Basis for Opinion

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

is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

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

1. Recognition of operating revenues	
Key audit matters	Countermeasures of audit
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 50. In 2023, Konka Group's consolidated financial statements confirmed operating income of RMB17,849,331,400, the mainly revenue comes from the Color TV, white goods, optoelectronic display, storage and printed circuit boards, etc. Due to the importance of revenue to the financial statements as a whole, and the inherent misstatement risk of management's manipulation of revenue recognition in order to achieve specific goals or expectations, we make revenue recognition a key audit matter.</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Obtain signed sales contracts, analyze relevant provisions, and evaluate whether the revenue recognition of Konka Group is in compliance with the Accounting Standards for Business Enterprises;</p> <p>(3) Obtain the sales list of Konka Group products, examine the customers' information registered with the industrial and commercial administration, inquire the relevant personnel of Konka Group, and identify whether any of the customers is a related party to Konka Group;</p> <p>(4) Perform analytical procedures on revenue and costs, evaluate the rationality of sales revenue and gross profit margin changes;</p> <p>(5) Examine materials such as important sales contracts, orders, invoices, goods ownership transfer certificates, bank receipts, invoices; select important customers, verify the transaction amounts and balances in writing to verify the truthfulness, completeness and accuracy of revenue;</p> <p>(6) Conduct a cut-off test on sales revenue.</p>

2. Recognition of investment income	
Key audit matters	Countermeasures of audit
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements"57. In 2023, Konka Group's consolidated financial statements confirmed investment income of RMB675,405,200, the mainly revenue comes from the investment income from the transfer of long-term equity investments held by Konka Group to financial assets held for trading as a result of the reduction of its holdings in the secondary market during the year, as well as investment income arising from the disposal of long-term equity investments in certain subsidiaries. Since the amount of investment income is significant, we confirm the recognition of investment income as a key audit matter.</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Obtaining relevant decision-making documents for the disposal of the target company's equity, as well as equity transfer agreements and transaction documents, conducting interviews with the Konka Group company's management and selected equity transferees to understand the commercial background and rationality of the equity transfer, in order to determine the authenticity of the equity transfer;</p> <p>(3) Obtaining bank receipt certificates for the transfer of equity and inquiring about industrial and commercial changes in the company that is the subject of the transfer of equity so as to determine whether the formalities related to the transfer of shares have been completed;</p> <p>(4) Review the fairness of the consideration for the equity transaction and check whether the measurement of investment income from the disposal of equity interests is in accordance with the provisions of enterprise accounting standards;</p> <p>(5) The procedures implemented in response to the change of the accounting method for the Konka Group Company's equity investment are as follows:</p> <p>① Obtain decision-making documents related to the change of accounting methods, interview the management and invested company controlling shareholders of the Konka Group Company, and obtain relevant information;</p> <p>② Based on the information obtained and the</p>

	<p>interviews, evaluate whether the Konka Group Company's equity interest in the investee company has significant influence on the investee company, and analyze whether the Konka Group Company's accounting for the matter of identifying the equity investment as an investment in an equity instrument for trading and designating it as a financial asset at fair value through profit or loss is consistent with the provisions of the Accounting Standards for Business Enterprises.</p> <p>(6) Review the calculation process of Konka Group's equity transfer and accounting method change to confirm investment income, and check whether the calculation of investment income is accurate.</p>
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IV. Other Information

The management of the Company is responsible for the other information. The other information comprises all of the information included in the annual report for 2023 other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- (1) Identify and assess the risks of major misstatement of financial statements due to fraud or errors, design and implement audit procedures to deal with these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Since fraud may involve collusion, forgery, intentional omissions, misrepresentation, or overriding internal control, the risk of failing to detect a major misstatement due to fraud is higher than the risk of failing to detect a major misstatement due to error.
- (2) Understand the internal control related to auditing in order to design appropriate auditing procedures.
- (3) Evaluate the appropriateness of management's selection of accounting policies and the rationality of accounting estimates and related disclosures.
- (4) To draw conclusions on the appropriateness of the management's use of continuous operation assumptions. At the same time, based on the audit evidence obtained, a conclusion can be drawn on whether there is a material uncertainty that may cause significant doubts about Konka Group's ability to continue operations. If we conclude that there are significant uncertainties, the auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in

the financial statements in the audit report; if the disclosures are insufficient, we should issue a non-reserved opinion. Our conclusion is based on the information available as of the date of the audit report. However, future events or circumstances may prevent Konka Group from continuing its operations.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and evaluate whether the financial statements fairly reflect related transactions and events.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

ShineWing Certified Public Accountants

CPA: (Engagement Partner)

(Special General Partnership)

CPA:

Beijing·China

29 March 2024

II Financial Statements

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

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

31 December 2023

Unit: RMB

Item	31 December 2023	1 January 2023
Current assets:		
Monetary assets	6,506,359,577.02	5,988,095,490.71
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	469,636,700.78	
Derivative financial assets		
Notes receivable	533,171,949.15	1,059,737,243.54
Accounts receivable	1,726,545,973.08	2,036,734,836.22
Accounts receivable financing	173,396,326.14	237,187,228.44
Prepayments	165,454,311.51	389,947,652.39
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	989,121,067.51	1,442,124,845.58
Including: Interest receivable	6,681,258.01	3,878,580.64
Dividends receivable	941,482.38	272,999.43
Financial assets purchased under resale agreements		
Inventories	3,249,897,700.98	4,409,767,756.22

Contract assets	2,190,385.93	
Assets held for sale		
Current portion of non-current assets		14,630,000.00
Other current assets	2,359,159,468.75	2,038,841,225.83
Total current assets	16,174,933,460.85	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
Long-term equity investments	5,566,483,863.29	6,351,232,955.58
Investments in other equity instruments	23,841,337.16	23,841,337.16
Other non-current financial assets	2,009,676,398.00	2,639,662,273.32
Investment property	1,470,226,723.87	802,407,844.60
Fixed assets	5,218,297,745.16	4,114,029,693.38
Construction in progress	860,899,498.68	1,990,361,377.07
Productive living assets		
Oil and gas assets		
Right-of-use assets	197,054,423.17	50,019,838.68
Intangible assets	1,087,386,015.34	1,116,739,707.27
Development costs		
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	518,919,223.71	387,309,503.07
Deferred income tax assets	1,426,573,982.16	1,197,406,370.65
Other non-current assets	1,248,328,806.16	1,710,245,378.26
Total non-current assets	19,649,884,751.81	20,406,253,414.15

Total assets	35,824,818,212.66	38,023,319,693.08
Current liabilities:		
Short-term borrowings	6,390,592,056.27	7,579,559,304.97
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	990,482,927.20	1,054,573,822.04
Accounts payable	2,726,831,675.97	2,659,946,562.93
Advances from customers		825.69
Contract liabilities	527,975,160.12	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	304,733,103.63	348,608,204.05
Taxes payable	214,417,135.87	291,102,679.36
Other payables	1,922,791,905.14	1,895,711,373.34
Including: Interest payable		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	5,314,147,396.36	409,220,030.69

Other current liabilities	54,330,715.75	68,449,783.71
Total current liabilities	18,446,302,076.31	14,908,216,945.13
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	7,779,150,079.88	8,906,931,402.89
Bonds payable	2,426,992,578.67	4,792,392,044.13
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	160,218,818.92	36,586,639.16
Long-term payables	6,135,734.07	7,964,127.18
Long-term employee benefits payable	4,718,466.37	4,894,209.73
Provisions	304,519,839.80	159,395,579.55
Deferred income	425,135,237.90	334,844,966.31
Deferred income tax liabilities	185,026,165.27	95,427,298.31
Other non-current liabilities	179,996,351.33	314,233,260.08
Total non-current liabilities	11,471,893,272.21	14,652,669,527.34
Total liabilities	29,918,195,348.52	29,560,886,472.47
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	526,499,506.76	365,247,361.05
Less: Treasury stock		
Other comprehensive income	-13,443,558.44	-14,265,181.63
Specific reserve	4,657,488.24	

Surplus reserves	1,244,180,364.24	1,244,180,364.24
General reserve		
Retained earnings	1,474,561,975.85	3,638,352,029.02
Total equity attributable to owners of the Company as the parent	5,644,401,184.65	7,641,459,980.68
Non-controlling interests	262,221,679.49	820,973,239.93
Total owners' equity	5,906,622,864.14	8,462,433,220.61
Total liabilities and owners' equity	35,824,818,212.66	38,023,319,693.08

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Ping Heng

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2023	1 January 2023
Current assets:		
Monetary assets	4,739,026,071.80	3,987,295,740.42
Held-for-trading financial assets	469,636,700.78	
Derivative financial assets		
Notes receivable	212,545,745.69	353,764,106.66
Accounts receivable	2,907,508,425.51	4,473,878,994.50
Accounts receivable financing		
Prepayments	3,050,914,644.86	2,105,477,988.44
Other receivables	7,962,523,971.43	10,342,326,355.05
Including: Interest receivable	6,325,400.49	3,878,580.64
Dividends receivable	395,209,709.13	393,563,347.61
Inventories	74,359,735.29	173,658,748.80
Contract assets		
Assets held for sale		
Current portion of non-current assets		

Other current assets	1,776,247,847.16	1,581,440,821.79
Total current assets	21,192,763,142.52	23,017,842,755.66
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	8,353,187,518.14	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	896,398,058.58	439,835,051.61
Fixed assets	408,039,474.28	418,021,638.28
Construction in progress	10,456,702.05	481,659,536.66
Productive living assets		
Oil and gas assets		
Right-of-use assets		1,341,125.40
Intangible assets	44,546,041.59	65,620,126.31
Development costs		
Goodwill		
Long-term prepaid expense	43,352,655.77	36,665,581.09
Deferred income tax assets	1,186,943,851.11	1,127,531,647.49
Other non-current assets	42,958,066.97	458,931.60
Total non-current assets	11,400,175,721.81	12,086,116,129.18
Total assets	32,592,938,864.33	35,103,958,884.84
Current liabilities:		
Short-term borrowings	2,344,154,349.99	2,217,049,472.22
Held-for-trading financial liabilities		

Derivative financial liabilities		
Notes payable	83,813,428.75	890,526,510.04
Accounts payable	6,459,535,317.41	6,918,579,963.57
Advances from customers		
Contract liabilities	943,718,573.19	2,445,363,632.98
Employee benefits payable	65,273,780.70	90,137,022.47
Taxes payable	9,069,845.15	4,095,684.11
Other payables	3,471,748,973.76	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	5,206,842,165.89	151,933,839.55
Other current liabilities	9,728,362.56	7,129,729.38
Total current liabilities	18,593,884,797.40	16,666,707,498.94
Non-current liabilities:		
Long-term borrowings	6,655,411,621.10	8,261,287,052.44
Bonds payable	2,426,992,578.67	4,792,392,044.13
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	201,607,949.06	83,666,032.25
Deferred income	40,966,821.50	43,377,324.62
Deferred income tax liabilities	69,803,544.47	

Other non-current liabilities	45,682,878.82	42,948,698.55
Total non-current liabilities	9,440,465,393.62	13,223,671,151.99
Total liabilities	28,034,350,191.02	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	341,229,750.75	241,044,390.55
Less: Treasury stock		
Other comprehensive income	-1,399,371.64	-1,500,000.00
Specific reserve		
Surplus reserves	1,260,024,039.76	1,260,024,039.76
Retained earnings	550,788,846.44	1,306,066,395.60
Total owners' equity	4,558,588,673.31	5,213,580,233.91
Total liabilities and owners' equity	32,592,938,864.33	35,103,958,884.84

3. Consolidated Income Statement

Unit: RMB

Item	2023	2022
1. Revenue	17,849,331,429.24	29,607,854,255.27
Including: Operating revenue	17,849,331,429.24	29,607,854,255.27
Interest revenue		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	20,267,187,420.23	32,164,076,308.01
Including: Cost of sales	17,149,036,750.50	28,788,638,393.88

Interest costs		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	105,488,040.47	119,339,820.01
Selling expense	1,145,124,848.96	1,240,144,735.77
Administrative expense	807,527,910.20	949,647,590.28
R&D expense	497,993,759.86	543,882,024.89
Finance costs	562,016,110.24	522,423,743.18
Including: Interest expense	884,535,066.01	913,721,408.10
Interest income	286,969,209.86	237,115,652.09
Add: Other income	270,618,031.94	928,712,500.81
Return on investment (“-” for loss)	675,405,221.53	936,006,397.44
Including: Share of profit or loss of joint ventures and associates	-170,413,352.22	123,392,731.97
Income from the derecognition of financial assets at amortized cost (“-” for loss)	-4,507,260.06	
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-97,937,910.89	-40,731,333.54
Credit impairment loss (“-” for loss)	-456,603,000.84	-949,885,019.53
Asset impairment loss (“-” for loss)	-560,592,965.39	-295,395,852.33

Asset disposal income (“-” for loss)	54,321.20	9,580,708.29
3. Operating profit (“-” for loss)	-2,586,912,293.44	-1,967,934,651.60
Add: Non-operating income	26,263,072.49	125,139,042.00
Less: Non-operating expense	156,685,855.03	224,724,245.84
4. Profit before tax (“-” for loss)	-2,717,335,075.98	-2,067,519,855.44
Less: Income tax expense	-81,448,414.64	-298,299,507.08
5. Net profit (“-” for net loss)	-2,635,886,661.34	-1,769,220,348.36
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-2,635,886,661.34	-1,769,220,348.36
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent	-2,163,790,053.17	-1,470,466,806.68
5.2.1 Net profit attributable to non-controlling interests	-472,096,608.17	-298,753,541.68
6. Other comprehensive income, net of tax	-84,979.37	7,669,161.80
Attributable to owners of the Company as the parent	821,623.19	6,070,906.24
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	821,623.19	6,070,906.24
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-86,041.63	-2,814,803.62
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	907,664.82	8,885,709.86
6.2.7 Other		
Attributable to non-controlling interests	-906,602.56	1,598,255.56
7. Total comprehensive income	-2,635,971,640.71	-1,761,551,186.56
Attributable to owners of the Company as the parent	-2,162,968,429.98	-1,464,395,900.44
Attributable to non-controlling interests	-473,003,210.73	-297,155,286.12
8. Earnings per share		
8.1 Basic earnings per share	-0.8986	-0.6107
8.2 Diluted earnings per share	-0.8986	-0.6107

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	2023	2022
1. Operating revenue	1,847,995,092.79	1,811,783,519.02
Less: Cost of sales	1,881,115,675.91	1,962,490,364.97
Taxes and surcharges	13,005,236.44	15,338,452.88

Selling expense	246,898,982.08	366,876,186.97
Administrative expense	294,635,923.59	336,016,963.92
R&D expense	33,956,995.43	72,787,542.14
Finance costs	417,683,630.95	285,666,822.84
Including: Interest costs	790,542,260.97	819,229,878.82
Interest revenue	357,509,620.15	353,261,761.47
Add: Other income	51,184,013.42	54,121,427.81
Return on investment (“-” for loss)	644,677,669.41	538,946,392.20
Including: Share of profit or loss of joint ventures and associates	-34,502,328.35	138,908,805.41
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)	-133,358,646.82	-44,886,112.74
Credit impairment loss (“-” for loss)	-86,470,747.72	-711,816,020.43
Asset impairment loss (“-” for loss)	-90,170,750.24	-355,291,000.36
Asset disposal income (“-” for loss)	-17,987.13	6,034,182.85
2. Operating profit (“-” for loss)	-653,457,800.69	-1,740,283,945.37
Add: Non-operating income	2,160,817.77	91,504,267.54
Less: Non-operating expense	87,467,742.44	64,661,744.87
3. Profit before tax (“-” for loss)	-738,764,725.36	-1,713,441,422.70
Less: Income tax expense	10,424,753.35	-415,717,523.01
4. Net profit (“-” for net loss)	-749,189,478.71	-1,297,723,899.69
4.1 Net profit from continuing operations (“-” for net loss)	-749,189,478.71	-1,297,723,899.69
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of	100,628.36	

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	100,628.36	
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	100,628.36	
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	-749,088,850.35	-1,297,723,899.69
7. Earnings per share		
7.1 Basic earnings per share	-0.31	-0.54
7.2 Diluted earnings per share	-0.31	-0.54

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2023	2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	17,378,235,561.44	31,247,109,491.35
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	233,820,738.77	622,846,091.66
Cash generated from other operating activities	1,091,889,678.99	1,597,087,027.13
Subtotal of cash generated from operating activities	18,703,945,979.20	33,467,042,610.14
Payments for commodities and services	14,643,693,951.06	29,639,887,809.19
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		

Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	1,734,831,096.85	1,800,638,478.78
Taxes paid	466,335,778.71	585,416,375.42
Cash used in other operating activities	1,305,983,874.68	1,969,402,988.58
Subtotal of cash used in operating activities	18,150,844,701.30	33,995,345,651.97
Net cash generated from/used in operating activities	553,101,277.90	-528,303,041.83
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,463,288,277.00	875,506,214.56
Return on investment	140,970,812.05	128,778,266.85
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	27,438,051.10	9,239,243.90
Net proceeds from the disposal of subsidiaries and other business units	165,963,074.98	297,094,350.04
Cash generated from other investing activities	683,929,746.03	3,988,535,308.42
Subtotal of cash generated from investing activities	2,481,589,961.16	5,299,153,383.77
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	1,476,559,951.04	3,613,087,559.62
Payments for investments	7,200,000.00	877,816,559.18
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	529,573,236.98	482,014,454.76
Subtotal of cash used in investing	2,013,333,188.02	4,972,918,573.56

activities		
Net cash generated from/used in investing activities	468,256,773.14	326,234,810.21
3. Cash flows from financing activities:		
Capital contributions received	1,978,378.97	87,895,628.12
Including: Capital contributions by non-controlling interests to subsidiaries	1,978,378.97	87,895,628.12
Borrowings raised	10,950,030,506.74	20,760,552,594.08
Cash generated from other financing activities	738,205,183.98	525,285,976.82
Subtotal of cash generated from financing activities	11,690,214,069.69	21,373,734,199.02
Repayment of borrowings	10,672,675,811.70	19,821,101,947.09
Interest and dividends paid	812,403,661.30	1,025,755,719.07
Including: Dividends paid by subsidiaries to non-controlling interests	735,000.00	110,680,000.00
Cash used in other financing activities	1,036,318,624.40	859,164,470.60
Subtotal of cash used in financing activities	12,521,398,097.40	21,706,022,136.76
Net cash generated from/used in financing activities	-831,184,027.71	-332,287,937.74
4. Effect of foreign exchange rates changes on cash and cash equivalents	22,698,315.32	27,920,961.23
5. Net increase in cash and cash equivalents	212,872,338.65	-506,435,208.13
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	5,674,784,349.55	5,461,912,010.90

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2023	2022
1. Cash flows from operating activities:		

Proceeds from sale of commodities and rendering of services	5,703,782,163.83	7,297,996,873.73
Tax rebates	70,166,100.06	230,063,490.93
Cash generated from other operating activities	208,374,488.43	372,486,582.46
Subtotal of cash generated from operating activities	5,982,322,752.32	7,900,546,947.12
Payments for commodities and services	6,122,040,543.84	7,900,208,310.15
Cash paid to and for employees	250,167,106.81	312,957,158.05
Taxes paid	21,411,524.06	44,490,340.42
Cash used in other operating activities	382,250,859.55	927,360,896.15
Subtotal of cash used in operating activities	6,775,870,034.26	9,185,016,704.77
Net cash generated from/used in operating activities	-793,547,281.94	-1,284,469,757.65
2. Cash flows from investing activities:		
Proceeds from disinvestment	962,711,727.95	572,941,738.40
Return on investment	73,394,567.02	70,285,307.27
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	493,918.22	66,770.14
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	4,984,828,057.53	6,707,788,692.79
Subtotal of cash generated from investing activities	6,021,428,270.72	7,351,082,508.60
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	126,046,197.64	219,097,737.67
Payments for investments	139,400,000.00	896,121,280.49
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	3,091,985,302.32	6,311,902,161.21

Subtotal of cash used in investing activities	3,357,431,499.96	7,427,121,179.37
Net cash generated from/used in investing activities	2,663,996,770.76	-76,038,670.77
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	8,177,775,555.56	17,271,455,216.03
Cash generated from other financing activities	9,919,391,242.45	15,043,752,843.76
Subtotal of cash generated from financing activities	18,097,166,798.01	32,315,208,059.79
Repayment of borrowings	7,748,613,878.32	15,948,765,699.19
Interest and dividends paid	816,702,948.88	814,951,365.94
Cash used in other financing activities	10,977,125,705.33	15,040,575,205.97
Subtotal of cash used in financing activities	19,542,442,532.53	31,804,292,271.10
Net cash generated from/used in financing activities	-1,445,275,734.52	510,915,788.69
4. Effect of foreign exchange rates changes on cash and cash equivalents	4,531,990.24	597,369.19
5. Net increase in cash and cash equivalents	429,705,744.54	-848,995,270.54
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	4,263,319,288.76	3,833,613,544.22

7. Consolidated Statements of Changes in Owners' Equity

2023

Unit: RMB

Item	2023													Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent											Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings		Other		
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the 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											1,060,258.69		1,060,258.69		1,060,258.69
Adjustment for correction of previous error															
Other adjustments															
2. Balance as at the beginning of the year	2,407,945,408.00				365,247,361.05		-14,265,181.63		1,244,180,364.24		3,638,352,029.02		7,641,459,980.68	820,973,239.93	8,462,433,220.61
3. Increase/ decrease in the period ("-" for decrease)					161,252,145.71		821,623.19	4,657,488.24			-2,163,790,053.17		-1,997,058,796.03	-558,751,560.44	-2,555,810,356.47
3.1 Total comprehensive income							821,623.19				-2,163,790,053.17		-2,162,968,429.98	-473,003,210.73	-2,635,971,640.71

3.2 Capital increased and reduced by owners					161,252,145.71						161,252,145.71	-86,392,628.48	74,859,517.23
3.2.1 Ordinary shares increased by owners												-16,021,621.03	-16,021,621.03
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					161,252,145.71						161,252,145.71	-70,371,007.45	90,881,138.26
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 owners (or shareholders)												-735,000.00	-735,000.00
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							4,657,488.24				4,657,488.24	669,962.82	5,327,451.06	
3.5.1 Increase in the period							5,509,215.43				5,509,215.43	933,563.87	6,442,779.30	
3.5.2 Used in the period							851,727.19				851,727.19	263,601.05	1,115,328.24	
3.6 Other												709,315.95	709,315.95	
4. Balance as at the end of the period	2,407,945,408.00				526,499,506.76		-13,443,558.44	4,657,488.24	1,244,180,364.24		1,474,561,975.85	5,644,401,184.65	262,221,679.49	5,906,622,864.14

2022

Unit: RMB

Item	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: Treas	Other comprehensive	Spe cific	Surplus reserves	Gen eral	Retained earnings	O t	Subtotal			

		Preferred shares	Perpetual bonds	Other	Inventory stock	Income	Reserve		Reserve		Other			
1. Balance as at the end of the prior year	2,407,945,408.00				234,389,963.10	-20,336,087.87		1,244,180,364.24		5,229,098,788.94	9,095,278,436.41	1,105,670,912.02	10,200,949,348.43	
Add: Adjustment for change in accounting policy										117,317.16	117,317.16		117,317.16	
Adjustment for correction of previous error														
Other adjustments														
2. Balance as at the beginning of the year	2,407,945,408.00				234,389,963.10	-20,336,087.87		1,244,180,364.24		5,229,216,106.10	9,095,395,753.57	1,105,670,912.02	10,201,066,665.59	
3. Increase/ decrease in the period (“-” for decrease)					130,857,397.95	6,070,906.24				-1,590,864,077.08	-1,453,935,772.89	-284,697,672.09	-1,738,633,444.98	
3.1 Total comprehensive income						6,070,906.24				-1,470,466,806.68	-1,464,395,900.44	-297,155,286.12	-1,761,551,186.56	
3.2 Capital increased and reduced by owners					130,857,397.95						130,857,397.95	123,636,214.83	254,493,612.78	
3.2.1 Ordinary shares increased by owners												87,895,628.12	87,895,628.12	
3.2.2 Capital increased by holders of other equity instruments														
3.2.3 Share-based payments included in owners' equity														
3.2.4 Other					130,857,397.95						130,857,397.95	35,740,586.71	166,597,984.66	

3.3 Profit distribution												-120,397,270.40	-120,397,270.40	-110,680,000.00	-231,077,270.40
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)												-120,397,270.40	-120,397,270.40	-110,680,000.00	-231,077,270.40
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 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												-498,600.80	-498,600.80	
4. Balance as at the end of the period	2,407,945,408.00				365,247,361.05		-14,265,181.63		1,244,180,364.24		3,638,352,029.02	7,641,459,980.68	820,973,239.93	8,462,433,220.61

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

2023

Unit: RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	O t h e r	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the 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 year	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
3. Increase/ decrease in the period ("-" for					100,185,360.20		100,628.36			-749,189,478.71		-648,903,490.15

decrease)											
3.1 Total comprehensive income							100,628.36			-749,189,478.71	-749,088,850.35
3.2 Capital increased and reduced by owners					100,185,360.20						100,185,360.20
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					100,185,360.20						100,185,360.20
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 period	2,407,945,408.00				341,229,750.75		-1,399,371.64		1,260,024,039.76	550,788,846.44	4,558,588,673.31

2022

Unit: RMB

Item	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 prior year	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,542.59		6,501,353,982.95
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										23.10		23.10

2. Balance as at the beginning of the year	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,565.69	6,501,354,006.05
3. Increase/ decrease in the period (“-” for decrease)					130,347,397.95					-1,418,121,170.09	-1,287,773,772.14
3.1 Total comprehensive income										-1,297,723,899.69	-1,297,723,899.69
3.2 Capital increased and reduced by owners					130,347,397.95						130,347,397.95
3.2.1 Ordinary shares increased by owners											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Share-based payments included in owners’ equity											
3.2.4 Other					130,347,397.95						130,347,397.95
3.3 Profit distribution										-120,397,270.40	-120,397,270.40
3.3.1 Appropriation to surplus reserves											
3.3.2 Appropriation to owners (or shareholders)										-120,397,270.40	-120,397,270.40
3.3.3 Other											
3.4 Transfers within owners’ equity											
3.4.1 Increase in capital (or share capital) from capital reserves											
3.4.2 Increase in capital (or share capital) from surplus reserves											

3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the period	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,306,066,395.60		5,213,580,233.91

I. Company Profile

1. Establishment

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

2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of 31 December 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 consumer electronics and semiconductor businesses, conducting the production and sales of colour TVs, white goods, optoelectronic display, storage and printed circuit Boards, etc.

4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 29 March 2024.

II. Consolidation scope

The Company has a total of 116 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 11 households including Sichuan Hongxinchen Real Estate Development Co., Ltd., Chongqing Kangxingrui Environmental Technology Co., Ltd., etc. due to losing control or cancellation compared to the same period of last year.

For details, please refer to Note 8 “Changes in the consolidation scope” and Note 9 “Equity in Other Entities”.

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

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

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

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

No.	Corporate name	Abbreviation
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 Electronic Material Technology (Shenzhen) Co., Ltd.	Konka Electronic Material
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
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 Cross-border (Hebei) Technology Development Co., Ltd.	Konka Cross-border (Hebei)
48	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

No.	Corporate name	Abbreviation
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 Co., Ltd.	Chongqing Optoelectronic Technology
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	Shanxi Konka Intelligent Appliance Co., Ltd.	Shanxi Konka Intelligent
71	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

No.	Corporate name	Abbreviation
72	Jiaxin Technology Co., Ltd.	Jiaxin Technology
73	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
74	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
75	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
76	Jiali International (Hong Kong) Limited	Jiali International
77	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
78	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
79	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
80	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
81	Hainan Konka Technology Co., Ltd.	Hainan Konka Technology
82	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
83	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
84	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
85	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
86	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
87	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
88	Konka (Europe) Co., Ltd.	Konka Europe
89	Hong Kong Konka Limited	Hong Kong Konka
90	Hongdin International Trading Limited	Hongdin Trading
91	Konka North America LLC	Konka North America
92	Kanghao Technology Co., Ltd.	Kanghao Technology
93	Hongdin Invest Development Limited	Hongdin Invest
94	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

No.	Corporate name	Abbreviation
95	Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.	Chain Kingdom Semiconductor (Shaoxing)
96	Hongjet (Hong Kong) Company Limited	Hongjet
97	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
98	Anlu Konka Industry Operation Service Co. Ltd.	Anlu Konka
99	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
100	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material Technology
101	Guizhou Kanggui Energy Co., Ltd.	Guizhou Kanggui Energy
102	Guangdong Xinwei Semiconductor Co., Ltd.	Guangdong Xinwei
103	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Material Technology
104	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
105	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun
106	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Jiangxi Konka High-tech Park
107	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
108	Guizhou Konka New Energy Material Technology Co., Ltd.	Guizhou Konka New Energy
109	Zhejiang Konka Electronics Co., Ltd.	Zhejiang Konka Electronic
110	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industry
111	Sichuan Hongxincheng Real Estate Development Co., Ltd.	Sichuan Hongxincheng
112	Xi'an Konka Intelligent Appliance Co., Ltd.	Xi'an Konka Intelligent
113	Xi'an Konka Network Technology Co., Ltd.	Xi'an Konka Network
114	Xi'an Kanghong Technology Industry Development Co., Ltd.	Xi'an Kanghong Technology Industry
115	Xi'an Konka Intelligent Technology Development Co., Ltd.	Xi'an Konka Intelligent Technology

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

No.	Corporate name	Abbreviation
116	Anhui Konka Low Carbon Technology Co., Ltd.	Anhui Konka Low Carbon
117	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	Kanghong Xintong
118	Songyang Konka Smart Industry Operation Management Co., Ltd.	Songyang Industry Operation
119	Shenzhen Kangyan Technology Co., Ltd.	Kangyan Technology
120	Konka Photovoltaic Technology Co., Ltd.	Konka Photovoltaic Technology
121	Songyang Konka Intelligent Technology Development Co., Ltd.	Songyang Konka Intelligent
122	Konka North China (Tianjin) Technology Co., Ltd.	Konka North China
123	Zhongshan Kanghong Electronic Technology Co., Ltd.	Zhongshan Kanghong
124	Shenzhen Konka Digital Technology Development Co., Ltd.	Digital Technology
125	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
126	Chongqing Kangxingrui Renewable Resources Co., Ltd.	Kangxingrui Renewable Resources
127	Chongqing Fangbing Real Estate Co., Ltd.	Chongqing Fangbing Real Estate

III. Basis for the Preparation of Financial Statements

1. Basic for the preparation

The Group's financial statements were prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance as well as guidelines on accounting standards for business enterprises, announcements on interpreting the accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure regulations of the General Provisions on Financial Reporting No. 15 for Companies Publicly Issuing Securities (revised in 2023) by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

2. Going-concern

The Group has evaluated its ability to continue as a going concern for 12 months since the end of the Reporting Period, and has not found any matters or situations that raise significant doubts about its ability to continue as a going concern. Therefore, the financial statements are presented on a going concern basis.

IV. Important Accounting Policies and Estimations

Specific accounting policies and accounting estimates: The specific accounting policies and accounting estimates formulated by the Group according to the actual production and operation characteristics include provisions for bad debts of accounts receivable, provisions for inventory depreciation, depreciation of fixed assets, revenue recognition and measurement, etc.

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, accurately and completely present the Group's financial positions on 31 December 2023, business results and cash flows, and other relevant information for 2023.

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. Methodology for Determining Materiality Criteria and Basis for Selection

The Group prepares and discloses financial statements adhering to the principle of materiality. The disclosures in the notes to the financial statements cover matters involving judgments about materiality criteria, the methods for determining materiality thresholds, and the bases for selecting these criteria:

Disclosures involving materiality standard judgments	Location of disclosure of this matter in the notes to the present financial statements	Methodology for determining materiality criteria and basis for selection
Significant individually bad	Note VI-4. Accounts	Individual amount exceeding RMB50,000,000

Disclosures involving materiality standard judgments	Location of disclosure of this matter in the notes to the present financial statements	Methodology for determining materiality criteria and basis for selection
debt provisioned receivables	receivable (2)	
Receivables with significant amount of bad debt provision recovered or reversed during the period	Note VI-4. Accounts receivable (3)	Individual amount exceeding RMB10 million
Significant write-offs of receivables during the period Write-offs	Note VI-4. Accounts receivable (4)	Individual amount exceeding RMB10 million
Significant accounts payable aged over 1 year	Note VI-28. Accounts payable	Individual amount exceeding RMB10 million
Significant receipts in advance and contractual liabilities/projected liabilities/other payables aged over 1 year	Note VI-29; Note VI-30; Note VI-33; Note VI-41	Individual amount exceeding RMB10 million
Significant construction in progress project	Note VI-18. Construction in progress (2)	Increase or decrease in a single asset during the year or a balance exceeding RMB0.1 billion

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

(1) Business Combinations under the Same Control

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

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 (or aggregate nominal amount of shares issued), the capital reserve shall be adjusted. If the capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

(2) Business Combinations not under the Same Control

A business combination involving entities not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

As purchaser, 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 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 merger costs 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.

7. Criteria for Judging Control and Methods for Preparing Consolidated Financial Statements

The scope of consolidation for the consolidated financial statements of the Group is based on control, including the Company and all its subsidiaries (including enterprises, divisible parts of investees, and structured entities controlled by the Company). The Group assesses control based on whether it has power over the investee, has exposure or rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

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.

The impact of internal transactions between the Company and its subsidiaries, as well as between subsidiaries and each other, was offset in consolidation. 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.

8. 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.

9. 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.

10. Foreign Currency Businesses and Translation of Foreign Currency Financial Statements

(1) Foreign currency transaction

Foreign currency transactions of the Group are initially recognized at the exchange rate at the beginning of the month of the transaction date (usually referring to the middle rate of the foreign exchange rate announced by the People's Bank of China on the day, the same below), converting the foreign currency amount into the functional currency amount. 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.

11. Financial Instruments

(1) Recognition and derecognition of financial instruments

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

The Company's financial assets (or a portion of a financial asset, or a part of a group of similar financial assets) shall be derecognized when meeting any of the following conditions, meaning they are removed from the accounts and the balance sheet: 1) The right to receive cash flows from the financial asset expires; 2) The financial asset is transferred, and the Group has transferred substantially all risks and rewards of ownership of the financial asset; 3) The financial asset is transferred, and the Group has neither transferred nor retained substantially all risks and rewards of ownership, and has not retained control over the financial asset.

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

All regular acquisitions or sales of financial assets are recognized and derecognized on a transaction date basis.

(2) Classification 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: ① The business mode of the Group to manage the financial assets targets at collecting the contractual cash flow. ② 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: ① The Business mode for managing financial assets of the Group takes contract cash flow collected as target and selling as target. ② 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: ① For the financial asset with credit impairment that has been purchased or originated, from the initial recognition, the interest income is calculated and determined according to the amortized cost of the financial asset and the actual interest rate adjusted by credit. ② For financial assets purchased or originated that have not suffered credit impairment but have suffered credit impairment in subsequent periods, the interest income shall be calculated and determined according to the amortized cost and actual interest rate of the financial assets in subsequent periods.

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

fair value through other comprehensive income included: Equity investments to be held in the long term as planned by the Group for strategic purpose, with no control, joint control or significance influence, and with no active market quotation.

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

(3) 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: ① 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. ② Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or continuous involvement in the transferred financial assets. ③ Financial guarantee contract not belonging to cases of above ① or ② and loan commitments at interest rate lower than the market rate not belonging to the case in ①.

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

(4) Impairment of Financial Instrument

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.

(5) Recognition and measurement of financial assets transfer

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

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

If the partial transfer of financial assets satisfies the conditions for termination confirmation, the

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

(6) 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.

(7) 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.

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.

Item	Basis
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 other receivables 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

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

The method for determining the expected credit losses of contract assets involves measuring the impairment losses of contract assets by referencing the method used for the impairment loss measurement of receivables as previously described.

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

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

23. Construction in Progress

The cost of construction in progress is determined based on actual project expenditures, including all necessary project expenditures incurred during construction, borrowing costs to be capitalized before the project reaches its predetermined usable state, and other related expenses, etc.

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.

Construction in progress is transferred to fixed assets upon reaching the predetermined usable state, with the criteria as follows:

Item	Criteria for carrying forward fixed assets
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Item	Criteria for carrying forward fixed assets
Houses and buildings	The main construction project and ancillary projects are substantially completed, meeting the predetermined design requirements. Upon joint acceptance by the Company's Engineering Department and units responsible for surveying, design, construction, supervision, etc., and government departments such as the Fire Services Department and the Housing Authority, and reaching the predetermined usable state following process approval, it is transferred to fixed assets.
machinery and equipment	The equipment management department and the equipment manufacturer are jointly responsible for the installation and commissioning of the equipment, including hardware debugging, process conditions debugging, etc. Upon completion of debugging and reaching the predetermined usable state following process approval, it is transferred to fixed assets.

24. Borrowing Costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets as part of the cost of those assets. Other borrowing costs are recognized as expenses in the current period. The assets determined by the Group that meet the conditions for capitalization include: 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.

During the capitalization period, the Group recognizes the amount of borrowing costs capitalized in each accounting period using the following method: In the case of borrowing special-purpose borrowings, the amount of interest expense actually incurred in the current period, less interest

income earned on the unused borrowed funds deposited in the bank or investment income earned on temporary investments, shall be capitalized; in the case of occupying general borrowings, the amount shall be determined on the basis of the weighted average number of asset expenditures for the portion of accumulated asset expenditures in excess of the special-purpose borrowings multiplied by the capitalization rate of the general borrowings occupied, where the capitalization rate is calculated and determined on the basis of the weighted average interest rate of the general borrowings. The capitalization rate is based on the weighted average interest rate of general borrowings.

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.

(1) Useful life and its determination basis, estimation, amortization method, or review procedure

The Group's intangible assets include land use rights, patented technology, non-patented technology, etc., measured at the actual cost at the time of acquisition. For purchased intangible assets, the actual cost is determined by the actual payment made and related expenditures. For intangible assets contributed by investors, the actual cost is determined based on the value agreed upon in the investment contract or agreement; however, if the contractually agreed value is not fair, the fair value is used to determine the actual cost. Intangible assets such as patents, which are acquired in a business combination under common control but not recognized in the financial statements of the acquiree, are recognized as intangible assets at their fair value upon initial recognition of the assets of the acquiree.

(2) Scope of R&D expenditures and related accounting treatment

The scope of the Group's R&D expenditures includes salaries of R&D personnel, direct input costs, depreciation and amortization, design fees, equipment testing fees, fees for R&D outsourced to external parties, and other expenses.

The Group classifies its internal research and development project expenditures into expenditure on the research phase and expenditure on the development phase, based on the nature of the expenditures and the degree of uncertainty in whether the R&D activities will result in an intangible asset. Expenditure on the research phase are recognized in profit or loss when incurred. Expenditure on the development phase are capitalized when all of the following conditions are met:

- a) The Group has assessed the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b) The Group intends to complete the intangible asset and use or sell it.
- c) It is probable that the intangible asset will generate future economic benefits.

d) The Group has the adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset.

e) The expenditure attributable to the development phase of the intangible asset can be measured reliably. Development phase expenditures not meeting these capitalization criteria are recognized in profit or loss for the current period when incurred.

27. Impairment of Long-term Assets

For non-current non-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. Goodwill, intangible assets with uncertain service life and other non-accessible intangible assets should be tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

(1) Impairment of non-current assets other than financial assets (except goodwill)

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.

(2) Impairment of goodwill

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.

The methodology, parameters and assumptions for the goodwill impairment test are described in Note VI-21.

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 dismissal 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 (dismissal welfare) under the condition that they meet the recognition conditions of estimated liabilities.

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

31. Lease Liabilities

(1) Initial measurement

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

1) Lease payments

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

2) Rate of discount

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

The projected liabilities are initially measured in accordance with the optimal estimate of the necessary expenses for the fulfillment of the current obligation, with the risks related to contingent matters, uncertainty, the time value of money, and other factors taken into consideration. The Group reviews the current best estimate of the provisions for contingent liabilities at the balance sheet date and adjusts the carrying amount of the provision as necessary.

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

33. Principles of Revenue Recognition and Measurement Method

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

(1) Revenue recognition principle

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

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

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

- ① The customer obtains and consumes the economic benefits brought by the Group's performance at the same time the Group performs the contract.
- ② The customer can control the products under construction during the performance of the Group.
- ③ The goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to collect payments for the cumulative performance of the contract during the entire contract period.

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

the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

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:

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

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

(2) Principles of income measurement

- ① If the contract contains two or more performance obligations, at the beginning of the contract, the Group will allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation. Revenue is measured at the transaction price of each individual performance obligation.
- ②The 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.
- ③If there is variable consideration in the contract, such as cash discounts and price guarantees in part of the contract between the Group and its customers, the Group determines the best estimate

of the variable consideration according to the expected value or the most likely amount, but includes the variable. The transaction price of the consideration shall not exceed the amount at which the accumulated confirmed income is unlikely to be reversed significantly when the relevant uncertainty is eliminated.

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

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

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

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

the transaction price is allocated to service quality assurance, and revenue is recognized when the customer obtains control of the service. When assessing whether the quality assurance provides a separate service in addition to ensuring that the products sold meet the established standards, the Group considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Group's commitment to perform the tasks.

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

(3) Specific methods of revenue recognition

① Revenue recognized on time

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

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

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

②Income confirmed according to the performance progress

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

34. Government Grants

The government grants of the Group are divided into asset-based grants related to and income-based grants. Asset-based grants refer to the government grants for long-term assets obtained by the purchase, construction, and other ways. Income-based grants refer to other grants. If the beneficiaries are not specified in government documents, the Group will make the distinction according to the aforesaid principle. Beneficiaries which are difficult to categorize shall be classified as an income-based government grant as a whole.

Current elements of government grants shall be measured based on the amount actually received. Those shall be measured according to the amount receivable are grants paid according to a fixed 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 issued the *Accounting Standards for Business Enterprises Interpretation* No. 16 (C.K. [2022] No. 31) (hereinafter referred to as "Interpretation No. 16") on November 30, 2022, interpretation No. 16 that "accounting treatment that the exemption of initial recognition shall not apply to the deferred income tax relating to assets and liabilities arising from a single transaction", which has taken effect on 1 January 2023, with early adoption permitted for companies from the year of release. The Company has applied this interpretation starting from 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.

In accordance with the relevant provisions of Interpretation No. 16, the names and amounts of the significantly affected statement items are set forth below:

Item affected	1 January 2023
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	Before adjustment	Adjustment amount	After adjustment
Total assets			
Of which: deferred income tax assets	1,190,454,750.62	6,951,620.03	1,197,406,370.65
Total liabilities			
Of which: deferred income tax liabilities	89,535,936.97	5,891,361.34	95,427,298.31
Total shareholders			
Of which: retained earnings	3,637,291,770.33	1,060,258.69	3,638,352,029.02

(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	<p>Paid at 5% by subsidiaries including: Dongguan Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Konka Precision, Boluo Konka, Ningbo Kanghanrui, Jiangsu Konka Smart, Yibin Kangrun, Yibin Kangrun Medical, Konka Huanjia (Henan), Konka Ronghe, Chengdu Anren, Chain Kingdom Semiconductor (Shaoxing), Guizhou Kanggui Materials, Zhejiang Konka Electronic, Zhejiang Konka Technology Industry, Songyang Konka Intelligent</p> <p>Paid reduced by half at 7% by subsidiaries including: Liaoyang Kangshun Renewable, Zhitong Technology, Yibin Smart,</p>

Category of taxes	Basis	Specific situation of the taxes rate
		Shenzhen Nianhua, Anhui Konka Low Carbon, Kanghong Xintong Paid reduced by half at 5% by subsidiaries including: Jiangkang (Shanghai) Technology, Guizhou Konka New Material, Guizhou Konka New Energy Paid at 1%: Jiangxi Konka, Jiangxi High Transparent Substrate Paid at 7%: other subsidiaries.
Education surtax	The circulating tax actually paid	3%
Local education surtax	The circulating tax actually paid	2%
Enterprise income tax	Taxable income	25%/ See 2.Tax Preference and Approved Documents for details

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

Name of entity	Income tax rate
Electronics Technology, Anhui Konka, Anhui Tongchuang, Shanxi Konka, Jiangsu Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Precision, 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	16.5%
Konka Europe	15%
Kanghao Technology	22.5%
Konka North America	21%
The Company as the Parent and other subsidiaries	25%

Note: According to regulations of Temporary Provisions of Income Tax of Trans-boundary Tax Payment Enterprises by State Administration of Taxation, resident enterprises without business establishment or places of legal persons should be tax payment enterprises with the administrative measures of income tax of “unified computing, level-to-level administration, local prepayment,

liquidation summary, and finance transfer”. It came into force from 1 January 2008. According to the above methods, the Company’s sales branch companies in each area will hand in the corporate income taxes in advance from 1 January 2008 and will be final settled uniformly by the Company at the year-end.

2. Tax Preference and Approved Documents

(1) According to the announcement of the State Administration of Taxation No. 12 of 2023: Small enterprises with small profits shall reduce the taxable income amount by 25% and pay the corporate income tax at the tax rate of 20%, which shall be continued until 31 December 2027.

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

(8) On 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%.

(9) 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%.

(10) On 29 November 2023, Shanxi Konka, a subsidiary of the Company, obtained the "High-tech Enterprise Certificate" jointly issued by Department of Science and Technology of Shanxi Province, Department of Finance of Shanxi Province and Shanxi Provincial Tax Service of State Taxation Administration (No. GR202361002167), which will be valid for three years. According to relevant tax regulations, Shanxi Konka enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2023 to 2025, and pays enterprise income tax at a reduced rate of 15%.

(11) On 6 November 2023, Jiangsu Konka, a subsidiary of the Company, obtained the "High-tech Enterprise Certificate" jointly issued by Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province and Jiangsu Provincial Tax Service of State

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Taxation Administration (No. GR202332008044), which will be valid for three years. According to relevant tax regulations, Shanxi Konka enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2023 to 2025, and pays enterprise income tax at a reduced rate of 15%.

(12) In accordance with the Announcement on the Renewal of the Enterprise Income Tax Policy for Western Development Enterprises (Ministry of Finance, General Administration of Taxation, National Development and Reform Commission Announcement No. 23 of 2020), an enterprise established in the western region who is mainly engaged in an industry specified in the Catalogue of Encouraged Industries in the Western Region and whose main business income accounts for over 60% of its gross income in the current year, is entitled to a reduced corporate income tax rate of 15%. Chengdu Konka Electronic, a subsidiary of the Company, is eligible for this preferential tax policy.

(13) 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, 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, for the financial statement data disclosed below, "beginning of the year" refers to 1 January 2023, "end of the year" refers to 31 December 2023, "the current year" refers to the period from 1 January 2023 to 31 December 2023 and "last year" refers to the period from 1 January 2022 to 31 December 2022. The monetary unit is renminbi.

1. Monetary assets

Item	Closing balance	Opening balance
Cash on hand	469.28	14.78
Bank deposits	5,892,986,243.07	5,473,400,175.52
Other monetary assets	613,372,864.67	514,695,300.41
Total	6,506,359,577.02	5,988,095,490.71
Of which: Total amount deposited overseas	55,324,772.13	137,008,617.40

Note: The closing balance of other monetary funds is mainly the balance of time deposits, margin deposits and account balance on WeChat, Alipay and other platforms. For details of restricted funds, please refer to Note VI-25 Assets with restricted ownership or use right.

2. Held-for-trading financial assets

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	469,636,700.78	

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Including: Investment in equity instruments	469,636,700.78	
Total	469,636,700.78	

3. Notes receivable

(1) Classified presentation of notes receivable

Item	Closing balance	Opening balance
Banker's acceptance	517,759,367.29	709,558,838.75
Commercial acceptance draft	15,412,581.86	350,178,404.79
Total	533,171,949.15	1,059,737,243.54

(2) 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	533,492,913.47	100.00	320,964.32	0.06	533,171,949.15
Of which: Banker's acceptance	517,759,367.29	97.05			517,759,367.29
Commercial acceptance draft	15,733,546.18	2.95	320,964.32	2.04	15,412,581.86
Total	533,492,913.47	100.00	320,964.32	0.06	533,171,949.15

(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

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

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

Provision for expected credit losses on commercial acceptance draft based on aging in the portfolio

Name	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	15,733,546.18	320,964.32	2.04
Total	15,733,546.18	320,964.32	2.04

(3) Provision for bad debts of notes receivable set aside, recovered or reclassified in the current year

Category	Opening balance	Change in the current year				Closing balance
		Provision	Recovery or reclassification	Charge-off or write-off	Others	
Commercial acceptance draft	7,292,404.53	357,873.71	7,329,313.92			320,964.32
Banker's acceptance						
Total	7,292,404.53	357,873.71	7,329,313.92			320,964.32

(4) Notes receivable pledged at the end of the year

Item	Amount pledged at the end of the year
Banker's acceptance	209,288,446.67
Commercial acceptance draft	
Total	209,288,446.67

(5) Notes receivable endorsed or discounted but had not yet matured on the balance sheet date at the end of the year

Item	Amount derecognised at the end of the year	Amount not derecognised at the end of the year
Banker's acceptance	1,076,672,657.07	
Commercial acceptance draft		11,524,075.93
Total	1,076,672,657.07	11,524,075.93

(6) Notes receivable actually written off in the current year

There were no significant write-offs of notes receivable in the current year.

4.Accounts receivable**(1) Accounts receivable listed by aging portfolio**

Aging	Book balance at the end of the year	Book balance at the beginning of the year
Within one year (inclusive)	1,489,573,102.24	1,708,338,208.62
One to two years	152,217,296.67	163,165,760.88
Two to three years	131,889,796.60	267,210,849.90
Three to four years	265,897,663.73	671,539,902.08
Four to five years	674,517,508.86	692,197,002.61
Over five years	894,028,569.23	206,463,164.65
Total	3,608,123,937.33	3,708,914,888.74

(2) 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 (%)	
Provision set aside for bad debts by the single item	1,601,967,285.04	44.40	1,524,090,371.01	95.14	77,876,914.03
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,006,156,652.29	55.60	357,487,593.24	17.82	1,648,669,059.05
Subtotal of portfolio	2,006,156,652.29	55.60	357,487,593.24	17.82	1,648,669,059.05
Total	3,608,123,937.33	100.00	1,881,577,964.25	52.15	1,726,545,973.08

(Continued)

Category	Opening balance		
	Book balance	Provision for bad debts	Carrying value

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

	Amount	Proportion (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	1,487,466,561.80	40.11	1,350,460,284.27	90.79	137,006,277.53
Provision set aside for bad debts 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
Total	3,708,914,888.74	100.00	1,672,180,052.52	45.09	2,036,734,836.22

1) Provision set aside for bad debts of accounts receivable by single item

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	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	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	200,000,000.00	180,000,000.00	90.00	Expected to be difficult to recover
Shenzhen Yaode Technology Co., Ltd.	143,135,135.62	121,664,865.28	145,562,210.29	145,562,210.29	100.00	Not expected to be recoverable
Guangan Ouqishi Electronic Technology Co., Ltd.	113,230,553.53	110,965,942.46	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	83,396,556.37	81,728,625.24	98.00	Expected to be difficult to recover
Zhongfu Tiangong Construction Group Co.,	71,589,096.65	53,691,822.49	71,389,096.65	53,541,822.49	75.00	Expected to be difficult to recover

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Ltd.						
Gome Customization (Tianjin) Home Appliances Co., Ltd.	59,569,295.02	35,741,577.01	59,569,295.02	59,569,295.02	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	55,438,105.00	55,438,105.00	100.00	Not expected to be recoverable
Xingda Hongye (Hk) Limited	51,902,301.95	51,902,301.95	51,902,301.95	51,902,301.95	100.00	Not expected to be recoverable
China Energy Electric Fuel Co., Ltd.	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	100.00	Not expected to be recoverable
Others	350,285,645.96	326,389,906.67	472,432,489.53	442,228,125.39	93.61	Expected to be difficult to recover
Total	1,487,466,561.80	1,350,460,284.27	1,601,967,285.04	1,524,090,371.01		

2) Provision set aside for bad debts of accounts receivable by portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	1,454,252,297.12	29,667,135.82	2.04
One to two years	91,446,278.07	9,162,526.34	10.02
Two to three years	107,199,985.50	24,323,676.70	22.69
Three to four years	167,778,579.76	108,854,742.54	64.88
Four to five years	34,866,178.32	34,866,178.32	100.00
Over five years	150,613,333.52	150,613,333.52	100.00
Total	2,006,156,652.29	357,487,593.24	17.82

(3) Provision for bad debts of accounts receivable set aside, recovered or reclassified in the current year

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Category	Opening balance	Change in the current year	
		Provision	Recovery or reclassification
Provision for bad debts of accounts receivable	1,672,180,052.52	231,993,028.00	22,759,281.37
Total	1,672,180,052.52	231,993,028.00	22,759,281.37

(Continued)

Category	Change in the current year		Closing balance
	Charge-off or write-off	Decrease for other reasons	
Provision for bad debts of accounts receivable	1,527,689.87	-1,691,854.97	1,881,577,964.25
Total	1,527,689.87	-1,691,854.97	1,881,577,964.25

Note: Decreases for other reasons were RMB-2,671,676.56 due to exchange rate changes in the current year and the decrease by RMB979,821.59 due to the loss of controlling right.

(4) Accounts receivable actually written off in the current year

Item	Amount written off
Accounts receivable written off	1,527,689.87

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

The total amount of accounts receivable with top five closing balance categorised by debtors in the current year was RMB1,270,247,243.45, accounting for 35.21% of the total closing balance of accounts receivable. The total closing balance of provision for bad debts correspondingly set aside was RMB645,731,486.43.

5.Contract assets**(1) Contract assets**

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Warranty	2,236,000.34	45,614.41	2,190,385.93			
Total	2,236,000.34	45,614.41	2,190,385.93			

(2) Classified presentation of contract assets by provisioning methods of bad debts

Category	Closing balance
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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93
Subtotal of portfolio	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93
Total	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93

(3) Provision set aside for bad debts of contract assets by portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	2,236,000.34	45,614.41	2.04
Total	2,236,000.34	45,614.41	

(4) Provision for bad debts of contract assets set aside, recovered or reclassified in the current year

Item	Provision in the current year	Recovery or reclassification in the current year	Charge-off/Write-off in the current year	Reasons
Warranty	54,626.97	9,012.56		Normal provision
Total	54,626.97	9,012.56		

(5) Contract assets actually written off in the current year

There were no contract assets actually written off in the current year.

6.Accounts receivable financing

Item	Closing balance	Opening balance
Notes receivable	173,396,326.14	237,187,228.44
Total	173,396,326.14	237,187,228.44

7.Other accounts receivable

Item	Closing balance	Opening balance
Interest receivable	6,681,258.01	3,878,580.64

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Closing balance	Opening balance
Dividends receivable	941,482.38	272,999.43
Other accounts receivable	981,498,327.12	1,437,973,265.51
Total	989,121,067.51	1,442,124,845.58

7.1 Interest receivable

Item	Closing balance	Opening balance
Interest on term deposits	6,681,258.01	3,878,580.64
Total	6,681,258.01	3,878,580.64

7.2 Dividends receivable

(1) Category of dividends receivable

Item (or investee)	Closing balance	Opening balance
Chongqing Qingjia Electronics Co., Ltd.		272,999.43
Shenzhen Jielunte Technology Co., Ltd.	941,482.38	
Total	941,482.38	272,999.43

7.3 Other receivables

(1) Classified by account nature

Nature of fund	Book balance at the end of the year	Book balance at the beginning of the year
Deposit and margin	1,234,840,210.69	1,411,807,968.60
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	179,663,586.05	176,571,471.89
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Others	1,496,129,924.02	1,523,970,760.63
Total	3,063,033,062.76	3,264,749,543.12

(2) Other receivables listed by aging

Aging	Book balance at the end of the year	Book balance at the beginning of the year
Within one year	253,550,068.51	531,774,524.39

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

One to two years	77,519,916.42	551,601,162.73
Two to three years	551,521,166.18	688,602,155.02
Three to four years	690,507,047.29	1,096,771,140.67
Four to five years	1,092,957,617.71	201,058,646.10
Over five years	396,977,246.65	194,941,914.21
Total	3,063,033,062.76	3,264,749,543.12

(3) Classified presentation of other receivables by provisioning methods of bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Other receivables of expected credit losses set aside by single item	1,960,682,465.29	64.01	1,644,122,039.53	83.85	316,560,425.76
Other receivables of provision for bad debts set aside by credit risk characteristic portfolio:					
Of which: Aging portfolio	975,322,848.99	31.84	413,933,906.39	42.44	561,388,942.60
Low-risk portfolio	127,027,748.48	4.15	23,478,789.72	18.48	103,548,958.76
Subtotal of portfolio	1,102,350,597.47	35.99	437,412,696.11	39.68	664,937,901.36
Total	3,063,033,062.76	100.00	2,081,534,735.64	67.96	981,498,327.12

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Other receivables of expected credit losses set aside by single item	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 set aside by credit risk characteristic					

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
portfolio:					
Of which: 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

1) Provision set aside for bad debts of other receivables by portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	79,420,865.29	1,443,228.60	1.82
One to two years	73,767,052.51	2,611,493.16	3.54
Two to three years	532,898,477.68	120,262,928.40	22.57
Three to four years	255,310,443.57	163,102,411.35	63.88
Four to five years	43,789,758.21	32,828,634.39	74.97
Over five years	117,164,000.21	117,164,000.21	100.00
Total	1,102,350,597.47	437,412,696.11	39.68

2) Provision set aside for bad debts of other receivables by the general expected credit loss model

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
Balance as of 1 January	-796,704.84	-43,713,266.78	44,509,971.62	

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)	
2023 in the current year				
-- Transferred to Phase II	-796,704.84	796,704.84		
-- Transferred to Phase III		-44,509,971.62	44,509,971.62	
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the current year	1,443,552.70	121,048,531.32	161,917,015.87	284,409,099.89
Recovery in the current year	5,678,993.76	24,071,209.19	318,202.52	30,068,405.47
Charge-off in the current year				
Write-off in the current year		68,817.68		68,817.68
Other changes		-50,264.38	536,845.67	486,581.29
Balance as at 31 December 2023	1,443,228.60	435,969,467.51	1,644,122,039.53	2,081,534,735.64

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.

Provision for bad debts of other receivables set aside, recovered or reclassified in the current year

Category	Opening balance	Change in the current year	Closing balance
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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

		Provision	Recovery or reclassification	Charge-off or write-off	Others	
Provision for bad debts of other receivables	1,826,776,277.61	284,409,099.89	30,068,405.47	68,817.68	-486,581.29	2,081,534,735.64
Total	1,826,776,277.61	284,409,099.89	30,068,405.47	68,817.68	-486,581.29	2,081,534,735.64

Note: Decreases for other reasons were RMB-490,091.29 due to exchange rate changes and the decrease by RMB3,510 due to the loss of controlling right.

(5) Other receivables actually written off in the current year

Item	Amount written off
Other accounts receivable written off	68,817.68

(6) Other receivables with top five year-end balances categorised by debtors

The total amount of other receivables with top five closing balance categorised by debtors in the current year was RMB1,370,349,125.97, accounting for 44.74% of the total closing balance of other receivables. The total closing balance of provision for bad debts correspondingly set aside was RMB746,602,773.17.

8. Prepayments**(1) Age of prepayments**

Item	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	114,332,392.60	69.10	332,218,631.50	85.20
One to two years	827,985.04	0.50	52,945,431.22	13.58
Two to three years	46,545,996.66	28.13	4,191,405.92	1.07
Over three years	3,747,937.21	2.27	592,183.75	0.15
Total	165,454,311.51	100.00	389,947,652.39	100.00

Note: The amount of advanced payments aged over one year at the end of the period is RMB51,121,918.91, accounting for 30.90% of the total balance of advanced payments of the Company, and consists mainly of unsettled payments.

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

The total amount of prepayments with top five closing balance categorised by payees was RMB100,270,755.74, accounting for 60.60% of the total closing balance of prepayments.

9.Inventory**(1) Inventory classification**

Item	Closing balance		
	Book balance	Provision for inventory impairment/for contract fulfilment cost impairment	Carrying value
Raw materials	593,131,602.70	86,829,664.81	506,301,937.89
Semi-finished products	96,408,258.96	41,741,196.19	54,667,062.77
Commodities in stock	2,636,678,840.40	490,032,803.73	2,146,646,036.67
Commissioned products	1,934,264.95	211,225.91	1,723,039.04
Contract fulfilment costs			
Development costs	540,559,624.61		540,559,624.61
Total	3,868,712,591.62	618,814,890.64	3,249,897,700.98

(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
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 current year	
		Withdrawal	Others

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Opening balance	Increase in the current year	
		Withdrawal	Others
Raw materials	64,695,751.94	34,137,020.94	
Semi-finished products	37,339,815.90	7,240,010.26	
Commodities in stock	270,664,206.34	330,144,533.95	
Commissioned products		212,034.71	
Total	372,699,774.18	371,733,599.86	

(Continued)

Item	Decrease in the current year		Closing balance
	Write-off	Others	
Raw materials	12,546,636.83	-543,528.76	86,829,664.82
Semi-finished products	2,838,629.97		41,741,204.42
Commodities in stock	110,287,169.31	488,767.25	490,032,795.49
Commissioned products		808.80	211,225.91
Total	125,672,436.11	-53,952.71	618,814,890.64

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 charge-off of provision for inventories impairment in the current year
Raw materials	The realisable net value was lower than the carrying value	They have been sold or used in the current year
Semi-finished products	The realisable net value was lower than the carrying value	They have been sold or used in the current year
Commodities in stock	The realisable net value was lower than the carrying value	They have been sold in the current year

10.Current portion of non-current assets

Item	Closing balance	Opening balance	Nature
Long-term receivables due within one year		14,630,000.00	Finance lease payment
Total		14,630,000.00	

11.Other current assets

Item	Closing balance	Opening balance
Principal and interests of entrusted loans to associated enterprises	1,744,123,316.97	1,544,592,633.44
Prepayments and deductible taxes, and refund of tax for export receivable	569,875,346.61	457,991,464.58
Deferred expenses	28,112,001.12	17,278,894.58
Costs receivable for returning goods	15,925,346.67	14,214,651.96
Others	1,123,457.38	4,763,581.27
Total	2,359,159,468.75	2,038,841,225.83

12.Long-term receivables

Item	Closing balance		
	Book balance	Provision for bad debts	Carrying value
Finance lease payment			
Including: Unrealised financing income			
Cash deposits of long-term receivables			
Long-term receivables from franchise items			
Less: Long-term receivables due within one year (See Note Vi-10 for details)			
Total			

(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
Long-term receivables from franchise items			
Less: Long-term receivables due within one year (See Note Vi-10 for details)	14,630,000.00		14,630,000.00

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Opening balance		
	Book balance	Provision for bad debts	Carrying value
Total	800,400.00		800,400.00

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

13.Long-term equity investment

Investee	Opening balance	Changes in the current year				
		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				41,420.73	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,686,591.04				332,696.32	
Feidi Technology (Shenzhen) Co., Ltd.	10,591,603.87				115,303.85	
Shenzhen Kangyue Enterprise Co., Ltd.	32,232,415.88				-7,255,087.00	
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	2,834,367.04				-2,834,367.04	
Kangkai Technology Service (Chengdu) Co., Ltd.	209,048.32				-94,854.53	
Puchuang Jiakang Technology Co, Ltd.	3,658,484.71				57,790.00	
Chongqing Qingjia Electronics Co., Ltd.	5,831,185.33		5,831,185.33			
Shenzhen Jielunte Technology Co., Ltd.	99,748,594.97				-3,889,533.49	
Panxu Intelligence Co., Ltd.	51,392,171.46				-2,410,150.21	-295,544.14
Orient Excellent (Zhuhai) Asset	7,482,864.06				1,115,710.93	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Changes in the current year				
		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
Management Co., Ltd.						
Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	483,905,786.35		161,022,858.56		15,206,372.63	
Tongxiang Wuzhen Kunyu Venture Capital Investment Co., Ltd. (formerly: Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.)	3,527,761.64				-3,724.56	
Shenzhen RF-Llink Technology Co., Ltd.						
Anhui Kaikai Shijie E-commerce Co., Ltd.	418,721,305.96					93,109.02
Kunshan Kangsheng Investment Development Co., Ltd.	313,484,693.57				-52,251,209.71	
Chutian Dragon Co., Ltd.	523,726,463.18		109,831,325.31			
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.	13,333,698.78				-8,144,973.65	-1,136.65
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen						

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Changes in the current year				
		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
Zhongbing Konka Technology Co., Ltd.)						
Shenzhen Yaode Technology Co., Ltd.						
Wuhan Tianyuan Environmental Protection Co., Ltd.	352,295,640.91				35,840,487.27	
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02				-10,322,848.45	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	275,858,698.37				-36,821,079.39	
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				-2,558,013.46	
Dongguan Guankang Yuhong Investment Co., Ltd.	521,341,722.37				-19,932,783.45	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Shandong Econ Technology Co., Ltd.	1,246,099,855.22				-29,643,085.83	
Dongguan Kangjia New Materials Technology Co., Ltd..	6,951,651.72				-93,956.95	

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Changes in the current year				
		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
Chongqing E2info Technology Co., Ltd.	1,023,251,062.59				31,709,517.46	
Yantai Kangyun Industrial Development Co., Ltd.	72,320,476.84				-6,436,090.68	
E3info (Hainan) Technology Co., Ltd.	30,708,255.04				7,423.93	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,371,364.87				1,719,225.60	
Shenzhen KONKA E-display Co., Ltd.	82,221,081.72				2,827,700.92	8,655.99
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	33,721,573.96				-5,631,658.14	
Shenzhen Kangpeng Digital Technology Co., Ltd.	3,411,153.10				-1,641,132.09	
Yantai Kangtang Construction Development Co., Ltd.	232,597.64				629,796.43	
Dongguan Konka Smart Electronic Technology Co., Ltd.	23,998,624.46				125,519.24	
Guangdong Fanzhou Information Technology Co., Ltd. (formerly: Sichuan Huayi Jiakang Technology Co., Ltd.)	121,403.90		121,403.90			
Shenzhen Aimijiakang Technology Co.,	1,585,761.09				-411,890.52	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Changes in the current year				
		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. (formerly: Sichuan Aimijiakang Technology Co., Ltd.)						
Beijing Konka Jingyuan Technology Co., Ltd.	733,832.84				-30,129.42	
Chongqing Liangshan Enterprise Management Co., Ltd.	121,802.33				56,566.20	
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	967,323.92				58,982.15	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	1,373,981.26				-1,128,069.63	
Henan Kangfei Intelligent Electric Appliance Co., Ltd.	1,182,963.46				756,730.88	
Guangdong Kangyuan Semiconductor Co., Ltd.	12,777,082.28				-2,941,875.24	
Chongqing Kangyiqing Technology Co., Ltd.	1,010,683.91				-376,964.82	
Shenzhen Kangying Semiconductor Technology Co., Ltd.	13,254,520.44				-10,884,240.61	116,614.86
KK Smartech Limited	1,641,595.45				-29,444.89	
Chongqing Kangjian Photoelectric	11,493,032.21				-3,163,900.43	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Changes in the current year				
		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.						
Anhui Kangta Supply Chain Management Co., Ltd.	18,060,000.00				-803,400.15	
Wuhan Kangtang Information Technology Co., Ltd.	26,654,950.30				-897,727.70	
Sichuan Chengrui Real Estate Co., Ltd.	41,423,514.93				-9,714,522.86	
Konka Industrial Development (Wuhan) Co., Ltd.	43,290,693.00				-1,156,461.11	
Hefei KONSEMI Storage Technology Co., Ltd.	180,146,610.27				-35,576,608.88	-7,740.71
Xi'an Kang'an Intelligent Storage Technology Co., Ltd.		6,000,000.00				
Sichuan Hongxinchen Real Estate Development Co., Ltd.				54,880,000.00	-945,404.40	
Total	6,351,232,955.58	6,000,000.00	276,806,773.10	54,880,000.00	-167,423,944.75	-86,041.63

(Continued)

Investee	Changes in the current year	Closing balance	Closing balance of the provision for
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Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly known as "Konka Ventures Development (Shenzhen) Co., Ltd.")					5,004,579.62	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					2,019,287.36	
Feidi Technology (Shenzhen) Co., Ltd.					10,706,907.72	
Shenzhen Kangyue Enterprise Co., Ltd.			24,977,328.88			24,977,328.88
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.						
Kangkai Technology Service (Chengdu) Co., Ltd.					114,193.79	
Puchuang Jiakang Technology Co, Ltd.		1,000,000.00			2,716,274.71	
Chongqing Qingjia Electronics Co., Ltd.						
Shenzhen Jielunte Technology Co., Ltd.		941,486.48			94,917,575.00	
Panxu Intelligence Co., Ltd.					48,686,477.11	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.		400,000.00			8,198,574.99	

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))					338,089,300.42	
Tongxiang Wuzhen Kunyu Venture Capital Investment Co., Ltd. (formerly: Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.)					3,524,037.08	
Shenzhen RF-Llink Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.					418,814,414.98	
Kunshan Kangsheng Investment Development Co., Ltd.		53,900,000.00			207,333,483.86	
Chutian Dragon Co., Ltd.				-413,895,137.87		
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.					5,187,588.48	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						12,660,222.73
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen Zhongbing Konka Technology						

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Co., Ltd.)						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	127,671,222.93	3,078,000.00			512,729,351.11	
Chuzhou Konka Technology Industry Development Co., Ltd.					39,335,548.57	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					239,037,618.98	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					107,310,029.86	
Chuzhou Kangxin Health Industry Development Co., Ltd.					180,752,809.79	
Dongguan Guankang Yuhong Investment Co., Ltd.					501,408,938.92	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Shandong Econ Technology Co., Ltd.	-4,074,486.01		81,806,510.02		1,130,575,773.36	81,806,510.02

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Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Dongguan Kangjia New Materials Technology Co., Ltd..					6,857,694.77	
Chongqing E2info Technology Co., Ltd.	-5,977,391.99				1,048,983,188.06	
Yantai Kangyun Industrial Development Co., Ltd.					65,884,386.16	
E3info (Hainan) Technology Co., Ltd.					30,715,678.97	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					7,090,590.47	
Shenzhen KONKA E-display Co., Ltd.					85,057,438.63	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.					28,089,915.82	
Shenzhen Kangpeng Digital Technology Co., Ltd.					1,770,021.01	
Yantai Kangtang Construction Development Co., Ltd.					862,394.07	
Dongguan Konka Smart Electronic Technology Co., Ltd.					24,124,143.70	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Guangdong Fanzhou Information Technology Co., Ltd. (formerly: Sichuan Huayi Jiakang Technology Co., Ltd.)						
Shenzhen Aimijiakang Technology Co., Ltd. (formerly: Sichuan Aimijiakang Technology Co., Ltd.)					1,173,870.57	
Beijing Konka Jingyuan Technology Co., Ltd.					703,703.42	
Chongqing Liangshan Enterprise Management Co., Ltd.					178,368.53	
Shenzhen Kangxi Technology Innovation Development Co., Ltd.					1,026,306.07	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.					245,911.63	
Henan Kangfei Intelligent Electric Appliance Co., Ltd.					1,939,694.34	
Guangdong Kangyuan Semiconductor Co., Ltd.	122,000.00				9,957,207.04	
Chongqing Kangyiqing Technology Co., Ltd.					633,719.09	

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Shenzhen Kangying Semiconductor Technology Co., Ltd.	16,852,760.53				19,339,655.22	
KK Smartech Limited					1,612,150.56	
Chongqing Kangjian Photoelectric Technology Co., Ltd.					8,329,131.78	
Anhui Kangta Supply Chain Management Co., Ltd.					17,256,599.85	
Wuhan Kangtang Information Technology Co., Ltd.					25,757,222.60	
Sichuan Chengrui Real Estate Co., Ltd.					31,708,992.07	
Konka Industrial Development (Wuhan) Co., Ltd.					42,134,231.89	
Hefei KONSEMI Storage Technology Co., Ltd.	44,092,024.98				188,654,285.66	
Xi'an Kang'an Intelligent Storage Technology Co., Ltd.					6,000,000.00	
Sichuan Hongxinchen Real Estate Development Co., Ltd.					53,934,595.60	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				Closing balance	Closing balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Total	178,686,130.44	59,319,486.48	106,783,838.90	-413,895,137.87	5,566,483,863.29	419,659,558.33

Note 1: The above investees are all associates.

Note 2: "Other" represents the conversion of long-term equity investments accounted for under the equity method to financial assets.

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

14. Other equity instrument investments

14.1 Other equity instrument investments

Item	Closing balance	Opening balance
Shenzhen Tianyilian Science & Technology Co., Ltd.		
Shenzhen Adopt Network Co., Ltd.		
Beijing Huyu Digital Technology Co., Ltd. (formerly: 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

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

14.2 Investments in non-trading equity instruments in the current year

Item	Dividend income recognised in the current 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.					Long-term holding based on strategic purpose	
Beijing Huyu Digital Technology Co., Ltd. (formerly: 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	
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.			1,273,594.84		Long-term holding based on strategic purpose	

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Dividend income recognised in the current 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
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			11,396,663.84			

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

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.	199,774,696.09	171,141,605.35
Yili Ecological Restoration Co., Ltd.		41,812,139.03
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	231,190,200.00	233,834,173.06
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	201,451,000.00	195,312,419.69
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	60,292,000.00	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)	162,937,428.56	167,230,693.52
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	155,691,200.00	146,160,043.51
Shenzhen Kanghuijia Technology Co., Ltd.	7,684.53	10,137.30
Subtotal of equity investments	1,467,397,360.73	1,479,260,598.46
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)		626,244,139.25
Ningbo Yuanqing No. 9 Investment Partnership	148,855,198.11	148,855,198.11
Shenzhen Beihu Technology Partnership (Limited Partnership)	59,735,232.88	58,000,000.00
Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)	9,163,411.30	9,163,411.30
Nanjing Kangfeng Dejie Asset Management Partnership (Limited Partnership)	100,000,000.00	100,000,000.00
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	109,739,999.99	100,000,000.00

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Closing balance	Opening balance
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	542,279,037.27	1,160,401,674.86
Total	2,009,676,398.00	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 current year	45,716,182.38	694,497,260.36	740,213,442.74
(1) External purchase			
(2) Fixed assets\construction in progress\transfer of intangible assets	45,716,182.38	694,497,260.36	740,213,442.74
3. Decrease in the current year		9,651,872.39	9,651,872.39
(1) Disposal		9,651,872.39	9,651,872.39
(2) Other transfer out			
4. Closing balance	91,837,689.30	1,558,110,727.67	1,649,948,416.97
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 current year	12,938,742.42	51,685,511.31	64,624,253.73
(1) Provision or amortisation	12,938,742.42	51,685,511.31	64,624,253.73
3. Decrease in the current year		1,881,562.65	1,881,562.65
(1) Disposal		1,881,562.65	1,881,562.65
(2) Other transfer out			

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Land use right	Properties and buildings	Total
4. Closing balance	21,541,632.80	158,180,060.30	179,721,693.10
III. Provision for impairment			
1. Opening balance			
2. Increase in the current year			
(1) Provision			
3. Decrease in the current year			
(1) Disposal			
(2) Other transfer out			
4. Closing balance			
IV. Carrying value			
1. Closing carrying value	70,296,056.50	1,399,930,667.37	1,470,226,723.87
2. Opening carrying value	37,518,616.54	764,889,228.06	802,407,844.60

(2) Impairment test of investment properties measured at cost

No provision for impairment of investment properties was made during the Reporting Period.

(3) Investment properties measured at fair value

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

(4) 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	379,447,349.50	In the process of project closure, project closure will not be processed until the project is completed.
Total	379,447,349.50	

(5) Investment properties with restricted ownership or use rights

Item	Closing carrying value	Reasons for the restriction
Konka Guangming Technology Centre	585,984,804.04	Mortgage loan
Total	585,984,804.04	

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

17. Fixed assets

Item	Closing carrying value	Opening carrying value
Fixed assets	5,218,297,745.16	4,114,029,693.38
Liquidation of fixed assets		
Total	5,218,297,745.16	4,114,029,693.38

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

17.1 Fixed Assets

(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	1,299,077,259.43	279,351,764.21	30,227,593.48	1,761,050.75	8,352,110.55	1,618,769,778.42
(1) Purchase	325,596,840.93	139,864,293.96	20,346,382.12	1,760,819.64	7,190,109.12	494,758,445.77
(2) Transfer-in of construction in progress	967,772,669.04	139,487,470.25	9,816,998.15		944,067.26	1,118,021,204.70
(3) Increase through consolidation						
(4) Other transfer-in	5,707,749.46		64,213.21	231.11	217,934.17	5,990,127.95
3. Decreased amount of the period	95,152,152.59	61,816,110.53	30,348,819.09	5,704,442.53	5,133,921.78	198,155,446.52
(1) Disposal or write-off	19,526,320.70	60,265,701.84	30,004,311.36	5,704,442.53	5,062,497.96	120,563,274.39
(2) Decrease for loss of controlling right			246,216.18		28,066.87	274,283.05
(3) Other decreases	75,625,831.89	1,550,408.69	98,291.55		43,356.95	77,317,889.08
4. Ending balance	4,064,218,816.99	3,320,880,784.80	302,188,512.88	55,935,781.31	189,243,639.88	7,932,467,535.86

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Properties and buildings	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
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 the period	88,238,734.15	253,047,208.96	25,797,795.95	4,288,186.59	14,983,833.20	386,355,758.85
(1) Provision	88,140,964.08	253,047,208.96	25,774,051.55	4,286,640.96	14,975,209.95	386,224,075.50
(2) Increase through consolidation						
(3) Other increase	97,770.07		23,744.40	1,545.63	8,623.25	131,683.35
3. Decreased amount of the period	20,779,007.06	45,806,853.16	27,335,857.31	5,023,692.07	4,435,014.79	103,380,424.39
(1) Disposal or write-off	8,277,772.35	44,360,911.18	27,123,276.68	5,023,692.07	4,421,359.72	89,207,012.00
(2) Decrease for loss of controlling right			142,275.35		10,096.45	152,371.80
(3) Other decreases	12,501,234.71	1,445,941.98	70,305.28		3,558.62	14,021,040.59
4. Ending balance	740,844,429.80	1,465,754,243.66	200,150,283.49	42,094,186.82	125,133,960.40	2,573,977,104.17
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		38,394,135.80	1,953,399.08	20,675.15	239,490.37	40,607,700.40

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Properties and buildings	Machinery and equipment	Electronic equipment	Transport equipment	Other equipment	Total
period						
(1) Provision		38,394,135.80	1,953,399.08	20,675.15	239,490.37	40,607,700.40
3. Decreased amount of the period		6,667,685.91	515,589.11	6,712.58	46,767.14	7,236,754.74
(1) Disposal or write-off		6,667,685.91	515,589.11	6,712.58	46,767.14	7,236,754.74
(2) Other decrease						
4. Ending balance	23,987,527.51	107,259,898.81	2,789,800.42	841,445.29	5,314,014.50	140,192,686.53
IV. Carrying value						
1. Ending carrying value	3,299,386,859.68	1,747,866,642.33	99,248,428.97	13,000,149.20	58,795,664.98	5,218,297,745.16
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

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

(2) List of temporarily idle fixed assets

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Carrying value
Machinery and equipment	817,733,189.57	405,918,829.25	87,442,687.20	324,371,673.12
Electronic equipment	8,275,226.50	6,047,459.25	111,084.51	2,116,682.74
Transport equipment	3,887,229.49	3,603,831.64	20,675.15	262,722.70
Properties and buildings	264,495,526.66	140,592,457.98	7,899,900.07	116,003,168.61
Other equipment	1,530,288.55	860,946.31	286,304.40	383,037.84
Total	1,095,921,460.77	557,023,524.43	95,760,651.33	443,137,285.01

(3) Fixed assets leased out through operating leases

Item	Closing carrying value
Electronic equipment	260,911.84
Machinery and equipment	23,973,121.72
Other equipment	384,458.99
Transport equipment	13,785.92
Total	24,632,278.47

(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	603,604,487.36	33,087,555.67		570,516,931.69	Being handled
Housing and buildings of Chongqing Konka	453,857,134.27	9,842,056.02		444,015,078.25	Being handled
Fenggang Konka Intelligent Colour TV Project (Part I) property	425,011,644.82	3,984,484.17		421,027,160.65	Being handled
Frestec Smart Home properties and	404,782,206.92	867,390.46		403,914,816.46	Being handled

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Net book value	Reason that the certificate of title was not completed
buildings					
Yikang Building property	76,610,752.33	42,076,014.80		34,534,737.53	Being handled
Boluo Printing Plate Phase III Plant	51,746,373.49	831,638.15		50,914,735.34	Being handled
Jingyuan Building property	7,700,000.00	4,244,612.05		3,455,387.95	Being handled
Standard electronic product plants in Sunning	1,544,085.19	72,504.88		1,471,580.31	Being handled
Total	2,024,856,684.38	95,006,256.20		1,929,850,428.18	

Notes to financial statements of Konka Group Co., Ltd.

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(5) Impairment test of fixed assets

During the Reporting Period, the Company conducted impairment tests on the fixed assets of Anhui Konka Electronic Co., Ltd., Suining Konka Smart Technology Co., Ltd., GuangDong XingDa HongYe Electronic Co., Ltd., Henan Frestec Refrigeration Appliance Co., Ltd. and Jiangxi Konka New Material Technology Co., Ltd., determined their recoverable amounts based on the net fair value less disposal costs, and recognised an impairment loss on assets of RMB40,607,700.4.

Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Anhui Konka electronic equipment	1,952,063.48	53,097.35	1,898,966.13	1. Instruments and machinery equipment: fair value = recovery unit price × equipment weight; Disposal costs = brokerage services 2. Electronic equipment: fair value = recovery unit price × quantity of equipment; Disposal costs = brokerage services	Recovery unit price, equipment weight, quantity of equipment, brokerage services	1. The recovery unit price is determined by the net price of disposal of waste materials (dismantling and transportation costs are all borne by the recovery unit); 2. The equipment weight is weighed on-site; 3. The quantity of the equipment is determined by an on-site inventory; 4. Intermediary service fees mainly include appraisal fees and intermediary fees for trading platforms.
Automatic production line of Suining Konka Smart	9,851,152.18	6,896,106.95	2,955,045.23	Fair value = recovery unit price × quantity of equipment; Disposal costs = intermediary service fees	Recovery unit price, quantity of equipment, intermediary service fees	1. The recovery unit price is determined by the net price of disposal of waste materials (dismantling and transportation costs are all born by the recovery unit); 2. The quantity of the equipment is determined by an on-site inventory; 3. Intermediary service fees include mainly appraisal fees and intermediary fees for trading platforms.
Machinery equipment of XingDa HongYe	1,973,454.42	392,931.04	1,580,523.38	Fair value = recovery unit price × quantity of equipment; Disposal costs = brokerage services	Recovery unit price, quantity of equipment, brokerage services	1. The recovery unit price is determined by the net price of disposal of waste materials (dismantling and transportation costs are all born by the recovery unit); 2. The quantity of the equipment is determined by an on-site inventory; 3. Intermediary service fees include mainly appraisal fees and intermediary fees for trading platforms.

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Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Machinery equipment of Frestech Refrigeration	7,949,779.02	2,857,105.30	5,092,673.72	Fair value = replacement costs x comprehensive newness rate x (1 - Economic depreciation rate); Disposal costs = dismantling fees and transportation and miscellaneous fees + intermediary service fees	Replacement costs, comprehensive newness rate, Economic depreciation rate, dismantling fees, transportation and miscellaneous fees, intermediary service fees	1. Replacement costs: The costs are determined mainly by directly requesting quotations from dealers or manufacturers, or by referring to price lists on website platforms; 2. Comprehensive newness rate: It take into account various factors such as the current technical status of the equipment, tangible and intangible losses; 3. Economic depreciation rate = (1 - (equipment is expected to be utilized production capacity / equipment original design production capacity) ^ economies of scale index) × 100%. Economy of scale index that is empirical data, take the value of the processing industry is generally 0.7; 4. Dismantling fees and transportation and miscellaneous fees: They are determined by referring to the Handbook of Commonly Used Methods and Parameters for Asset Appraisal and empirical data; 5. Intermediary service fees: The fees mainly comprises appraisal fees, and the intermediary fees for trading platforms.
Production line of Jiangxi Konka	449,815,738.10	420,735,246.16	29,080,491.94	Fair value = replacement costs x comprehensive newness rate x (1 - Economic depreciation rate); Disposal costs = dismantling fees and transportation and miscellaneous fees + intermediary service fees	Replacement costs, comprehensive newness rate, Economic depreciation rate, dismantling fees, transportation and	1. Replacement costs: The costs are determined mainly by directly requesting quotations from dealers or manufacturers, or by referring to price lists on website platforms; 2. Comprehensive newness rate: It take into account various factors such as the current technical status of the equipment, tangible and intangible losses; 3. Economic depreciation rate = (1 - (equipment is expected to be utilized production capacity / equipment original design production

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Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
					miscellaneous fees, intermediary service fees	capacity) ^ economies of scale index) × 100%. Economy of scale index that is empirical data, take the value of the processing industry is generally 0.7; 4. Dismantling fees and transportation and miscellaneous fees: They are determined by referring to the Handbook of Commonly Used Methods and Parameters for Asset Appraisal and empirical data; 5. Intermediary service fees: The fees mainly comprises appraisal fees, and the intermediary fees for trading platforms.
Total	471,542,187.20	430,934,486.80	40,607,700.40	-	-	-

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

(6) Fixed Assets with Restricted Ownership or Use Right

Item	Closing carrying value	Reasons for the restriction
Anhui Konka's buildings	601,293,059.60	Mortgage loan
Housing and buildings of Chongqing Konka	337,145,406.93	Mortgage loan
Properties and buildings of Shanxi Konka Intelligent	321,704,287.16	Mortgage loan
Housing and buildings of Anhui Tongchuang	140,196,525.72	Mortgage loan
Housing and buildings of Frestec Refrigeration	81,616,033.52	As collateral for finance lease
Machinery equipment of XingDa HongYe	67,632,465.17	As collateral for finance lease
Buildings of Konka Group	63,063,516.77	Mortgage loan
Housing and buildings of Jiangsu Konka Intelligent	35,470,487.60	Mortgage loan
Housing and buildings of XingDa HongYe	30,836,709.44	Mortgage loan
Machinery equipment of Xinfeng Microcrystalline	8,137,181.77	As collateral for finance lease
Housing and buildings of Jiangxi Konka	2,506,636.50	Original shareholder guarantee mortgage
Total	1,689,602,310.18	

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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	349,269.02		349,269.02	197,885,487.81		197,885,487.81
Guangming Project				466,051,847.89		466,051,847.89
Jiangxi High-permeability Crystallisation Kiln	246,576,748.57	46,755,148.57	199,821,600.00	246,576,748.57	20,068,730.37	226,508,018.20
Dongguan Konka New Industrial Park				398,018,288.30		398,018,288.30
Construction of Suining Electronic Industrial Park Workshops	177,516,258.23		177,516,258.23	221,981,375.38		221,981,375.38
Frestec Smart Home Appliances Park	994,166.33		994,166.33	113,146,458.03		113,146,458.03
Suining Konka Hongye Plant Decoration Project	76,141,438.86		76,141,438.86	1,955,898.52		1,955,898.52
Dishwasher Project of Jiangxi Konka	55,685,802.09		55,685,802.09	1,166,575.23		1,166,575.23
Production Line Renovation Project of Jiangxi Konka	85,861,185.36	12,518,073.84	73,343,111.52	84,917,611.92	647,975.66	84,269,636.26
Other projects	319,798,751.76	42,750,899.13	277,047,852.63	322,694,187.33	43,316,395.88	279,377,791.45

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Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Total	962,923,620.22	102,024,121.54	860,899,498.68	2,054,394,478.98	64,033,101.91	1,990,361,377.07

(2) Changes in major projects under construction in the current year

Name of item	Opening balance	Increase in the current year	Decrease in the current year		Closing balance
			Transferred to long-term assets	Other decreases	
Chongqing Konka Semiconductor Optoelectronics Park Project	197,885,487.81	1,518,206.33	198,416,543.64	637,881.48	349,269.02
Guangming Project	466,051,847.89	6,504,273.24	472,556,121.13		
Jiangxi High-permeability Crystallisation Kiln	246,576,748.57				246,576,748.57
Dongguan Konka New Industrial Park	398,018,288.30	30,083,029.02	428,101,317.32		
Construction of Suining Electronic Industrial Park Workshops	221,981,375.38	75,225,831.87	119,690,949.02		177,516,258.23
Frestec Smart Home Appliances Park	113,146,458.03	285,925,118.68	398,077,410.38		994,166.33
Total	1,643,660,205.98	399,256,459.14	1,616,842,341.49	637,881.48	425,436,442.15

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(Continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalisation	Of which: the amount of the capitalised interests in the current year	Capitalisation rate of the interests in the current year (%)	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 loans
Guangming Project	5.20	100.00	100.00	24,439,935.22	2,111,837.71	1.43	Self-owned fund and project loans
Jiangxi High-permeability Crystallisation Kiln	3.40	72.52	72.52	32,249,994.16			Bank loans
Dongguan Konka New Industrial Park	5.97	71.69	71.69	23,936,481.59	8,669,809.56	4.59	Bank loans
Construction of Suining Electronic Industrial Park Workshops	7.34	95.00	95.00				Self-owned fund
Frestec Smart Home Appliances Park	4.88	100.00	100.00	14,134,622.62	7,347,326.08	3.73	Self-owned funds, internal entrusted loans, bank loans
Total				94,793,306.11	18,161,245.87		

(3) Provision set aside for impairment of construction in progress in the current year

Category	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Reason for withdrawal
Jiangxi High-permeability Crystallisation Kiln	20,068,730.37	26,686,418.20		46,755,148.57	Failure to achieve serviceable conditions

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Category	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Reason for withdrawal
Jiangxi High Transparent Nano Line 1 Project	36,181,822.63			36,181,822.63	Failure to achieve serviceable conditions
Henan Civil Construction Project	3,703,547.42			3,703,547.42	Failure to achieve serviceable conditions
Konka Huanjia environmental equipment	3,103,138.94		3,103,138.94		Construction in progress is equipment not included in fixed assets, which has been sold.
Other projects	975,862.55	14,735,793.62	328,053.25	15,383,602.92	Failure to achieve serviceable conditions
Total	64,033,101.91	41,422,211.82	3,431,192.19	102,024,121.54	-

(4) Impairment test of construction in progress

During the Reporting Period, the Company conducted an impairment test on the construction in progress of Jiangxi Konka New Material Technology Co., Ltd., determined its recoverable amounts based on the present value of the net fair value less disposal costs, and recognised an impairment loss on assets of RMB40,655,031.97.

Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Production Line Renovation Project of Jiangxi Konka	85,213,453.73	73,343,355.55	11,870,098.18	Recoverable amount = replacement costs x (1 - economic depreciation rate) - disposal costs	Economic depreciation rate	Economic depreciation rate = (1 - (capacity of equipment expected to be utilized / original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.

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Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Jiangxi High-permeability Crystallisation Kiln	226,508,018.20	199,821,600.00	26,686,418.20	Recoverable amount = replacement costs x (1 - economic depreciation rate) - disposal costs	Economic depreciation rate	Economic depreciation rate = (1 - (capacity of equipment expected to be utilized / original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Other projects of Xinfeng and Jiangxi High-permeability	39,785,413.78	37,686,898.19	2,098,515.59	Recoverable amount = replacement costs x (1 - economic depreciation rate) - disposal costs	Economic depreciation rate	Economic depreciation rate = (1 - (capacity of equipment expected to be utilized / original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Others	944,171.00	176,991.15	767,179.85	Fair value = market quotation x quantity of equipment - disposal costs	Market quotation, quantity of equipment	1. The market quotation is determined by the net price of disposal of waste materials (dismantling and transportation costs are all borne by the recovery unit); 2. The quantity of the equipment is determined by an on-site inventory; 3. Intermediary service fees include mainly appraisal fees and intermediary fees for trading platforms.
Total	352,451,056.71	311,028,844.89	41,422,211.82	-	-	-

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19. Right-of-use assets

(1) 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 current year	200,687,422.05	35,857.18		200,723,279.23
(1) Rent	200,618,894.31	35,857.18		200,654,751.49
(2) Others	68,527.74			68,527.74
3. Decrease in the current year	28,467,652.05			28,467,652.05
(1) Decrease for loss of controlling right				
(2) Others	28,467,652.05			28,467,652.05
4. Closing balance	278,099,315.84	279,350.52		278,378,666.36
II. Accumulated depreciation				
1. Opening balance	56,047,009.73	56,190.77		56,103,200.50
2. Increase in the current year	42,829,336.65	58,663.68		42,888,000.33
(1) Provision	42,810,227.72	58,663.68		42,868,891.40
(2) Others	19,108.93			19,108.93
3. Decrease in the current year	17,666,957.64			17,666,957.64
(1) Decrease for loss of controlling right				
(2) Others	17,666,957.64			17,666,957.64
4. Closing balance	81,209,388.74	114,854.45		81,324,243.19
III. Provision for impairment				
1. Opening balance				

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Item	Properties and buildings	Electronic equipment	Transport equipment	Total
2. Increase in the current year				
(1) Provision				
3. Decrease in the current year				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	196,889,927.10	164,496.07		197,054,423.17
2. Opening carrying value	49,832,536.11	187,302.57		50,019,838.68

Note: Other decreases in original value and accumulated depreciation are mainly due to lease expiration.

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20. Intangible assets

(1) List of intangible assets

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
I. Original carrying value							
1. 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	122,691,321.95			18,779,386.33	13,146,791.68	31,926,178.01	154,617,499.96
(1) Purchase	122,503,853.21				7,057,234.54	7,057,234.54	129,561,087.75
(2) Transfer-in of construction in progress	8,245.09			18,779,386.33	6,089,557.14	24,868,943.47	24,877,188.56
(3) Other reasons	179,223.65						179,223.65
3. Decreased amount of the period	156,667,052.15		18,240.10		1,633,088.47	1,651,328.57	158,318,380.72
(1) Disposal	25,524,869.53		18,240.10		1,501,672.54	1,519,912.64	27,044,782.17

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(2) Decrease for loss of controlling right	17,493,200.24						17,493,200.24
(3) Decrease for other reasons	113,648,982.38				131,415.93	131,415.93	113,780,398.31
4. Ending balance	886,356,061.91	72,197,456.33	116,697,625.44	187,333,182.47	177,648,647.63	553,876,911.87	1,440,232,973.78
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	18,108,965.88	4,163,515.95	399,471.81	10,160,632.33	14,842,731.26	29,566,351.35	47,675,317.23
(1) Provision	18,108,965.88	4,163,515.95	399,471.81	10,160,632.33	14,842,731.26	29,566,351.35	47,675,317.23
(2) Other increases							
3. Decreased amount of the period	20,531,435.34		18,240.10		1,472,830.62	1,491,070.72	22,022,506.06
(1) Disposal	4,582,759.52				1,441,881.38	1,441,881.38	6,024,640.90
(2) Decrease for loss of controlling right	553,951.33						553,951.33
(3) Decrease for other reasons	15,394,724.49		18,240.10		30,949.24	49,189.34	15,443,913.83

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4. Ending balance	96,724,173.74	23,415,626.44	71,699,652.31	11,721,315.62	103,542,668.71	210,379,263.08	307,103,436.82
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							
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	789,631,888.17	48,217,124.01	54,451.51	175,611,866.85	73,870,684.80	297,754,127.17	1,087,386,015.34

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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
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Note: There was no impairment of the Group's intangible assets during the Reporting Period.

Notes to financial statements of Konka Group Co., Ltd.

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(2) Land use right with certificate of title uncompleted

The Group did not have land use rights for which no title deeds had been issued.

(3) Significant intangible assets

Item	Closing carrying value	Remaining amortisation period (year)
Land use right of Dongguan Konka	185,832,462.67	45.67
Concessions of Yibin Konka	175,611,866.85	16.83
Land use right of Frestec Smart Home Technology	90,267,954.17	46.75
Land usage right of Frestec Refrigeration	63,840,404.52	32.75
Total	515,552,688.21	

(4) Intangible assets with restricted ownership or using right

Item	Closing carrying value	Reasons for the restriction
Land use right of Dongguan Konka	185,832,462.67	Mortgage loan
Land use right of Shanxi Konka Intelligent	121,439,312.85	Mortgage loan
Land use right of Frestec Smart Home Technology	90,267,954.17	Mortgage loan
Land usage right of Frestec Refrigeration	63,840,404.52	As collateral for finance lease
Land use right of Anhui Konka	53,873,716.00	Mortgage loan
Land use right of Chongqing Konka	44,585,522.54	Mortgage loan
Land use right of Anhui Tongchuang	17,455,478.16	Mortgage loan
Land use right of Jiangsu Konka	13,746,913.56	Mortgage loan
Land use right of XingDa HongYe	13,112,683.07	Mortgage loan
Land use right of Jiangxi Konka	12,096,157.01	Original shareholder guarantee mortgage
Land use right of Konka Guangming	4,343,453.05	Mortgage loan
Total	620,594,057.60	

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21. Goodwill**(1) Original carrying value of goodwill**

Investee	Opening balance	Increase in the current year		Decrease in the current year		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 current year		Decrease in the current year		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

Name	Composition and basis of the asset group or combination of asset groups	Whether it is consistent with the previous year
Asset group of XingDa HongYe	It is a group of assets related to goodwill consisting of all operating tangible assets and recognizable intangible assets of the corresponding subsidiary's main business as reflected in its balance sheet (excluding working capital and non-operating assets), based on whether or not the major cash inflows generated by the asset group are independent of those generated by other assets or the asset group.	Yes

(4) Specific determination method for recoverable amount

The Company's management performed an impairment test of goodwill at the end of the year, and recognised XingDa HongYe as a whole as a single asset group, which is consistent with prior years.

The Company uses the present value of estimated future cash flows to calculate the recoverable

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amount of an asset group. Future cash flows are determined based on the financial budgets approved by management for the years 2024 through 2029 and using a discount rate of 12.88%. The cash flows of XingDa HongYe for more than six years are calculated on the basis of a growth rate of 0%. The Company engaged an appraisal institution, Shenzhen Pengxin Asset Appraisal Land and Real Estate Appraisal Co., Ltd., to conduct an appraisal of the asset group containing goodwill of XingDa HongYe by adopting the income approach, using the present value of the estimated future cash flows of the assets of the asset group as its recoverable amount. The appraisal institution issued on 26 February 2024 the P.X.Z.P.B.Z. [2024] No. S033 Asset Appraisal Report on the Recoverable Amount of the Asset Group Containing Goodwill Formed by the Merger and Acquisition of GuangDong XingDa HongYe Electronic Co., Ltd. in Relation to the Goodwill Impairment Test to be Conducted by Konka Group Co., Ltd., which takes 31 December 2023 as the appraisal base date. The present value of the asset group of XingDa HongYe as at the appraisal date amounted to RMB257,920,000, and the book value of the asset group adjusted to its fair value (including the goodwill as a whole) was RMB255,359,800,000, of which the carrying value of goodwill (inclusive of minority shareholders) amounted to RMB43,523,000. Therefore, XingDa HongYe had been tested for impairment of goodwill and no impairment of goodwill existed in the current year. As of the Reporting Date, XingDa HongYe had accumulated goodwill impairment of approximately RMB21,959,900,000.

22.Long-term deferred expenses

Item	Opening balance	Increase in the current year	Amortisation in the current year	Other decreases in the current year	Closing balance
Decoration expenses	263,367,218.24	176,711,718.86	68,569,296.13	1,120,704.09	370,388,936.88
Shoppe expense	18,787,080.49	20,632,263.63	13,765,981.11	678,887.63	24,974,475.38
Others	105,155,204.34	63,771,326.63	45,041,486.17	329,233.35	123,555,811.45
Total	387,309,503.07	261,115,309.12	127,376,763.41	2,128,825.07	518,919,223.71

23.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	3,747,584,829.70	794,363,411.92	3,446,211,696.71	710,037,893.08
Provision for asset impairment	1,879,389,407.11	407,751,765.55	1,665,450,141.63	364,146,193.07
Deferred revenue	167,691,056.33	36,766,230.50	90,355,036.00	22,296,259.01

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Accrued expenses	262,522,401.07	58,732,850.29	208,346,464.01	49,058,992.22
Unrealised internal sales profits	55,653,196.64	13,913,299.16	62,006,060.41	15,501,515.10
Lease liabilities	207,847,769.62	50,208,319.90	37,349,686.00	6,951,620.03
Others	279,982,155.72	64,838,104.84	134,840,920.33	29,413,898.14
Total	6,600,670,816.19	1,426,573,982.16	5,644,560,005.09	1,197,406,370.65

(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	154,693,540.82	37,285,533.12	193,084,308.55	41,509,033.61
Prepaid interest	37,541,390.08	9,385,347.52	46,965,768.40	11,741,442.10
Accelerated depreciation of fixed assets	3,005,493.04	608,518.82	4,406,228.55	1,376,446.54
Financial assets at fair value through profit or loss	327,802,549.12	81,950,637.29	98,900,582.49	24,725,145.63
Right-of-use assets	195,220,008.99	48,074,535.52	30,800,411.02	5,891,361.34
Others	47,153,970.40	7,721,593.00	42,438,733.89	10,183,869.09
Total	765,416,952.45	185,026,165.27	416,596,032.90	95,427,298.31

(3) Breakdown of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible losses	3,693,212,186.74	2,114,844,242.75

Notes to financial statements of Konka Group Co., Ltd.

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Item	Closing balance	Opening balance
Deductible temporary differences	4,173,904,666.60	2,967,427,358.07
Total	7,867,116,853.34	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		134,203,193.22	
2024	175,414,641.28	92,292,924.99	
2025	464,500,932.68	136,655,028.18	
2026	224,104,387.87	263,654,830.43	
2027	110,289,035.04	1,488,038,265.93	
2028 and following years	2,718,903,189.87		
Total	3,693,212,186.74	2,114,844,242.75	-

24. Other non-current assets

Item	Closing balance		
	Book balance	Provision for impairment	Carrying value
Prepayment for land-purchase	1,029,317,896.04		1,029,317,896.04
Prepayment for construction, equipment and other long-term assets	219,010,910.12		219,010,910.12
Total	1,248,328,806.16		1,248,328,806.16

(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

25. Assets with restricted ownership or use rights

Item	End of the year
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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

	Book balance	Carrying value	Type of restriction	Restriction details
Monetary assets	831,575,227.47	831,575,227.47	Margins, pledges, time deposits	Among them, RMB384,011,696.60 is margin deposit, pledge is used for borrowing or issuing bank acceptance, RMB226,611,500.00 is time deposit that cannot be withdrawn in advance; RMB220,952,030.87 is restricted due to other reasons.
Accounts receivable	2,527,314.22	2,474,071.67	Pledge	Pledge loan
Notes receivable	209,288,446.67	209,288,446.67	Pledge	They are pledged for the issuance of bank acceptance
Inventory	601,395,411.05	599,475,045.44	Seizure, mortgage	Carrying value of inventories seized as a result of the minority shareholder case of a subsidiary was RMB49,679,547.48, and the Company did not waive claims; year-end book value of inventory used for mortgage loans was RMB549,795,497.96.
Investment property	634,578,011.63	585,984,804.04	Mortgage	Mortgage loan
Fixed assets	2,003,558,346.93	1,689,602,310.18	Mortgage	Mortgage for finance lease, mortgage loan, mortgage guaranteed by the original shareholder
Intangible assets	687,667,571.97	620,594,057.60	Mortgage	Mortgage for finance lease, mortgage loan, mortgage guaranteed by the original shareholder
Construction in progress	40,629,663.23	40,629,663.23	Mortgage	Mortgage loan
Total	5,011,219,993.17	4,579,623,626.30	-	-

(Continued)

Item	Beginning of the year			
	Book balance	Carrying value	Type of restriction	Restriction details
Monetary assets	526,183,479.81	526,183,479.81	Margins, pledges, time deposits	Among them, RMB435,167,024.52 is margin deposit, pledge is used for borrowing or issuing bank

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Item	Beginning of the year			
	Book balance	Carrying value	Type of restriction	Restriction details
				acceptance, RMB305,405.41 is financial supervision account fund; RMB69,800,000.00 is time deposit that cannot be withdrawn in advance; RMB20,911,049.88 is restricted due to other reasons.
Notes receivable	504,958,051.41	504,958,051.41	Pledge	Pledge for making out an invoice
Inventory	201,747,758.47	49,679,547.48	Seizure	Affected by the case of the minority shareholder of the subsidiary, the inventory was wrongly seized, and the company did not give up the claim.
Investment property	104,066,818.20	104,066,818.20	Mortgage	Mortgage loan
Fixed assets	1,899,311,066.39	1,437,778,232.95	Mortgage	Mortgage for billing, mortgage for finance lease, mortgage loan, mortgage guaranteed by the original shareholder
Intangible assets	557,863,536.11	512,162,337.46	Mortgage	Mortgage loan, mortgage for finance lease, mortgage guaranteed by the original shareholder
Construction in progress	268,783,371.35	229,757,971.08	Mortgage	As collateral for finance lease
Total	4,062,914,081.74	3,364,586,438.39	-	-

26. Short-term loans

(1) Classification of short-term loans

Type of borrowings	Closing balance	Opening balance	Notes
Unsecured loan	4,741,431,032.21	5,252,631,775.26	
Guaranteed loan	1,374,378,896.71	1,953,423,601.39	①②③④
Mortgage loan	274,782,127.35	373,503,928.32	⑤⑥⑦⑧
Total	6,390,592,056.27	7,579,559,304.97	

① The Company provides joint and several liability guarantee at the maximum amount for the short-term borrowings totaling RMB909,577,438.35 to its subsidiaries Yibin Smart, Anhui Konka, Dongguan Konka, Jiangxi Konka, Jiangxi High-permeability Substrate, Xinfeng Microcrystalline,

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Anhui Tongchuang, Boluo Precision, Konka Xinyun, Electronic Technology.

② The Company has obtained short-term borrowings amounting to RMB410,486,597.23 from Shenzhen Chegongmiao Sub-branch of China Everbright Bank Co., Ltd., for which the Company's subsidiary Electronics Technology provides joint and several liability guarantee at the maximum amount.

③ The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB50,364,861.13 from Cixi Branch of Bank of China Limited, for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at the proportion of 3:2, respectively.

④ The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB3,950,000 from Shenzhen Branch of Bank of Hangzhou Co., Ltd., for which Shenzhen Qianhai Datang Technology Co., Ltd. provides general guarantee.

⑤ The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to RMB120,736,113.45 from Chuzhou Branch of Bank of China Limited, for which it provides fixed assets of a carrying value of RMB414,886,007.46 and land use rights of a carrying value of RMB35,866,497.33 as mortgage.

⑥ The Company's subsidiary XingDa HongYe has obtained short-term borrowings amounting to RMB94,095,305.57 from Fusha Sub-branch of Zhongshan Rural Commercial Bank, for which it provides properties and buildings of a carrying value of RMB30,836,709.44 and land use rights of a carrying value of RMB13,112,683.07 as mortgage and certificates of time deposit with a carrying value of RMB19,800,000.00 as pledge, and Hu Zehong provides joint and several liability guarantee.

⑦ The Company's subsidiary Jiangsu Konka Smart has obtained short-term borrowings amounting to RMB30,040,791.66 from Changzhou Branch of Zheshang Bank Co., Ltd., for which it provides properties and buildings of a carrying value of RMB35,470,487.60 and land use rights of a carrying value of RMB13,746,913.56 as mortgage.

⑧ The Company's subsidiary Anhui Tongchuang has obtained short-term borrowings amounting to RMB29,909,916.67 from Hefei Branch of Zheshang Bank Co., Ltd., for which it provides properties and buildings of a carrying value of RMB140,196,525.72 and land use rights of a carrying value of RMB17,455,478.16 as mortgage.

(2) Outstanding Short-term borrowings overdue

There were no outstanding short-term borrowings overdue at the end of the current year.

27. Notes payable

Type of note	Closing balance	Opening balance
Banker's acceptance	786,833,882.36	881,426,104.13
Commercial acceptance draft	203,649,044.84	173,147,717.91
Total	990,482,927.20	1,054,573,822.04

28. Accounts payable

Item	Closing balance	Opening balance
Within one year	2,002,263,324.19	2,330,698,958.02

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Item	Closing balance	Opening balance
One to two years	448,060,250.16	155,636,729.60
Two to three years	107,371,417.74	89,142,446.14
Over three years	169,136,683.88	84,468,429.17
Total	2,726,831,675.97	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

(1) Contract liabilities

Item	Closing balance	Opening balance
Sales advances received	527,975,160.12	601,044,358.35
Total	527,975,160.12	601,044,358.35

Note: Contractual liabilities over one year are detailed in "VI.43. Other non-current liabilities" in this note.

(2) Significant contract liabilities with an age of more than one year

There were no significant contract liabilities with an age of more than one year in the Reporting Period.

(3) Significant changes in carrying value in the current year

There were no significant changes in carrying value in the current year.

31. Payroll payable

(1) List of payrolls payable

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Short-term remuneration	343,646,678.61	1,546,370,655.06	1,587,111,050.24	302,906,283.43
Post-employment benefits-defined contribution plans	4,600,603.98	119,716,518.08	123,332,621.86	984,500.20
Dismissal benefits	360,921.46	18,945,372.20	18,463,973.66	842,320.00
Other benefits due within one year				

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Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Total	348,608,204.05	1,685,032,545.34	1,728,907,645.76	304,733,103.63

(2) Short-term remuneration

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Salaries, bonuses, allowances and subsidies	334,684,052.90	1,356,418,260.49	1,398,283,059.07	292,819,254.32
Employee benefits	3,936,505.74	61,452,893.58	60,035,067.05	5,354,332.27
Social insurance premiums	1,058,903.83	55,338,539.08	55,832,481.16	564,961.75
Including: Medical insurance premiums	542,052.97	49,767,939.00	49,913,269.76	396,722.21
Work injury insurance premiums	258,547.07	3,459,232.15	3,640,666.28	77,112.94
Maternity insurance premiums	258,303.79	2,111,367.93	2,278,545.12	91,126.60
Housing fund	302,288.94	60,035,362.19	59,851,639.16	486,011.97
Labour union funds and education funds	2,815,551.22	13,052,979.72	12,186,807.82	3,681,723.12
Short-term absence with payment				
Short-term profit sharing plan				
Others	849,375.98	72,620.00	921,995.98	
Total	343,646,678.61	1,546,370,655.06	1,587,111,050.24	302,906,283.43

(3) Defined contribution plans

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Basic endowment management insurance	4,410,027.51	116,179,833.58	119,754,395.92	835,465.17
Unemployment insurance premiums	190,576.47	3,536,684.50	3,578,225.94	149,035.03
Annuity contribution				

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Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Total	4,600,603.98	119,716,518.08	123,332,621.86	984,500.20

32. Taxes payable

Item	Closing balance	Opening balance
Corporate income tax	91,733,192.66	178,994,811.66
Value-added tax	66,607,505.30	60,178,835.36
Fund for disposing abandoned appliances and electronic products	21,210,465.50	14,716,729.00
Land use tax	11,704,493.10	11,028,106.31
Stamp duty	6,782,263.86	9,955,063.53
Property tax	5,219,025.56	4,511,721.21
City construction and maintenance tax	3,479,642.26	3,710,919.05
Education fees and local education Surcharge	2,525,463.27	2,735,721.75
Personal income tax	2,285,063.65	2,477,590.24
Tariff	1,513,377.11	1,624,434.41
Others	1,356,643.60	1,168,746.84
Total	214,417,135.87	291,102,679.36

33. Other payables

Item	Closing balance	Opening balance
Interest payable		29,590,464.00
Other payables	1,922,791,905.14	1,866,120,909.34
Total	1,922,791,905.14	1,895,711,373.34

33.1 Interests payable

Item	Closing balance	Opening balance
Interest on corporate bonds		
Interest on long-term borrowings with interest paid by instalment and principal paid at maturity		29,271,307.22

Notes to financial statements of Konka Group Co., Ltd.

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Item	Closing balance	Opening balance
Interest payable on short-term borrowings		319,156.78
Total		29,590,464.00

33.2 Other Payables

(1) Other accounts payable presented based on the fund nature

Nature of fund	Closing balance	Opening balance
Trading funds	798,553,216.65	677,014,483.12
Expenses payable	521,810,773.58	538,693,780.45
Related party borrowing	236,064,633.74	286,552,967.74
Cash deposit and front	282,035,338.52	286,952,679.25
Advance payment	5,480,880.33	5,482,995.92
Equity payable	24,302,796.96	6,302,796.96
Others	54,544,265.36	65,121,205.90
Total	1,922,791,905.14	1,866,120,909.34

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

Unit	Closing balance	Reason for non-repayment or carry-over
The Third Construction Engineering Company Ltd. of China Construction Second Engineering Bureau	21,677,760.25	It was not yet due for payment as per the contract
Total	21,677,760.25	

34. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,891,407,222.55	249,391,640.39
Long-term payables due within one year	141,650.44	139,213,550.70
Bonds payable due within one year	2,370,572,421.45	
Lease liabilities due within one year	52,026,101.92	20,614,839.60
Total	5,314,147,396.36	409,220,030.69

35. Other current liabilities

Notes to financial statements of Konka Group Co., Ltd.

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Item	Closing balance	Opening balance
Accounts payable paid by endorsement of outstanding notes at the end of the Reporting Period	11,524,075.93	26,744,560.49
Tax to be charged off	23,890,662.41	21,806,789.93
Refunds payable	18,915,977.41	19,898,433.29
Total	54,330,715.75	68,449,783.71

36. Long-term loans

Type of borrowings	Closing balance	Opening balance	Notes
Guaranteed loan	4,047,706,381.39	3,116,984,312.66	①②③④⑤⑥⑦⑧
Mortgage loan	1,207,161,686.81	849,816,227.52	⑨⑩⑪⑫⑬⑭⑮⑯⑰
Entrusted borrowings	2,054,850,296.35	2,595,372,200.43	⑱
Unsecured loan	3,276,240,462.52	2,536,925,213.87	
Pledge loan	84,598,475.36	57,225,088.80	⑲⑳
Less: Portion due within one year	2,891,407,222.55	249,391,640.39	
Total	7,779,150,079.88	8,906,931,402.89	

① The Company has obtained long-term borrowings amounting to RMB1,484,131,000.00 from Shenzhen Branch of China Guangfa Bank Co., Ltd., the term of which is from 24 June 2021 to 20 December 2026, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

② The Company has obtained long-term borrowings amounting to RMB1,441,235,638.84 from Shenzhen Branch of China Development Bank Co., Ltd., the term of which is from 22 December 2022 to 22 September 2026, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

③ The Company has obtained long-term borrowings amounting to RMB900,902,777.77 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.

④ The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB100,114,583.34 from Chuzhou Plaza Sub-branch of China Construction Bank Co., Ltd., the term of which is from 24 October 2022 to 26 October 2026, and for which the Company provides joint and several liability guarantee.

⑤ The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB9,857,131.44 from Chuzhou Branch of Agricultural Bank of China Co., Ltd., the term of which is from 29 June 2023 to 28 June 2028, and for which the Company provides joint and several liability guarantee.

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⑥ The Company's subsidiary Anhui Tongchuang has obtained long-term borrowings amounting to RMB30,018,000.00 from Chuzhou Branch of China Everbright Bank Co., Ltd., the term of which is from 26 December 2023 to 25 June 2025, and for which the Company provides joint and several liability guarantee at the maximum amount.

⑦ The Company's subsidiary Konka Xinyun Semiconductor has obtained long-term borrowings amounting to RMB51,375,000.00 from Yancheng Branch of Huaxia Bank Co., Ltd., the term of which is from 10 September 2021 to 21 August 2026, and for which the Company provides joint and several liability guarantee.

⑧ The Company's subsidiary Sichuan Konka has obtained long-term borrowings amounting to RMB30,072,250.00 from Yibin Rural Commercial Bank Co. Ltd., the term of which is from 23 May 2023 to 26 April 2026, and for which the Company provides joint and several liability guarantee.

⑨ The Company has obtained long-term borrowings amounting to RMB334,321,190.06 from Guanlan Sub-branch of Shenzhen Rural Commercial Bank Co., Ltd., the term of which is from 21 January 2021 to 22 January 2026, and for which it provides land use rights of a carrying value of RMB4,343,453.05 and investment properties of a carrying value of RMB585,984,804.04 and properties and buildings of a carrying value of RMB63,063,516.77 as mortgage.

⑩ The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB86,027,129.81 from Chuzhou Branch of Industrial Bank Co., Ltd., the term of which is from 16 July 2021 to 15 July 2031, and for which it provides fixed assets of a carrying value of RMB186,407,052.14 and land use rights of a carrying value of RMB18,007,218.67 as mortgage, and for which the Company provides joint and several liability guarantee.

⑪ The Company's subsidiary Dongguan Konka has obtained long-term borrowings amounting to RMB332,193,383.84 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 as intangible assets of a carrying value of RMB185,832,462.67 as mortgage and the Company provides joint and several liability guarantee.

⑫ The Company's subsidiary Frestec Smart Home has obtained long-term borrowings amounting to RMB10,012,222.22 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 RMB90,267,954.17 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 at the maximum amount at 51% and 49%, respectively.

⑬ The Company's subsidiary Nantong Kanghai has obtained long-term borrowings amounting to RMB22,973,942.90 from Haimen Sub-branch of Bank of Suzhou Co., Ltd., the term of which is from 24 April 2023 to 25 July 2025, and for which it provides land use rights and construction in progress of a carrying value of RMB243,293,655.61 as mortgage.

⑭ The Company's subsidiary Shanxi Konka Intelligent has obtained long-term borrowings amounting to RMB250,275,000.00 from Shanxi Free Trade Zone Xi'an International Port Area Sub-branch of Industrial and Commercial Bank of China Co., Ltd., the term of which is from 28 September 2023 to 3 November 2033, and for which it provides properties and buildings of a carrying value of RMB321,704,287.16 and land use rights of a carrying value of RMB121,439,312.85 as mortgage.

⑮ The Company's subsidiary Xi'an Kanghong Technology Industry has obtained long-term borrowings amounting to RMB66,594,605.06 from the Business Department of Shanxi Branch of Bank of Communications Co., Ltd., the term of which is from 15 June 2023 to 31 December 2032, and for which it provides properties and buildings and land use rights of a carrying value of

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RMB306,501,842.35 as mortgage and the Company provides joint and several liability guarantee at the maximum amount.

⑯ The Company's subsidiary Yantai Kangjin has obtained long-term borrowings amounting to RMB11,867,561.07 from Yantai Rural Commercial Bank Co. Ltd., the term of which is from 16 January 2023 to 12 February 2026, and for which it provides construction in progress of a carrying value of RMB40,629,663.23 as mortgage.

⑰ The Company's subsidiary Chongqing Konka has obtained long-term borrowings amounting to RMB92,896,651.85 from Chongqing Liangjiang Branch of Industrial and Commercial Bank of China Co., Ltd., the term of which is from 30 December 2022 to 29 December 2037, and for which it provides properties and buildings of a carrying value of RMB337,145,406.93 and land use rights of a carrying value of RMB44,585,522.54 as mortgage and the Company provides joint and several liability guarantee at the maximum amount.

⑱ The Company's parent company OCT Group has extended entrusted loans amounting to RMB2,054,850,296.35 to the Company through China Merchants Bank Co., Ltd., the term of which is from 10 January 2022 to 25 May 2025.

⑲ The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB49,506,950.32 from Yibin Branch of Industrial and Commercial Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings from a franchise agreement with an appraisal value of RMB595,900,000 as pledge, and the term thereof is from 30 June 2022 to 15 April 2040.

⑳ The Company's subsidiary Yibin Kangrun Medical has obtained long-term borrowings amounting to RMB35,091,525.04 from Yibin Branch of Postal Savings Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings from a franchise agreement with an appraisal value of RMB595,900,000 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	4,797,565,000.12	4,792,392,044.13
Less: Bonds payable due within one year	2,370,572,421.45	
Total	2,426,992,578.67	4,792,392,044.13

(2) Changes in bonds payable

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

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Bond name	Total par value	Issue date	Bond maturity	Issue amount	Opening balance
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	Issuance in the current year	Accrue interest by par value	Amortisation of premium/discount
21Konka01 (note a))		44,600,000.00	1,100,628.93
21Konka02 (note b))		20,000,000.00	550,314.47
21Konka03 (note c))		31,600,000.00	880,503.14
22Konka01 (note d))		38,760,000.00	1,320,754.73
22Konka03 (note e))		19,800,000.00	660,377.36
22Konka05 (note f))		21,000,000.00	660,377.36
Total		175,760,000.00	5,172,955.99

(Continued)

Bond name	Prepayment in the current year	Closing balance
21Konka01 (note a))	44,600,000.00	1,043,732,777.88
21Konka02 (note b))	20,000,000.00	512,094,339.67
21Konka03 (note c))	31,600,000.00	814,745,303.93
22Konka01 (note d))	38,760,000.00	1,217,398,867.91
22Konka03 (note e))	19,800,000.00	605,499,371.09
22Konka05 (note f))	21,000,000.00	604,094,339.64
Total	175,760,000.00	4,797,565,000.12

Note 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.

Note 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.

Note 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.

Note d: On 14 July 2022, the Company issued RMB1.2 billion of public placement corporate

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bonds with the duration of three years, the annual interest rate of 3.23% and the due date of 14 July 2025.

Note 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.

Note 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.

38. Lease liabilities

Item	Closing balance	Opening balance
Lease liabilities	212,244,920.84	57,201,478.76
Less: Lease liabilities due within one year (see Note VI-34)	52,026,101.92	20,614,839.60
Total	160,218,818.92	36,586,639.16

39. Long-term payables

Item	Closing balance	Opening balance
Accrued financing lease outlay	6,823,209.13	152,547,691.61
Less: Unrecognised financing expenses	545,824.62	5,370,013.73
Less: Amount due within one year (see Note VI-34)	141,650.44	139,213,550.70
Total	6,135,734.07	7,964,127.18

40. Long-term payroll payables

Item	Closing balance	Opening balance
Termination benefits-net liabilities of defined contribution plans	4,718,466.37	4,894,209.73
Total	4,718,466.37	4,894,209.73

41. Estimated liabilities

Item	Closing balance	Opening balance	Cause(s)
Pending litigation	206,591.51	206,591.51	
Discard expenses	1,644,068.13	1,875,064.89	
Product quality assurance	101,726,574.07	74,590,486.63	After-sales of household appliances

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Item	Closing balance	Opening balance	Cause(s)
Performance compensation	200,942,606.09	82,723,436.52	
Total	304,519,839.80	159,395,579.55	

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42. Deferred revenue

(1) Category of deferred income

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Cause(s)
Government grants	334,844,966.31	142,412,107.74	52,121,836.15	425,135,237.90	Related to assets/income
Total	334,844,966.31	142,412,107.74	52,121,836.15	425,135,237.90	

(2) Government subsidy items

Government subsidy items	Opening balance	Subsidies increased in the current year	Amount recognised as non-operating income in the current year	Amount recognised as other income in the current year	Other changes	Closing balance	Related to assets/income
Headquarters 8K device-side R&D project of Konka Group	23,800,000.00			1,375,077.60		22,424,922.40	Related to assets
Subsidy for electronic relocation of Anhui Konka	13,085,700.00			10,000,000.00	3,085,700.00		Related to assets
Plant construction subsidy for Yibin Konka Industrial Park	105,864,968.77			2,319,532.32		103,545,436.45	Related to assets
Plant decoration subsidy for Yibin Konka Industrial Park	11,513,723.80			1,439,215.44		10,074,508.36	Related to assets
Equipment subsidy for Konka Xinyun Semiconductor (Yancheng)	10,596,031.61			899,350.08		9,696,681.53	Related to income

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Government subsidy items	Opening balance	Subsidies increased in the current year	Amount recognised as non-operating income in the current year	Amount recognised as other income in the current year	Other changes	Closing balance	Related to assets/income
Returned payments for land by Chongqing Konka	18,327,272.79			392,727.24		17,934,545.55	Related to assets
Medical waste centralised treatment project in Gaoxian County, Yibin City	28,405,837.81	2,500,000.00		1,754,887.71		29,150,950.10	Related to assets
Other government subsidies related to assets/income	123,251,431.53	139,912,107.74		30,855,345.76		232,308,193.51	Related to assets/income
Total	334,844,966.31	142,412,107.74		49,036,136.15	-3,085,700.00	425,135,237.90	

43. Other non-current liabilities

Item	Closing balance	Opening balance
Contract liabilities over one year	179,996,351.33	314,233,260.08
Total	179,996,351.33	314,233,260.08

44. Share capital

Item	Opening balance	Increase/decrease (+/-) in the current year					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 reserves

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Other capital surplus	365,247,361.05	188,738,008.44	27,485,862.73	526,499,506.76
Total	365,247,361.05	188,738,008.44	27,485,862.73	526,499,506.76

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

- a) The associated enterprise Wuhan Tianyuan Environmental Protection Co., Ltd. issued new shares and convertible bonds, resulting in an increase in other capital surplus of RMB127,671,222.93.
- b) The financing and equity incentives of the associated enterprise Hefei KONSEMI Storage Technology Co., Ltd. resulted in an increase in other capital surplus of RMB44,092,024.98.
- c) The associated enterprise Shenzhen Kangying Semiconductor Technology Co., Ltd. increased capital and shares, resulting in an increase in other capital surplus of RMB16,852,760.53.
- d) The associated enterprise Guangdong Kangyuan Semiconductor Co., Ltd. increased capital and shares, resulting in an increase in other capital surplus of RMB122,000.00.
- e) Other capital surplus decreased by RMB17,433,984.73 as a result of the disposal of an associate, Guangdong Chutian Dragon Smart Card Co., Ltd., and the change in its accounting method. Among them, other capital surplus recognized under the former equity method of accounting was transferred out when the equity interest held by Guangdong Chutian Dragon Smart Card Co., Ltd. was changed from equity method of accounting to financial asset accounting, resulting in a decrease of other capital surplus by RMB13,777,882.20; and a decrease of other capital surplus by RMB3,656,102.53 due to the disposal of equity interest in Guangdong Chutian Dragon Smart Card Co., Ltd..
- f) Repurchase of equity interests for equity incentive by the associated enterprise Chongqing E2info Technology Co., Ltd. resulted in a decrease in other capital surplus of RMB 5,977,391.99.
- g) The decrease in capital surplus and special reserve of the associated enterprise Shandong Econ Technology Co., Ltd. resulted in a decrease in other capital surplus of RMB4,074,486.01.

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46. Other comprehensive income

Item	Beginning of the year		Amount incurred in the current year					End of the year
	Balance	Amount incurred before income tax in the current year	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	Balance
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 and losses	-7,866,303.43	-84,979.37				821,623.19	-906,602.56	-7,044,680.24
Including: Other comprehensive income that can be transferred to profits or losses under the equity method	-4,029,937.27	-86,041.63				-86,041.63		-4,115,978.90
Exchange difference on translating foreign operations	-3,836,366.16	1,062.26				907,664.82	-906,602.56	-2,928,701.34
Total of other comprehensive income	-14,265,181.63	-84,979.37				821,623.19	-906,602.56	-13,443,558.44

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47.Special reserve

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
Safety production fund		5,509,215.43	851,727.19	4,657,488.24
Total		5,509,215.43	851,727.19	4,657,488.24

48.Surplus reserves

Item	Opening balance	Increase in the current year	Decrease in the current year	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

49.Unappropriated profit

Item	The current year	Last year
Balance as at the end of last year	3,637,291,770.33	5,229,098,788.94
Add: Total beginning balance of retained earnings before adjustments	1,060,258.69	
Including: Changes in accounting policies	1,060,258.69	
Opening balance of current year	3,638,352,029.02	5,229,098,788.94
Add: Net profit attributable to owners of the parent company in the current year	-2,163,790,053.17	-1,471,409,748.21
Less: Appropriation of statutory surplus reserves		
Ordinary share dividends payable		120,397,270.40
Closing balance of the current year	1,474,561,975.85	3,637,291,770.33

50.Operating revenue and cost of sales

(1) Operating income and operating costs

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal business	16,951,243,781.74	16,397,488,134.14	28,607,497,919.19	28,075,348,270.98
Other	898,087,647.50	751,548,616.36	1,000,356,336.08	713,290,122.90

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Item	Amount incurred in the current year		Amount incurred last year	
business				
Total	17,849,331,429.24	17,149,036,750.50	29,607,854,255.27	28,788,638,393.88

(2) Information on the breakdown of operating revenue and cost of sales

Category of contracts	Operating income	Operating expenses
Business type		
Of which: Colour TV business	4,708,450,488.99	4,756,604,973.05
Consumer appliances business	4,257,423,386.71	3,790,414,584.40
Memory chip trading and semiconductor business	3,397,161,542.60	3,433,148,164.76
Environmental protection and new materials business	1,145,732,124.31	1,134,022,493.39
PCB business	476,456,155.62	420,480,569.60
Other business	3,864,107,731.01	3,614,365,965.30
Total	17,849,331,429.24	17,149,036,750.50
Classified by operating region		
Of which: Domestic	10,716,944,822.00	10,283,636,801.86
Overseas	7,132,386,607.24	6,865,399,948.64
Total	17,849,331,429.24	17,149,036,750.50

Note: According to the adjustment and optimization of our group's business layout, the storage chip processing trade in the industrial and trade business will be adjusted to the storage chip trade and semiconductor business, and the other parts will be merged into others.

(3) 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 contracted but have not yet been fulfilled or completed at the end of the year is RMB737,878,491.32, of which RMB666,987,130.93 is expected to be recognised as revenue in 2024, and the remaining RMB70,891,360.39 is expected to be recognised as revenue in 2025 and following years.

51. Taxes and surcharges

Item	Amount incurred in the current year	Amount incurred last year
Stamp duty	34,773,519.65	39,436,591.84
Land use tax	20,537,445.82	27,096,008.05

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Item	Amount incurred in the current year	Amount incurred last year
Property tax	31,766,475.03	25,401,754.51
City maintenance & construction tax	9,421,882.52	14,998,902.21
Educational surcharge	4,271,078.25	6,410,329.82
Local educational surcharge	2,847,868.04	4,993,164.43
Water resources fund	935,650.62	590,860.27
Others	934,120.54	412,208.88
Total	105,488,040.47	119,339,820.01

52.Selling expenses

Item	Amount incurred in the current year	Amount incurred last year
Employee benefits	374,259,567.43	349,085,455.73
Advertising expense	233,506,458.32	362,795,424.61
Warranty fee	167,413,447.59	162,483,458.52
Promotional activities	144,332,006.20	132,984,672.13
Logistic Fee	78,886,050.69	76,005,945.85
Travel expenses	21,297,750.22	16,412,701.43
Lease expense	12,330,023.91	20,000,782.87
Entertainment fees	12,054,482.82	12,319,781.49
Exhibition expenses	18,344,007.57	3,049,900.87
Taxes and fund	634,083.90	43,602,463.99
Others	82,066,970.31	61,404,148.28
Total	1,145,124,848.96	1,240,144,735.77

53.Administration expenses

Item	Amount incurred in the current year	Amount incurred last year
Employee benefits	442,241,850.70	536,410,042.48
Depreciation charges	221,920,806.29	181,356,034.20

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Item	Amount incurred in the current year	Amount incurred last year
Intermediary fees	27,526,556.25	70,364,121.16
Travel expenses	11,896,505.16	11,799,889.35
Water and electricity expenses	9,399,817.49	15,251,139.78
Loss on scraping of inventories	2,768,674.29	5,066,889.35
Patent fee	273,797.86	369,573.26
Others	91,499,902.16	129,029,900.70
Total	807,527,910.20	949,647,590.28

54.R&D expense

Item	Amount incurred in the current year	Amount incurred last year
Salary	271,425,739.22	291,536,802.63
Depreciation and amortisation charge	109,324,146.88	76,242,059.21
New product trial production expense	37,107,469.57	53,488,226.67
Material expense	29,602,114.38	38,872,892.09
Commission service fee	4,452,755.80	13,376,731.07
Testing expense	5,899,826.42	4,302,928.77
Information use fee	313,299.20	918,800.49
Others	39,868,408.39	65,143,583.96
Total	497,993,759.86	543,882,024.89

55.Finance costs

Item	Amount incurred in the current year	Amount incurred last year
Interest expense	884,535,066.01	913,721,408.10
Less: Interest income	286,969,209.86	237,115,652.09
Add: Exchange loss	-72,904,637.81	-198,292,207.05
Other expenses	37,354,891.90	44,110,194.22
Total	562,016,110.24	522,423,743.18

56.Other income

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Resources	Amount incurred in the current year	Amount incurred last year
Support funds	147,251,929.00	695,511,711.98
Rewards and subsidies	62,683,717.05	138,985,910.13
Transfer of deferred income	49,036,136.15	29,108,950.31
Software tax refund	5,819,853.78	12,377,884.09
Post subsidies	3,523,345.06	5,205,565.67
Subsidies for L/C exports	2,231,210.76	348,111.95
Tax rebates and refunds	71,840.14	47,174,366.68
Total	270,618,031.94	928,712,500.81

57. Investment income

Item	Amount incurred in the current year	Amount incurred last year
Returns on long-term equity investments calculated by the equity method	-170,413,352.22	123,392,731.97
Return on investment arising from the disposal of long-term equity investments	195,999,095.98	509,249,136.96
Conversion of long-term equity investments accounted for by the equity method to financial assets	574,780,174.75	
Investment income arising from the disposal of other equity instruments investments	560,005.44	
Income from remeasurement of residual stock rights at fair value after losing control power	51,474,909.15	239,092,139.68
Interest income from debt investments during the holding period	56,292,758.87	69,651,317.87
Return on investment in the financial assets held for trading during the holding period	9,383,976.00	
Income from the derecognition of financial assets at amortized cost	-3,132,035.83	
Investment income from disposal of financial assets at fair value through profit or loss	-38,708,152.12	-5,378,929.04
Others	-832,158.49	
Total	675,405,221.53	936,006,397.44

58. Income from changes in the fair value

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Sources of income from changes in the fair value	Amount incurred in the current year	Amount incurred last year
Financial assets at fair value through profit or loss	-16,629,916.60	4,560,753.18
Estimated performance compensation	-81,307,994.29	-45,292,086.72
Total	-97,937,910.89	-40,731,333.54

59.Credit impairment loss

Item	Amount incurred in the current year	Amount incurred last year
Bad debt loss of notes receivable	6,971,440.21	4,405,405.84
Bad debt loss of accounts receivable	-209,233,746.63	-437,154,564.05
Bad debt loss of other accounts receivable	-254,340,694.42	-517,135,861.32
Total	-456,603,000.84	-949,885,019.53

60.Impairment losses on assets

Item	Amount incurred in the current year	Amount incurred last year
Inventory depreciation loss and contract performance cost impairment loss	-371,733,599.86	-156,563,428.63
Impairment loss of long-term equity investments	-106,783,838.90	
Impairment loss of construction in progress	-41,422,211.82	-63,705,515.70
Impairment loss on fixed assets	-40,607,700.40	-71,089,375.71
Contractual asset impairment loss	-45,614.41	
Impairment loss of intangible assets		-4,037,532.29
Total	-560,592,965.39	-295,395,852.33

61.Impairment losses on assets ("-" indicates loss)

Item	Amount incurred in the current year	Amount incurred last year	Amount recorded into the non-recurring profit or loss of current year
Incomes from disposal of held-for-sale assets			
Incomes from disposal of non-current assets	54,321.20	9,580,708.29	54,321.20

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Item	Amount incurred in the current year	Amount incurred last year	Amount recorded into the non-recurring profit or loss of current year
Including: incomes from disposal of non-current assets not classified as held-for-sale assets	54,321.20	9,580,708.29	
Including: Fixed assets disposal income	-8,803,043.13	-2,675,226.73	-8,803,043.13
Intangible assets disposal income	8,559,461.64	12,241,030.45	8,559,461.64
Income from disposal of construction in progress	-321,592.91		-321,592.91
Right-of-use assets disposal income	619,495.60	14,904.57	619,495.60
Income from non-monetary assets exchange			
Income from disposal of non-current assets in debt restructuring			
Total	54,321.20	9,580,708.29	54,321.20

62. Non-operating income

(1) List of Non-operating Income

Item	Amount incurred in the current year	Amount incurred last year	Amount recorded into the non-recurring profit or loss of current year
Write-off of current accounts	12,652,519.62	25,490,345.11	12,652,519.62
Compensation and penalty income	6,981,587.26	21,714,054.35	6,981,587.26
Non-current assets damage and retirement gains	15,390.13	917,512.09	15,390.13
Income from performance compensation		72,653,782.00	
Others	6,613,575.48	4,363,348.45	6,613,575.48
Total	26,263,072.49	125,139,042.00	26,263,072.49

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

The Company had no government subsidies recorded in profit or loss in the current year

63. Non-operating expenses

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Item	Amount of current year	Amount of last year	Amount recorded into the non-recurring profit or loss of current year
Performance compensation	74,344,977.85	37,431,349.80	74,344,977.85
Losses on damage and scraping of non-current assets	4,072,756.52	3,340,817.47	4,072,756.52
Compensation expense	3,945,526.50	3,369,768.80	3,945,526.50
Unusual loss on inventory		148,669,068.79	
Others	74,322,594.16	31,913,240.98	74,322,594.16
Total	156,685,855.03	224,724,245.84	156,685,855.03

64. Income tax expense

(1) Income tax expense

Item	Amount incurred in the current year	Amount incurred last year
Income tax expense in the current year	58,328,317.21	155,149,364.07
Deferred income tax expense	-139,776,731.85	-453,448,871.15
Total	-81,448,414.64	-298,299,507.08

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

Item	Amount incurred in the current year
Total consolidated profit in the current year	-2,717,335,075.98
Income tax expense calculated at legal/applicable tax rate	-679,333,769.00
Impact of different tax rates applied by subsidiaries	106,438,303.57
Impact of income tax in the periods before adjustment	-879,334.46
Impact of non-taxable income	27,215,138.64
Impacts of non-deductible costs, expenses, and losses	8,887,343.81
Impact of using deductible losses on the deferred tax assets not recognised previously	126,332,523.09
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognised in the current year	377,683,927.23
Changes in the balance of deferred income tax assets/liabilities in previous period due to adjustment of tax rate	-73,940.46

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount incurred in the current year
Others	-47,718,607.06
Income tax expense	-81,448,414.64

65. Other comprehensive income

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

66. Items in the cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Amount incurred in the current year	Amount incurred last year
Income from government subsidies	362,725,223.50	1,022,967,081.76
Front money and guarantee deposit	392,830,280.36	259,156,351.64
Trading funds	159,741,742.98	38,841,937.19
Interest income from bank deposits	116,327,870.24	81,268,409.97
Compensation and penalty income	20,504,317.63	13,515,680.81
Others	39,760,244.28	181,337,565.76
Total	1,091,889,678.99	1,597,087,027.13

2) Other cash paid related to operating activities

Item	Amount incurred in the current year	Amount incurred last year
Cash payment fee	898,328,046.30	1,284,221,978.23
Deposit and margin	230,032,945.74	428,549,076.52
Payment made on behalf	6,916,151.52	26,621,620.91
Expense for bank handling charges	4,874,263.89	4,742,304.06
Others	165,832,467.23	225,268,008.86
Total	1,305,983,874.68	1,969,402,988.58

(2) Cash related to investment activities

1) Significant cash received related to investment activities

Item	Amount incurred in the current year	Amount incurred last year
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Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount incurred in the current year	Amount incurred last year
Recovery of loan at call	473,934,626.67	3,860,647,680.07
Total	473,934,626.67	3,860,647,680.07

2) Significant cash paid related to investment activities

Item	Amount incurred in the current year	Amount incurred last year
Payment of loan at call	310,116,949.03	479,034,898.06
Total	310,116,949.03	479,034,898.06

3) Other cash received related to investment activities

Item	Amount incurred in the current year	Amount incurred last year
Recovery of loan at call	473,934,626.67	3,860,647,680.07
Cash received from acquisition of subsidiaries		2,000.00
Others	209,995,119.36	127,885,628.35
Total	683,929,746.03	3,988,535,308.42

4) Other cash paid related to investment activities

Item	Amount incurred in the current year	Amount incurred last year
Payment of loan at call	310,116,949.03	479,034,898.06
Cash paid for disposal of subsidiaries	840,192.20	
Others	218,616,095.75	2,979,556.70
Total	529,573,236.98	482,014,454.76

(3) Cash related to financing activities

1) Other proceeds received related to financing activities

Item	Amount incurred in the current year	Amount incurred last year
Recovery of margin deposit pledged	570,834,983.98	363,847,783.60
Receiving loan at call	167,370,200.00	161,410,093.19
Others		28,100.03

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount incurred in the current year	Amount incurred last year
Total	738,205,183.98	525,285,976.82

2) Other cash paid related to financing activities

Item	Amount incurred in the current year	Amount incurred last year
Deposit as margin for pledge	773,184,328.31	378,218,165.91
Cash paid for leases	145,535,542.98	299,950,091.11
Retuning loan at call	79,183,194.53	142,068,831.60
Financing cost	32,222,659.12	37,111,326.66
Others	6,192,899.46	1,816,055.32
Total	1,036,318,624.40	859,164,470.60

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

3) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in the current year		Decrease in the current year		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Non-current liabilities due within one year	409,220,030.69		5,312,118,620.81	384,295,482.65	22,895,772.49	5,314,147,396.36
Short-term loans	7,579,559,304.97	7,068,722,590.74	246,534,117.28	8,490,272,406.79	13,951,549.93	6,390,592,056.27
Long-term loans	8,906,931,402.89	3,881,307,916.00	421,767,241.00	2,539,449,257.46	2,891,407,222.55	7,779,150,079.88
Bonds payable	4,792,392,044.13		180,932,955.99	175,760,000.00	2,370,572,421.45	2,426,992,578.67
Lease liabilities	36,586,639.16		206,391,170.31	7,495,510.95	75,263,479.60	160,218,818.92
Long-term payables	7,964,127.18		377,045.54	1,326,996.00	878,442.65	6,135,734.07
Total	21,732,653,549.02	10,950,030,506.74	6,368,121,150.93	11,598,599,653.85	5,374,968,888.67	22,077,236,664.17

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

(4) Notes to the presentation of cash flows on a net basis

No cash flows were presented on a net basis in the current year.

(5) Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

Item	Amount incurred in the current year
Payment for materials made by endorsement of notes receivable	1,823,500,934.62
Acquisition of long-term assets by endorsement of notes receivable	95,233,307.89
Other payments made by endorsement of notes receivable	158,839,883.66

67. Supplementary data on the statements of cash flows**(1) Supplementary data on the statements of cash flows**

Item	Amount of current year	Amount of last year
1. Reconciliation of net profit to cash flows from operating activities:	—	-
Net profit	-2,635,886,661.34	-1,769,220,348.36
Add: Provision for asset impairment	560,592,965.39	295,395,852.33
Credit impairment loss	456,603,000.84	949,885,019.53
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	450,848,329.23	396,581,885.62
Depreciation of right-of-use assets	42,868,891.40	46,766,548.09
Amortisation of intangible assets	47,675,317.23	49,235,482.54
Amortisation of long-term prepaid expense	127,376,763.41	113,357,073.06
Losses on disposal of fixed assets, intangible assets and other long-lived assets (" " indicates income)	-54,321.20	-9,580,708.29
Losses on scrap of fixed assets (" " indicates income)	65,989,435.90	2,423,305.38
Losses on changes in fair value (" " indicates income)	97,937,910.89	40,731,333.54
Finance costs (" " indicates income)	723,081,917.40	796,256,399.85
Investment loss (" " indicates income)	-675,405,221.53	-936,006,397.44
Decrease in deferred income tax assets (" " indicates increase)	-229,384,248.41	-464,095,009.37

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount of current year	Amount of last year
Increase in deferred income tax liabilities (" " indicates decrease)	89,598,866.96	10,634,827.21
Decrease in inventories (" " indicates increase)	772,941,542.37	-509,708,316.12
Decrease in accounts receivable generated from operating activities (" " indicates increase)	879,334,900.88	1,536,953,154.05
Increase in accounts payable used in operating activities (" " indicates decrease)	-171,981,975.37	-1,048,804,193.14
Others	-49,036,136.15	-29,108,950.31
Net cash flows from operating activities	553,101,277.90	-528,303,041.83
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:		
Balance of cash at the end of the year	5,674,784,349.55	5,461,912,010.90
Less: Opening balance of cash	5,461,912,010.90	5,968,347,219.03
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	212,872,338.65	-506,435,208.13

(2) Net cash paid for the acquisition of subsidiaries in the current year

Net cash was paid for the acquisition of subsidiaries in the current year.

(3) Net cash received for the disposal of subsidiaries in the current year

Item	Amount
Cash or cash equivalents received in the current year from the disposal of subsidiaries in the current year	196,815,840.00
Including: Guizhou Kanggui Energy Co., Ltd.	9,500,000.00
Kanghong (Yantai) Environmental Protection Technology Co., Ltd.	1,091,900.00
Chongqing Kangxingrui Environmental Protection Technology Co., Ltd.	40,308,400.00

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount
Sichuan Hongxincheng Real Estate Development Co., Ltd.	20,855,540.00
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	52,460,000.00
Zhongshan Kanghong Electronic Technology Co., Ltd.	72,600,000.00
Less: Cash and cash equivalents held by subsidiaries on the day when control is lost	31,692,957.22
Including: Guizhou Kanggui Energy Co., Ltd.	
Kanghong (Yantai) Environmental Protection Technology Co., Ltd.	1,932,092.20
Chongqing Kangxingrui Environmental Protection Technology Co., Ltd.	26,937,835.64
Sichuan Hongxincheng Real Estate Development Co., Ltd.	2,036,650.33
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	786,379.05
Zhongshan Kanghong Electronic Technology Co., Ltd.	
Add: Cash or cash equivalents received in the current year from the disposal of subsidiaries in previous periods	
Including:	
Net cash received from the disposal of subsidiaries	165,122,882.78

(4) Composition of cash and cash equivalents

Item	Closing balance	Opening balance
Cash	5,674,784,349.55	5,461,912,010.90
Including: Cash on hand	469.28	14.78
Bank deposits available for payment at any time	5,672,034,875.67	5,459,401,175.52
Other monetary funds available for payment at any time	2,749,004.60	2,510,820.60
Balance of cash and cash equivalents at the end of the year	5,674,784,349.55	5,461,912,010.90

(5) Presentation of cash and cash equivalents with restricted use

Item	Amount of current year	Amount of last year	Reasons for classifying the funds as cash and cash equivalents
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Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount of current year	Amount of last year	Reasons for classifying the funds as cash and cash equivalents
Project loan proceeds	2,554,356.19		The proceeds can be used at any time to make payments, and such payments can only be made for projects
Project pre-sale funds	40,951,191.37		The proceeds can be used at any time to make payments, and such payments can only be made for projects
Total	43,505,547.56		-

(6) Monetary funds not classified as cash and cash equivalents

Item	Amount of current year	Amount of last year	Reasons for not classifying the funds as cash and cash equivalents
Cash deposit	384,011,696.60	435,167,024.52	It is pledged for borrowing or deposit for issuance of banker acceptance
Time deposits	226,611,500.00	69,800,000.00	The management intends to hold the deposits to maturity
Frozen funds	220,952,030.87	21,216,455.29	Not readily available for payment
Total	831,575,227.47	526,183,479.81	-

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

No "other" amount in the closing amount of last year was adjusted in the current year.

69. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Year-end foreign currency balance	Exchange rate	Year-end balance denominated in RMB
Monetary assets			
Including: USD	91,184,116.43	7.08270	645,829,741.44
EUR	354,034.80	7.85920	2,782,430.30
EGP	60,588,354.86	0.22903	13,876,550.91
GBP	1.32	9.04110	11.93
HKD	9,020,139.65	0.90622	8,174,230.95
CAD	6.96	5.36730	37.36

Notes to financial statements of Konka Group Co., Ltd.

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Item	Year-end foreign currency balance	Exchange rate	Year-end balance denominated in RMB
PLN	6,235,024.89	1.81068	11,289,634.87
Accounts receivable			
Including: USD	85,032,871.75	7.08270	602,262,320.74
EUR	92,742.00	7.85920	728,877.93
EGP	64,711.11	0.22903	14,820.79
HKD	54,244,812.62	0.90622	49,157,734.09
AUD	49,764.00	4.84840	241,275.78
Other accounts receivable			
Including: USD	110,836,591.33	7.08270	785,022,325.41
EGP	108,000.00	0.22903	24,735.24
HKD	814,032.70	0.90622	737,692.71
JPY	21,400,000.00	0.05021	1,074,558.20
Accounts payable			
Including: USD	4,828,295.25	7.08270	34,197,366.77
EUR	12,698.28	7.85920	99,798.32
EGP	44,517,982.34	0.22903	10,195,953.50
HKD	68,208,818.14	0.90622	61,812,195.17
Other payables			
Including: USD	3,453,133.32	7.08270	24,457,507.37
EUR	150,799.56	7.85920	1,185,163.90
EGP	911,520.00	0.22903	208,765.43
HKD	5,056,341.30	0.90622	4,582,157.61

(2) Overseas entities

The significant overseas entities include Hongdin Trading, Hong Kong Konka, Chain Kingdom Memory Technologies, Kangjietong, Jiali International, and Kowin Memory (Hong Kong). 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.

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

VII. R&D expenditures

Item	Amount incurred in the current year	Amount incurred last year
Salary	271,425,739.22	291,536,802.63
Depreciation and amortisation charge	109,324,146.88	76,242,059.21
New product trial production expense	37,107,469.57	53,488,226.67
Material expense	29,602,114.38	38,872,892.09
Commission service fee	4,452,755.80	13,376,731.07
Testing expense	5,899,826.42	4,302,928.77
Information use fee	313,299.20	918,800.49
Others	39,868,408.39	65,143,583.96
Total	497,993,759.86	543,882,024.89
Including: Expensed R&D expenditure	497,993,759.86	543,882,024.89
Capitalised R&D expenditure		

VIII. Changes in the Scope of Consolidation

1. Combinations of businesses not under common control

The Company had no combinations of businesses not under common control in the Reporting Period.

2. Combinations of businesses under common control

The Company had no combinations of businesses under common control in the Reporting Period.

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

3. Disposal of subsidiaries

Unit: RMB10,000

Subsidiary	Disposal price at control right losing time point	Proportion of disposals at control right losing time point (%)	Disposal method at control right losing time point	Control right losing time point	Basis for determining control right losing time point	Difference between the disposal price and the attributable share of net assets of the subsidiary at the level of consolidated financial statements corresponding to the investment disposal	Remaining equity percentage on the day when the control right is lost (%)	Carrying value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Gains or losses from re-measurement of remaining equity at fair value	Recognition method and major assumptions of fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Amount of other comprehensive income related to the equity investments of former subsidiaries transferred into investment profit or loss
Zhongshan Kanghong	7,260.00	100.00	Transfer	19 December 2023	The rights and obligations related to the underlying equity have been transferred	4.80					Evaluated price	
Guizhou Kanggui Energy	950.00	100.00	Transfer	25 December 2023	The rights and obligations related to the underlying equity have been transferred	97.49					Evaluated price	

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Subsidiary	Disposal price at control right losing time point	Proportion of disposals at control right losing time point (%)	Disposal method at control right losing time point	Control right losing time point	Basis for determining control right losing time point	Difference between the disposal price and the attributable share of net assets of the subsidiary at the level of consolidated financial statements corresponding to the investment disposal	Remaining equity percentage on the day when the control right is lost (%)	Carrying value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Gains or losses from re-measurement of remaining equity at fair value	Recognition method and major assumptions of fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Amount of other comprehensive income related to the equity investments of former subsidiaries transferred into investment profit or loss
Kanghong (Yantai) Environmental Protection	109.19	51.00	Transfer	28 December 2023	The rights and obligations related to the underlying equity have been transferred	6.50					Evaluated price	
Chongqing Kangxingrui	4,030.84	51.00	Transfer	5 December 2023	The rights and obligations related to the underlying equity have been transferred	38.84					Evaluated price	

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Subsidiary	Disposal price at control right losing time point	Proportion of disposals at control right losing time point (%)	Disposal method at control right losing time point	Control right losing time point	Basis for determining control right losing time point	Difference between the disposal price and the attributable share of net assets of the subsidiary at the level of consolidated financial statements corresponding to the investment disposal	Remaining equity percentage on the day when the control right is lost (%)	Carrying value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Gains or losses from re-measurement of remaining equity at fair value	Recognition method and major assumptions of fair value of remaining equity at the level of the consolidated financial statements on the day when the control right is lost	Amount of other comprehensive income related to the equity investments of former subsidiaries transferred into investment profit or loss
Yibin Kangrun Environmental Protection	5,246.00	40.87	Transfer	27 November 2023	The rights and obligations related to the underlying equity have been transferred	610.00					Evaluated price	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	3,472.00	31.00	Transfer	27 February 2023	The rights and obligations related to the underlying equity have been transferred	3,256.58	49.00	340.51	5,488.00	5,147.49	Evaluated price	

Notes to financial statements of Konka Group Co., Ltd.

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

(1) Subsidiaries established in the current year

No subsidiaries were established in the current year.

(2) Subsidiaries cancelled in the current year

Subsidiary	Registered capital (RMB'0,000)	Shareholding percentage (%)	Liquidation completion time
Anhui Zhilian	5,000.00	100.00	1 June 2023
Jiangsu Konka Special Material	10,000.00	51.00	8 October 2023

Notes to financial statements of Konka Group Co., Ltd.

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IX. 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 Electronic Materials	Guangdong, Shenzhen	Guangdong, Shenzhen	Other science and technology promotion services	100		Establishment or investment
9	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
10	Jiali International	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
11	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
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
24	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing		51	Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
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	Jiaxin Technology	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
30	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
31	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
37	Chain Kingdom Memory Technologies	China, Hong Kong	China, Hong Kong	International trade		51	Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
38	Zhongkang Semiconductor (Shaoxing)	Zhejiang, Shaoxing	Zhejiang, Shaoxing	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, Shenzhen	Guangdong, Shenzhen	Manufacturing	100		Establishment or investment
50	Shenzhen Kangcheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment

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

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
64	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment
65	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
66	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductors	100		Establishment or investment
67	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment
68	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	51		Establishment or investment
69	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment
70	Konka Ronghe	Zhejiang, Jiaxing	Zhejiang, Jiaxing	Wholesale and retail trade	51		Establishment or investment
71	Suining Electronic Technological Innovation	Sichuan, Suining	Sichuan, Suining	Commercial services	100		Establishment or investment
72	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
73	Chongqing Konka Optoelectronic Technology	Chongqing	Chongqing	Research & experiment development	70	5	Establishment or investment
74	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
75	Konka Xinyun Semiconductor	Jiangsu, Yancheng	Jiangsu, Yancheng	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
76	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51		Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
77	Ningbo Kanghr Electrical Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
78	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research & experiment development	51		Establishment or investment
79	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate	100		Establishment or investment
80	Yibin Kangrun	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services	67		Establishment or investment
81	Hainan Konka Material Technology	Hainan, Haikou	Hainan, Haikou	Commercial services	100		Establishment or investment
82	Jiangxi High Transparent Substrate	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51	Establishment or investment
83	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
84	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing		94.9	Establishment or investment
85	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Manufacturing		97.5	Establishment or investment
86	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Manufacturing		95.05	Establishment or investment
87	Kowin Memory (Hong Kong)	China, Hong Kong	China, Hong Kong	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
88	Konka Cross-border (Hebei)	Hebei, Handan	Hebei, Handan	Wholesale	100		Establishment or investment
89	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Commercial services	100		Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
90	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
91	Shanxi Konka Intelligent	Shanxi, Xi'an	Shanxi, Xi'an	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment
92	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
93	Anlu Konka	Hubei, Anlu	Hubei, Anlu	Software and information technology services		100	Establishment or investment
94	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
95	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
96	Guangdong Xinwei	Guangdong, Lvfang	Guangdong, Lvfang	Semiconductors		100	Establishment or investment
97	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
98	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate	51		Establishment or investment
99	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment
100	Jiangxi Konka High-tech Park	Jiangxi, Shangrao	Jiangxi, Shangrao	Commercial services	100		Establishment or investment
101	Shangrao Konka Electronic Technology Innovation	Jiangxi, Shangrao	Jiangxi, Shangrao	Research & experiment development	100		Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
102	Guizhou Konka New Energy	Guizhou, Kaili	Guizhou, Kaili	Manufacture of non-metallic mineral products		98	Establishment or investment
103	Zhejiang Konka Electronic	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Research & experiment development	100		Establishment or investment
104	Zhejiang Konka Technology Industry	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Commercial services	51	49	Establishment or investment
105	Xi'an Konka Intelligent	Shanxi, Xi'an	Shanxi, Xi'an	Wholesale		51	Establishment or investment
106	Xi'an Konka Network	Shanxi, Xi'an	Shanxi, Xi'an	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
107	Xi'an Kanghong Technology Industry	Shanxi, Xi'an	Shanxi, Xi'an	Commercial services	40	60	Establishment or investment
108	Xi'an Konka Intelligent Technology	Shanxi, Xi'an	Shanxi, Xi'an	Retail trade	100		Establishment or investment
109	Anhui Konka Low Carbon	Anhui, Ma'anshan	Anhui, Ma'anshan	Wholesale		55	Establishment or investment
110	Kanghong Xintong	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09049	Establishment or investment
111	Songyang Industry Operation	Zhejiang, Lishui	Zhejiang, Lishui	Software and information technology services		51	Establishment or investment
112	Kangyan Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
113	Konka Photovoltaic Technology	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Science and technology promotion and application services		60	Establishment or investment
114	Songyang Konka Intelligent	Zhejiang, Lishui	Zhejiang, Lishui	Wholesale	100		Establishment or investment

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No.	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
115	Konka North China	Tianjin	Tianjin	Electrical machinery and equipment manufacturing	100		Establishment or investment
116	Digital Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment

(2) Major non-wholly-owned subsidiaries

Subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in the current year	Dividends declared to be distributed to minority shareholders in the current year	Closing balance of minority shareholders' equities
Shanxi Konka Intelligent Appliance Co., Ltd.	49.00%	-3,799,466.73		193,980,534.42

(3) 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
Shanxi Konka Intelligent Appliance Co., Ltd.	523,223,416.76	566,375,884.26	1,089,599,301.02	398,648,732.52	295,071,926.82	693,720,659.34

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(Continued)

Subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanxi Konka Intelligent Appliance Co., Ltd.	744,667,031.91	89,068,283.25	833,735,315.16	419,779,159.30	10,323,500.45	430,102,659.75

(Continued)

Subsidiary	Amount incurred in the current year			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent Appliance Co., Ltd.	243,470,872.39	-7,754,013.73	-7,754,013.73	138,204,929.56

(Continued)

Subsidiary	Amount incurred last year			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent Appliance Co., Ltd.	146,157,865.44	190,320,327.09	190,320,327.09	12,271,653.60

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
				Direct	Indirect	
Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	Zhuhai	Zhuhai	Investment management		49.95	Equity method
Shenzhen Jielunte Technology Co., Ltd.	Shenzhen	Shenzhen	Professional machinery manufacturing		42.79	Equity method

(2) Key financial data on significant associated enterprises

Item	Amount incurred at the end of the year/in the current year	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	Shenzhen Jielunte Technology Co., Ltd.
Current assets	686,882,241.74	274,817,240.18
Non-current assets		338,361,205.79
Total assets	686,882,241.74	613,178,445.97
Current liabilities	10,026,785.45	261,433,145.90
Non-current liabilities		133,388,974.62
Total liabilities	10,026,785.45	394,822,120.52
Equities of minority shareholders		9,322,847.51
Equities attributable to shareholders of the parent company	676,855,456.29	209,033,477.94
Share of net assets calculated based on the shareholding	338,089,300.42	94,917,575.00
Adjustments		

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Item	Amount incurred at the end of the year/in the current year	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	Shenzhen Jielunte Technology Co., Ltd.
- Goodwill		
- Internal unrealised profit		
- Others		
Carrying value of equity investments in associated enterprises	338,089,300.42	94,917,575.00
Fair values of equity investments of joint ventures with quoted prices		
Operating income		410,594,556.87
Finance costs	-558,256.35	4,030,883.95
Income tax expense		1,864,514.10
Net profit	32,981,401.16	-12,883,145.89
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	32,981,401.16	-12,883,145.89
Dividends received from associated enterprises in the current year		

(Continued)

Item	Amount incurred at the beginning of the year/in last year	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	Shenzhen Jielunte Technology Co., Ltd.
Current assets	971,913,521.98	253,227,910.38
Non-current assets		288,320,463.89
Total assets	971,913,521.98	541,548,374.27

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Item	Amount incurred at the beginning of the year/in last year	
	Dongfang Jiakang No.1 (Zhuhai) Private Equity Investment Fund (LP) (formerly: Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP))	Shenzhen Jielunte Technology Co., Ltd.
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 in associated enterprises	483,905,786.35	99,748,594.97
Fair values of equity investments of joint ventures with quoted prices		
Operating income		514,976,783.54
Finance costs	-461,885.81	-430,655.59
Income tax expense		
Net profit	16,036,036.59	7,917,120.47
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	16,036,036.59	7,917,120.47
Dividends received from associated enterprises in the current year		

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

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Item	Amount incurred at the end of the year/in the current year	Amount incurred at the beginning of the year/in last year
Associated enterprise		
Total carrying value of investment	5,133,476,987.87	5,767,578,574.26
The total of following items according to the shareholding proportions		
Net profit	-182,806,294.40	93,186,179.48
Other comprehensive income	-86,041.63	-2,814,803.62
Total comprehensive income	-182,892,336.03	90,371,375.86

X. Government grants

1. Liability items involving government subsidies

Account title	Opening balance	Subsidies increased in the current year	Amount recognised as non-operating income in the current year	Amount transferred to other incomes in the current year	Other changes in the current year	Closing balance	Related to assets/income
Deferred revenue	334,844,966.31	142,412,107.74		49,036,136.15	-3,085,700.00	425,135,237.90	Related to assets/income

2. Government subsidies recognised as profit and loss of the Reporting Period

Account title	Amount incurred in the current year	Amount incurred last year
Other income	270,618,031.94	928,712,500.81

XI. Risks Related to Financial Instruments

The Group'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 Group to mitigate these risks are described below. The management of the Group manages and monitors these risk exposures to ensure that these risks are controlled within a limited scope.

1. Management objectives and policies for various risks

The Group's objective in engaging in the risk management is to achieve the proper balance between the risks and benefits, minimise the negative impact of these risks on the Company's operating results, 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

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and controlling the risk within the range of limit.

(1) Market risk**1) Exchange rate 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 Group 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 Group'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 31 December 2023, the Group'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	Closing balance	Opening balance
Monetary assets	91,184,116.43	106,315,046.38
Accounts receivable	85,032,871.75	86,909,542.13
Other accounts receivable	110,836,591.33	111,545,094.65
Other payables	3,453,133.32	205,546.18
Short-term loans		15,090,462.34
Accounts payable	4,828,295.25	24,084,328.20
Interest payable		10,875.01

The Group pays close attention to the impact of exchange rate changes on the Group'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 Group bears interest rate risk due to interest rate changes of interest-bearing financial assets and liabilities. The Group's interest bearing financial assets are mainly bank deposits, of which the majority of the variable interest rates are short-term in nature, while the interest bearing financial liabilities are mainly bank borrowings and corporate bonds. The Group's long-term bank borrowings and corporate 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 bank borrowings with floating interest rates. The Group's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As of 31 December 2023, the balance of such short-term borrowings was RMB6,390,592,056.27.

(2) Credit risk

As of 31 December 2023, the maximum credit risk exposure that may cause financial losses to the Group mainly came from losses generated from the Group's financial assets due to failure of the other party to a contract to perform its obligations and the financial guarantee undertaken by the Group, including:

The carrying amount of financial assets recognised in the consolidated balance sheet; for financial

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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 Group 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 Group 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 Group's management believes that the Group's credit risk has been greatly reduced.

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

The Group 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 Group has no other major credit concentration risks. For the financial assets of the Group 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 Group is unable to fulfil its financial obligations on the due date. The Group 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 Group's reputation. In order to mitigate the liquidity risk, the Group's management has carried out a detailed inspection on the liquidity of the Group, including the maturity of accounts payable and other payables, bank credit line and bond financing. The conclusion is that the Group 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 Group based on the maturity period of the undiscounted remaining contractual obligations is as follows:

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Amount as of 31 December 2023:

Item	Within one year	One to two years	Two to five years	Over five years	Total
Financial assets					
Monetary assets	6,506,359,577.02				6,506,359,577.02
Held-for-trading financial assets	469,636,700.78				469,636,700.78
Notes receivable	533,171,949.15				533,171,949.15
Accounts receivable	1,450,456,203.34	82,283,751.73	149,915,722.31	43,890,295.70	1,726,545,973.08
Other accounts receivable	233,851,669.95	73,168,059.30	682,046,038.26	55,300.00	989,121,067.51
Long-term receivables					
Other current assets	2,359,159,468.75				2,359,159,468.75
Financial liabilities					
Short-term loans	6,390,592,056.27				6,390,592,056.27
Notes payable	990,482,927.20				990,482,927.20
Accounts payable	2,002,263,324.19	448,060,250.16	267,430,053.63	9,078,047.99	2,726,831,675.97
Other payables	1,122,286,310.07	436,261,216.60	300,909,046.88	63,335,331.59	1,922,791,905.14
Payroll payable	304,733,103.63				304,733,103.63
Non-current liabilities due within one year	5,314,147,396.36				5,314,147,396.36

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Long-term loans		4,391,903,101.00	2,477,828,034.07	909,418,944.81	7,779,150,079.88
Bonds payable		2,426,992,578.67			2,426,992,578.67
Long-term payables			6,135,734.07		6,135,734.07

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2. Sensitivity analysis

The Group 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	2023		2022	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	16,574,067.76	12,261,381.38	15,551,310.88	11,270,323.99
USD	Depreciation of 1% against RMB	-16,574,067.76	-12,261,381.38	-15,551,310.88	-11,270,323.99

(2) Sensitivity analysis of interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

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

Item	Interest rate fluctuations	2023		2022	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest rates	Up 0.5%	-24,196,276.74	-23,679,719.04	-28,813,464.20	-28,058,882.34
Borrowings at	Down 0.5%	24,196,276.74	23,679,719.04	28,813,464.20	28,058,882.34

Notes to financial statements of Konka Group Co., Ltd.

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Item	Interest rate fluctuations	2023		2022	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
floating interest rates					

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XII. 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			469,636,700.78	469,636,700.78
1. Financial assets measured at fair value through profit and loss for the Reporting Period			469,636,700.78	469,636,700.78
(II) Accounts receivable financing		173,396,326.14		173,396,326.14
ii. Other debt investments				
iii. Other equity instruments investments			23,841,337.16	23,841,337.16
iv. Investment properties				
(V) Other non-current financial assets			2,009,676,398.00	2,009,676,398.00
Total assets continuously measured at fair value		173,396,326.14	2,503,154,435.94	2,676,550,762.08
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				

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

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.

XIII. Related Party and Related Party Transactions

Related party relationship

(1) Parent company of the Company

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding percentage of the parent company in the Company (%)	Voting right percentage of the parent company in the Company (%)
OCT Group	Shenzhen	Tourism, real estate, electronics industry	RMB12 billion	29.999997	29.999997

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

(2) Subsidiaries of the Company

Please refer to note IX-1. (1) Subsidiaries for the information of subsidiaries.

(3) Joint ventures and associated enterprises of the Company

Please refer to Note IX-2. (1) Significant joint ventures and associated enterprises for details of significant joint ventures or associated enterprises of the Company.

Information on other joint ventures or associated enterprises having connected transactions with the Company in the current year, or forming balance due to connected transactions made in previous period:

Name	Relationship with the Company
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associated enterprise
Anhui Kangfu New Energy Co., Ltd.	Associated enterprise
Anhui Kangta Supply Chain Management Co., Ltd.	Associated enterprise
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associated enterprise
Chutian Dragon Co., Ltd.	Associated enterprise

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Name	Relationship with the Company
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associated enterprise
Dongguan Kangjia New Materials Technology Co., Ltd.	Associated enterprise
Dongguan Konka Smart Electronic Technology Co., Ltd.	Associated enterprise
Dongguan Guankang Yuhong Investment Co., Ltd.	Associated enterprise
Feidi Technology (Shenzhen) Co., Ltd.	Associated enterprise
Guangdong Kangyuan Semiconductor Co., Ltd.	Associated enterprise
Hefei KONSEMI Storage Technology Co., Ltd.	Associated enterprise
Henan Kangfei Intelligent Electric Appliance Co., Ltd.	Associated enterprise
Kangkong Venture Capital (Shenzhen) Co., Ltd.	Associated enterprise
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Associated enterprise
Puchuang Jiakang Technology Co, Ltd.	Associated enterprise
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associated enterprise
Shenzhen Aimijiakang Technology Co., Ltd.	Associated enterprise
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Associated enterprise
Shenzhen Kangpeng Digital Technology Co., Ltd.	Associated enterprise
Shenzhen KONKA E-display Co., Ltd.	Associated enterprise
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Associated enterprise
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	Associated enterprise
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Associated enterprise
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	Associated enterprise
Shenzhen RF-Llink Technology Co., Ltd.	Associated enterprise
Shenzhen Yaode Technology Co., Ltd.	Associated enterprise
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen Zhongbing Konka Technology Co., Ltd.)	Associated enterprise
Sichuan Chengrui Real Estate Co., Ltd.	Associated enterprise
Guangdong Adreamer Information Technology Co., Ltd. (formerly known as Sichuan Huayi Jiakang Technology Co.,	Associated enterprise

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Name	Relationship with the Company
Ltd.)	
KK Smartech Limited	Associated enterprise
Yantai Kangyun Industrial Development Co., Ltd.	Associated enterprise
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	Associated enterprise
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	Associated enterprise
E3info (Hainan) Technology Co., Ltd.	Associated enterprise
Shandong Econ Technology Co., Ltd.	Associated enterprise
Chongqing Kangjian Photoelectric Technology Co., Ltd.	Associated enterprise
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	Associated enterprise
Chongqing Kangyiqing Technology Co., Ltd.	Associated enterprise
Chongqing Qingjia Electronics Co., Ltd.	Associated enterprise
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Associated enterprise
Wuhan Kangtang Information Technology Co., Ltd.	Associated enterprise
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	Associated enterprise
Panxu Intelligence Co., Ltd.	Associated enterprise

(4) Other related parties

Names of other related parties	Relationship with the Company
HOHOELECTRICAL&FURNITURECO.,LIMITED	Minority shareholder of subsidiary
Beijing Xuri Shengxing Technology Co., Ltd.	Minority shareholder of subsidiary
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary
Shenzhen New Journey Energy Conservation and Environmental Protection Service Co., Ltd.	Minority shareholder of subsidiary
Central Enterprises Poverty Alleviation (Jiangxi) Industrial	Minority shareholder of subsidiary

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Names of other related parties	Relationship with the Company
Fund Partnership (L.P.)	
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Chuzhou State-owned Assets Management Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Unifortune Supply Chain Management Co., Ltd.	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Co. Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Technology Co., Ltd.	Minority shareholder of subsidiary
Suiyong Rongxin Asset Management Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Qianhai Datang Technology Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Jiangsu Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by the minority shareholders of the subsidiary
Jiangxi Xinzixin Real Estate Co., Ltd.	The company controlled by the minority shareholders of the subsidiary
Dai Rongxing	Close family members of minority shareholders of the subsidiary
Zhejiang Donghong Asset Management Co., Ltd.	Subsidiary of associated enterprise
AMobile Intelligent Corp. Ltd.	Subsidiary of associated enterprise
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Subsidiary of associated enterprise
Anhui Jiasen Precision Technology Co., Ltd.	Subsidiary of associated enterprise
Chuzhou Jielunte Mould Plastic Co., Ltd.	Subsidiary of associated enterprise
Guangdong Jielunte Technology Co., Ltd.	Subsidiary of associated enterprise
Kunshan Jielunte Mould Plastic Co., Ltd.	Subsidiary of associated enterprise
Dongguan Kangjie Plastic Mould Co., Ltd.	Subsidiary of associated enterprise

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Names of other related parties	Relationship with the Company
Dongguan Jielunte Plastic Mould Technology Co., Ltd.	Subsidiary of associated enterprise
Dongguan Xutongda Mould Plastic Co., Ltd.	Subsidiary of associated enterprise
Shenzhen Kangying Storage Technology Co., Ltd.	Subsidiary of associated enterprise
Shenzhen E-Display Commercial Display Service Co., Ltd.	Subsidiary of associated enterprise
Konka E-Display (Hong Kong) Co., Ltd.	Subsidiary of associated enterprise
Guangdong KONKA E-display Co., Ltd.	Subsidiary of associated enterprise
Shanghai Jiyi Environmental Technology Co., Ltd.	Subsidiary of associated enterprise

2. 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 current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	331,347,005.28	361,343,092.66
Puchuang Jiakang Technology Co, Ltd.	Purchase of goods	170,595,512.46	346,728,064.51
OCT Group Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	83,132,471.79	44,307,009.34
Dongguan Guankang Yuhong Investment Co., Ltd.	Purchase service	44,767,575.56	2,539,413.51
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	Purchase of goods	41,713,723.62	30,219,079.03
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchase of goods	23,456,578.00	10,162,140.56
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	18,096,478.28	35,518,472.38
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Purchase of goods	15,984,953.15	28,026,932.54
Dongguan Konka Smart Electronic Technology Co., Ltd.	Purchase of goods and services	12,468,662.09	22,735,162.01
Dongguan Kangjia New Materials Technology Co., Ltd..	Purchase of goods	10,995,157.55	12,289,697.95
KK Smartech Limited	Purchase of goods	10,415,968.34	45,029,492.58
AMobile Intelligent Corp. Ltd.	Purchase of goods	7,383,664.55	727,144.88

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Related party	Related party transaction	Amount incurred in the current year	Amount incurred last year
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Purchase of goods	6,126,037.72	426,363.95
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Purchase of goods	6,102,501.84	41,158,319.46
HOHOELECTRICAL&FURNITURECO.,LIMITED	Purchase of goods	5,864,370.25	19,585,193.41
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Purchase of goods		8,531,405.75
Subtotal of other related parties	Purchase of goods and services	1,978,824.14	4,279,220.85

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

Related party	Related party transaction	Amount incurred in the current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods	222,670,602.32	107,734,901.38
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	79,556,345.56	161,244,155.22
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labour service	78,023,377.38	178,677,010.72
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	44,349,541.96	39,405,582.28
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	43,851,112.38	157,730,471.80
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods	21,015,219.00	52,139,839.35
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	12,779,347.18	7,676,760.48
Dongguan Konka Smart Electronic Technology Co., Ltd.	Sales of goods	9,556,588.12	18,795,403.33
Hefei KONSEMI Storage Technology Co., Ltd.	Sales of goods and provision of labour service	7,988,071.97	45,466,225.40

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Related party	Related party transaction	Amount incurred in the current year	Amount incurred last year
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	7,902,974.42	9,193,457.83
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Provision of labour service	4,770,320.84	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Provision of labour service	4,716,981.13	14,150,943.39
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	Provision of labour service	3,282,937.63	3,539,336.04
Dongguan Kangjia New Materials Technology Co., Ltd.	Sales of goods	3,406,469.40	
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	Provision of labour service	2,462,263.85	
Shenzhen Aimijiakang Technology Co., Ltd.	Sales of goods	1,455,404.13	42,265,781.54
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	1,413,824.79	189,148,548.38
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	Sales of goods	1,361,406.01	
Sichuan Huayi Jiakang Technology Co., Ltd.	Sales of goods and provision of labour service	83,636.22	1,095,847.95
HOHOELECTRICAL&FURNITURECO.,LIMITED	Sales of goods		21,684,854.42
Subtotal of other related parties	Sales of goods and provision of labour service	5,778,315.56	39,382,783.10

(3) Related party leases

Lease situation

Lessor	Lessee	Type of leased assets	Lease fee recognised in the current year	Lease fee recognised last year
OCT Group Co. Ltd. and its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	30,302,719.98	25,078,697.16
OCT Group Co. Ltd. and its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings		1,819,825.44

(4) Related party guarantees

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)**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	4,000.00	1,800.00	CNY	19 January 2023	18 January 2024	No
Boluo Precision	4,500.00	4,103.40	CNY	25 August 2023	25 August 2026	No
Konka Circuit	10,000.00	4,307.67	CNY	19 July 2023	31 January 2027	No
Konka Circuit	5,000.00	1,085.27	CNY	14 September 2022	13 September 2023	No
Konka Circuit	5,000.00	3,212.27	CNY	22 December 2022	21 December 2023	No
Anhui Tongchuang	3,000.00	3,000.00	CNY	2 June 2022	1 June 2023	No
Anhui Tongchuang	10,000.00	6,440.00	CNY	19 October 2023	31 December 2024	No
Anhui Tongchuang	10,000.00	8,000.00	CNY	6 February 2023	5 February 2024	No
Anhui Tongchuang	5,000.00	3,600.00	CNY	14 August 2023	9 April 2024	No
Anhui Tongchuang	3,000.00	3,000.00	CNY	20 November 2023	19 May 2025	No
Liaoyang Kangshun Smart	5,000.00		CNY	6 January 2023	5 January 2024	No
Konka Xinyun Semiconductor	6,000.00	1,550.00	CNY	26 May 2022	25 May 2024	No
Konka Xinyun Semiconductor	20,000.00	5,137.50	CNY	12 July 2021	11 July 2022	No
Electronics Technology	8,500.00	6,064.29	CNY	24 November 2022	10 January 2024	No
Electronics Technology	50,000.00	50,000.00	CNY	26 September 2023	11 August 2024	No
Dongguan Konka	5,000.00	5,000.00	CNY	24 March 2023	23 March 2024	No
Dongguan Konka	80,000.00	33,174.19	CNY	23 June 2021	7 May 2031	No
Telecommunication Technology	7,500.00	5,000.00	CNY	23 July 2023	23 July 2024	No
Sichuan Konka	4,000.00	3,000.00	CNY	23 May 2023	26 April 2026	No

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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
Mobile Interconnection	7,000.00	1,870.12	CNY	10 November 2023	10 November 2024	No
Yibin Smart	980.00	980.00	CNY	23 May 2023	26 April 2024	No
Chongqing Konka	38,000.00	9,280.05	CNY	13 December 2022	13 December 2037	No
Xi'an Kanghong Technology Industry	30,000.00	6,651.43	CNY	26 May 2023	31 December 2032	No
Konka Soft Electronic	975.00	41.46	CNY	19 December 2022	19 December 2023	No
Ningbo Kanghr Electrical Appliance	6,000.00		CNY	2 March 2023	27 July 2024	No
Ningbo Kanghr Electrical Appliance	6,000.00	3,000.00	CNY	13 July 2023	12 July 2024	No
Frestec Smart Home	10,200.00	510.00	CNY	6 July 2022	4 May 2030	No
Jiangxi Konka	6,000.00	2,369.00	CNY	15 August 2023	14 August 2024	No
Jiangxi Konka	990.00	990.00	CNY	10 March 2022	9 March 2024	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	5,500.00	667.02	CNY	31 August 2023	31 August 2024	No
Anhui Konka	18,000.00	11,397.31	CNY	22 September 2023	21 September 2024	No
Anhui Konka	10,215.95	8,591.07	CNY	10 August 2021	15 July 2031	No
Anhui Konka	7,000.00	5,000.00	CNY	29 October 2021	26 October 2026	No
Anhui Konka	7,000.00	5,000.00	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	984.60	CNY	25 June 2023	24 June 2028	No

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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
Shandong Econ Technology Co., Ltd.	3,747.44	3,040.56	CNY	30 September 2022	29 September 2024	No
Shandong Econ Technology Co., Ltd.	2,748.12	2,748.10	CNY	23 November 2022	23 May 2024	No
Shandong Econ Technology Co., Ltd.	1,498.97	1,498.97	CNY	22 May 2023	21 May 2024	No
Shandong Econ Technology Co., Ltd.	3,747.44	3,327.88	CNY	10 May 2023	11 August 2023	No
Shandong Econ Technology Co., Ltd.	4,996.58	1,747.03	CNY	5 July 2023	21 May 2024	No
Shandong Econ Technology Co., Ltd.	2,498.29	2,435.11	CNY	19 July 2023	18 July 2024	No
Shandong Econ Technology Co., Ltd.	999.32	736.00	CNY	28 August 2023	11 June 2024	No
Shandong Econ Technology Co., Ltd.	1,374.06	1,374.06	CNY	29 December 2023	28 December 2024	No
Shandong Econ Technology Co., Ltd.	2,498.29		CNY	28 December 2023	27 December 2024	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
OCT Group	50,000.00	50,000.00	CNY	22 September 2023	22 September 2026	No
OCT Group	30,000.00	30,000.00	CNY	13 December 2023	13 December 2026	No

2) As the secured party

Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Electronics Technology	41,000.00	CNY	15 September 2022	14 September 2023	No
OCT Group	100,000.00	CNY	8 January 2021	8 January 2024	No
OCT Group	50,000.00	CNY	21 May 2021	21 May 2024	No
OCT Group	80,000.00	CNY	9 July 2021	9 July 2024	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
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	90,000.00	CNY	22 June 2022	21 June 2024	No
OCT Group	68,750.00	CNY	24 June 2021	23 June 2024	No
OCT Group	49,500.00	CNY	23 August 2022	22 August 2025	No
OCT Group	24,000.00	CNY	22 December 2022	22 December 2025	No
OCT Group	70,000.00	CNY	18 January 2023	18 January 2026	No
OCT Group	50,000.00	CNY	22 September 2023	22 September 2026	No
OCT Group	30,000.00	CNY	13 December 2023	20 December 2026	No
Jiangxi Xinzixin Real Estate Co., Ltd.	1,160.81	CNY	15 August 2023	14 August 2024	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	10 March 2022	9 March 2024	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,940.00	CNY	30 June 2023	29 June 2024	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	10 March 2022	9 March 2024	No
Shandong Econ Technology Co., Ltd.	3,300.00	CNY	13 November 2020	31 December 2024	No
Chuzhou State-owned Assets Management Co., Ltd.	146.74	CNY	31 August 2023	31 August 2024	No
Chuzhou State-owned Assets Management Co., Ltd.	2,507.41	CNY	22 September 2023	21 September 2024	No
Chuzhou State-owned Assets Management Co., Ltd.	1,890.03	CNY	10 August 2021	15 July 2031	No
Chuzhou State-owned Assets Management Co., Ltd.	1,100.00	CNY	29 October 2021	26 October 2026	No
Chuzhou State-owned Assets Management Co., Ltd.	1,100.00	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	216.61	CNY	25 June 2023	24 June 2028	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Management Co., Ltd.					
Wu Guoren	875.00	USD	31 December 2019	31 December 2024	No
Wu Guoren	2,425.00	USD	31 December 2019	31 December 2024	No
Xiao Yongsong	840.00	USD	31 December 2019	31 December 2024	No
Xiao Yongsong	2,328.00	USD	31 December 2019	31 December 2024	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,403.85	USD	21 June 2021	31 December 2022	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	867.30	USD	21 June 2021	31 December 2022	No
Guizhou Huajinrun Technology Co. Ltd.	381.15	USD	1 January 2022	31 December 2025	No
Guizhou Huajinrun Technology Co. Ltd.	157.50	USD	1 January 2022	31 December 2025	No
Shenzhen Henglongtong Technology Co., Ltd.	241.40	USD	1 January 2022	31 December 2025	No
Shenzhen Henglongtong Technology Co., Ltd.	99.75	USD	1 January 2022	31 December 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
Zhu Xinming	12,446.00	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

Notes to financial statements of Konka Group Co., Ltd.

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Zhu Xinming	443.45	CNY	13 January 2023	31 December 2023	No
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	443.45	CNY	14 July 2023	31 December 2023	No
Zhu Xinming	44.05	CNY	11 October 2023	31 December 2023	No
Zhu Xinming	149.45	CNY	13 October 2023	31 December 2023	No
Zhu Xinming	44.05	CNY	29 December 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	93.12	CNY	8 September 2023	31 December 2023	No
Zhu Xinming	62.25	CNY	7 December	31 December	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
			2023	2023	
Hu Zehong, Liang Ruiling, Dai Yaojin	2,205.00	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.	2,450.00	CNY	1 January 2018	30 June 2024	No
Suiyong Rongxin Asset Management Co., Ltd.	2,842.00	CNY	1 January 2018	31 December 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 Technology Co., Ltd.	552.72	CNY	1 January 2022	31 December 2025	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	4,533.96	CNY	20 May 2021	19 May 2024	No
Shenzhen Qianhai Datang Technology Co., Ltd.	441.00	CNY	17 November 2023	16 November 2026	No
Konka Ventures	1,322.54	CNY	15 December 2021	5 November 2022	No

(5) Loans from/to related parties

Related party	Amount (RMB'0,000)	Currency	Start date	Maturity
Borrowing:				
OCT Group	81,091.00	CNY	10 January 2022	19 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

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Related party	Amount (RMB'0,000)	Currency	Start date	Maturity
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.	2,450.00	CNY	2 August 2023	2 August 2024
Chuzhou Hanshang Electric Appliance Co., Ltd.	980.00	CNY	14 February 2023	13 February 2024
Shandong Econ Technology Co., Ltd.	33.00	CNY	31 March 2022	19 March 2024
Shandong Econ Technology Co., Ltd.	31.35	CNY	2 June 2021	19 March 2024
Shandong Econ Technology Co., Ltd.	20.13	CNY	4 June 2021	19 March 2024
Shandong Econ Technology Co., Ltd.	1,536.15	CNY	13 August 2021	19 March 2024
Shandong Econ Technology Co., Ltd.	285.85	CNY	13 October 2021	19 March 2024
Shandong Econ Technology Co., Ltd.	40.26	CNY	17 December 2021	19 March 2024
Shandong Econ Technology Co., Ltd.	99.26	CNY	16 February 2022	19 March 2024
Shandong Econ Technology Co., Ltd.	95.96	CNY	15 May 2022	28 February 2024
Shandong Econ Technology Co., Ltd.	39.60	CNY	16 June 2022	28 February 2024
Shandong Econ Technology Co., Ltd.	1,070.92	CNY	23 June 2022	28 February 2024
Shandong Econ Technology Co., Ltd.	49.50	CNY	19 September 2022	28 February 2024
Shandong Econ Technology Co., Ltd.	33.00	CNY	19 December 2022	28 February 2024
Shandong Econ Technology Co., Ltd.	97.02	CNY	24 February 2023	28 February 2024
Kangkong Venture Capital (Shenzhen) Co., Ltd.	245.00	CNY	21 July 2022	18 July 2024
Beijing Xuri Shengxing Technology Co., Ltd.	228.67	CNY	5 December 2022	30 November 2024
Total	221,289.17			
Lending:				
Dongguan Guankang Yuhong Investment Co., Ltd.	2,223.19	CNY	6 August 2022	25 September 2024

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Related party	Amount (RMB'0,000)	Currency	Start date	Maturity
Dongguan Guankang Yuhong Investment Co., Ltd.	17,376.81	CNY	6 August 2022	25 September 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	13,288.00	CNY	18 December 2022	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,000.00	CNY	18 December 2022	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	5 January 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	59.45	CNY	5 January 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,240.03	CNY	18 December 2022	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	22 March 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	21 March 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	109.95	CNY	21 March 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,344.36	CNY	22 March 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,080.72	CNY	18 October 2023	21 December 2024
Chuzhou Kangxin Health Industry Development Co., Ltd.	562.97	CNY	22 December 2023	21 December 2024
Sichuan Chengrui Real Estate Co., Ltd.	14,724.50	CNY	21 January 2022	15 April 2025
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	16 December 2020	5 November 2022
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	23 November 2021	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	949.00	CNY	25 August 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	1,394.00	CNY	25 August 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	323.00	CNY	25 August 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	564.00	CNY	25 August 2022	31 March 2024

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Related party	Amount (RMB'0,000)	Currency	Start date	Maturity
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	17 March 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	23 May 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	1 June 2022	31 March 2024
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	15 November 2022	31 March 2024
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	25 November 2020	24 November 2023
Sichuan Hongxinchen Real Estate Development Co., Ltd.	19,879.55	CNY	15 September 2022	27 February 2024
Shandong Econ Technology Co., Ltd.	18,315.11	CNY	20 December 2023	31 December 2023
Shandong Econ Technology Co., Ltd.	4,996.58	CNY	21 December 2023	20 December 2024
Total	171,349.18			

(6) Asset transfer and debt restructuring of related parties

Related party	Related party transaction	Amount incurred in the current year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Transfer of patents, software copyrights and trademarks		12,843,396.23
Total			12,843,396.23

(7) Remuneration for key management personnel

Project	The current year (RMB'0,000)	Last year (RMB'0,000)
Total remuneration	805.08	2,206.85

3. Balance of amount receivable and payable by related parties

(1) Receivables

Related party	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:				

Notes to financial statements of Konka Group Co., Ltd.

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(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Related party	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
OCT Group Co., Ltd. and its subsidiaries and associates	100,590,722.52	15,162,359.88	156,687,630.71	8,433,199.71
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	145,562,210.29	145,562,210.29	143,135,135.62	121,664,865.28
HOHOELECTRICAL & FURNITURE CO., LIMITED	124,378,346.69	51,863,807.49	123,273,472.66	18,429,711.73
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	60,994,542.80	1,879,460.35	39,215,316.77	32,913,147.45
Shenzhen Kanhongxing Intelligent Technology Co., Ltd.	39,226,376.64	39,214,097.96	52,156,655.05	1,063,995.77
Chuzhou Hanshang Electric Appliance Co., Ltd.	38,536,165.52	786,137.78	47,638,172.10	2,368,282.48
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	8,538,236.25	173,326.20	13,523,856.80	410,843.28
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	2,038,868.80	130,671.94	10,824,609.83	220,822.05
Subtotal of other related parties	36,068,461.04	4,978,006.25	22,671,223.40	675,458.06
Total	555,933,930.56	259,750,078.15	609,126,072.94	186,180,325.81
Financing accounts receivable/Notes receivable:				
Korea Electric Group Co., Ltd. and its subsidiaries	10,000,000.00		103,340,000.00	
Chuzhou Hanshang Electric Appliance Co., Ltd.	10,000,000.00		5,028,746.39	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries			63,064.76	

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Related party	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Total	20,000,000.00		108,431,811.15	
Dividends receivable				
Chongqing Qingjia Electronics Co., Ltd.			272,999.43	
Shenzhen Jielunte Technology Co., Ltd.	941,482.38			
Total	941,482.38		272,999.43	
Other receivables:				
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	93,512,640.31	93,512,640.31	86,901,651.51
Dai Rongxing	86,150,945.74	86,150,945.74	83,058,831.58	83,058,831.58
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	39,888,921.64	39,888,921.64	39,888,921.64	36,024,193.48
OCT Group Co., Ltd. and its subsidiaries and associates	31,185,288.31	20,608,710.48	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	660,000.00	22,000,000.00	220,000.00
HOHOELECTRICAL & FURNITURE CO., LIMITED	2,485,213.19	1,612,406.32	2,443,773.67	554,492.25
Hu Zehong	1,395,042.29	135,057.89	2,058,174.06	41,986.75
Chongqing Liangshan Industrial Investment Co., Ltd.			75,330,416.70	1,536,740.51
Subtotal of other related parties	145,049.83	2,993.94	159,634.37	3,230.02
Total	301,846,776.84	267,153,678.34	379,297,055.19	253,228,040.96
Prepayments:				

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Related party	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
OCT Group Co., Ltd. and its subsidiaries and associates	238,185.12		1,094,665.28	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	7,764.63			
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries			5,720,375.37	
Puchuang Jiakang Technology Co, Ltd.			3,176,682.44	
Subtotal of other related parties			1,184,075.41	
Total	245,949.75		11,175,798.50	
Other current assets:				
Chuzhou Kangxin Health Industry Development Co., Ltd.	396,256,021.05		366,191,797.92	
Yantai Kangyun Industrial Development Co., Ltd.	256,452,466.70		238,121,355.60	
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	235,830,613.25		220,546,846.61	
Shandong Econ Technology Co., Ltd. and its subsidiaries	233,116,949.03		217,760,251.21	
Dongguan Guankang Yuhong Investment Co., Ltd.	224,838,028.99		183,151,149.03	
Yantai Kangyue Investment Co., Ltd.	170,712,417.56	18,682,100.00	160,287,449.78	
Sichuan Chengrui Real Estate Co., Ltd.	168,476,988.84		158,533,783.32	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	228,799,064.74			
Total	1,914,482,550.16	18,682,100.00	1,544,592,633.47	

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(2) Payables

Related party	Book balance at the end of the year	Book balance at the beginning of the year
Accounts payable:		
HOHOELECTRICAL&FURNITURECO.,LIMITED	10,195,877.56	6,083,652.55
Chuzhou Hanshang Electric Appliance Co., Ltd.	43,592,692.34	22,429,429.76
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	33,987,442.17	13,942,717.31
OCT Group Co., Ltd. and its subsidiaries and associates	28,693,864.79	13,114,183.37
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	10,343,033.76	12,879,895.22
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,614,860.81	4,615,128.91
Korea Electric Group Co., Ltd. and its subsidiaries	4,374,416.65	2,609,330.74
Panxu Intelligence Co., Ltd. and its subsidiaries	3,558,734.12	5,894,192.83
Dongguan Konka Smart Electronic Technology Co., Ltd.	288,114.11	1,730,506.79
Subtotal of other related parties	62,595,100.98	6,167,532.67
Total	202,244,137.29	89,466,570.15
Notes payable:		
Korea Electric Group Co., Ltd. and its subsidiaries	4,709,353.26	9,889,686.67
Dongguan Kangjia New Materials Technology Co., Ltd.	4,352,821.66	5,664,319.21
Panxu Intelligence Co., Ltd. and its subsidiaries	1,962,738.39	4,425,575.22
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	916,829.48	4,868,677.92
Chuzhou Hanshang Electric Appliance Co., Ltd.		13,000,000.00
Total	11,941,742.79	37,848,259.02
Contractual liabilities/other current liabilities:		
OCT Group Co., Ltd. and its subsidiaries and associates	43,675,417.58	42,395,460.49
Shenzhen Konda E-display Co., Ltd. and its subsidiaries	28,903,907.67	2,873,318.85
Shenzhen Aimijiakang Technology Co., Ltd. (formerly known as Sichuan Aimijiakang Technology Co., Ltd.)	1,030,654.81	2,541,156.83
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	246,708.55	1,328,665.36

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Related party	Book balance at the end of the year	Book balance at the beginning of the year
Subtotal of other related parties	1,412,447.04	1,625,651.76
Total	75,269,135.65	50,764,253.29
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	195,705,860.89	185,043,644.73
Shandong Econ Technology Co., Ltd. and its subsidiaries	42,146,282.34	42,331,626.74
OCT Group Co., Ltd. and its subsidiaries and associates	23,291,255.06	5,897,248.07
Central Enterprises in poverty-stricken areas (Jiangxi) Industrial Investment Funds Partnership (L.P.)	9,600,000.00	2,400,000.00
Beijing Xuri Shengxing Technology Co., Ltd.	2,536,047.85	2,396,943.13
Konka Ventures Development (Shenzhen) Co., Ltd. (formerly known as "Konka Ventures Development (Shenzhen) Co., Ltd.")	2,523,500.05	2,483,024.67
Dongguan Kangjia New Materials Technology Co., Ltd.	410,526.24	209,400.00
E3info (Hainan) Technology Co., Ltd. and its subsidiaries and associated enterprises	63,099.88	163,730.25
Guangdong Wanrundaoheng Culture Tourism Development Co., Ltd.		83,480,206.21
Chongqing Kangjian Optoelectronics Technology Co., Ltd.		8,029,369.86
Subtotal of other related parties	11,052,687.80	10,210,205.65
Total	287,329,260.11	342,645,399.31

4. Related party commitments

The Group did not have any related party commitments.

5. Others

The Group did not have any related party matters.

XIV. Commitments and Contingencies

1. Significant 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		

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Large amount contract	295,615,545.67	523,553,381.89
Foreign investment commitments		
Total	295,615,545.67	523,553,381.89

(2) Other commitments

As of 31 December 2023, there were no other significant commitments for the Company to disclose.

2. Contingencies

The Group's material contingencies requiring disclosure are set out below:

(1) Before the Company acquired Jiangxi Konka , Jiangxi Konka and its subsidiaries Xinfeng Microcrystalline and Jiangxi High Transparent Substrate (formerly known as Nano-Crystallised 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-Crystallised 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, an appeal had been filed, and the second instance of the retrial is in progress.

The actual controller of Jiangxi Konka New Materials, Zhu Xinming, and his spouse, Leng Sumin, Jiangxi Xinxin 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 Xinxin 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 Zaocong, Luo Jingxia, Luo Zongyin, Luo Zongwu

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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 RMB200 million 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 under 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 ordered the defendant to pay Konka Group the principal amount of the note of RMB200 million and relevant overdue interest. An amount of RMB38,200,000 was recovered through the execution of the case. 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 Zotong and Luo Saiyin over contracts is RMB155 million. On 8 September 2022, the court issued a judgment in favour of the Company's subsidiary. As 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 the Company the bills and interest, which is now in compulsory execution. As of the date of issuance of this report, an amount of RMB1,115,000 had been recovered through the execution of the case, and 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 Xinfei and Meisen, was in trial, while the rest case was executed in progress.

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(8) 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. It is currently in the first instance of the retrial.

(9) 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 and obtained a judgment in its favour in June 2023. As of the date of issuance of this report, the case was executed in progress.

(10) 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, an amount of RMB1,643,500 had been recovered through the execution of the case, and the case was executed in progress.

(11) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Electronic Materials (formerly known as 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.

(12) 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, an amount of RMB60,400 had been recovered through the execution of the case, the case was executed in progress, and the Company applied with the court for adding shareholders as persons to be executed.

(13) 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.

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(14) 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.

(15) 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.

(16) 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 case was executed in progress.

(17) 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.

(18) 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.

(19) In the case of contract dispute between the Company (plaintiff), Zhu Xinming, Leng Sumin, Gongqingcheng BRIC Investment Management Partnership (limited partnership) and Gongqingcheng Xinrui Investment Management Partnership (Limited partnership) (defendant), due to the failure of the other party to pay performance compensation as agreed, the Company filed an arbitration with the Shenzhen International Arbitration Court in June 2023. The amount of the subject matter involved in the lawsuit is RMB939,044,100. As of the date of issuance of this report, the case was under trial.

(20) In the case of contract dispute between the Company's subsidiaries, Konka Lifeng (Plaintiff) and Shenzhen Junxing Communication Technology Co., Ltd., Gu Mei Electronics (Hong Kong) Technology Co., Ltd., Shenzhen Hongxing Fengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., Zeng Jiankai, Zhang Zhenyu, Haiying Technology Group (Hong Kong) Co., Ltd., Zhang Lixia, Anhui Baolin Industry Co., Ltd., Zeng Qingpeng, Zhong Yuhua (Defendant), the subject matter of the lawsuit is RMB262,711,100. As of the date of issue of this report, the case was under trial.

(21) Shenzhen Nianhua (plaintiff), a subsidiary of the Company, filed an arbitration with the Shenzhen International Arbitration Court in March 2023 in a share repurchase dispute with Fang Xianglong and Jiang Yan (defendant), due to the other party's failure to repurchase the share and pay the repurchase price as agreed. The subject matter of the lawsuit is RMB151,605,500. As of the date of issue of this report, the case was under implementation.

(22) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Huanjia (plaintiff) and Xu Jianhua, Guangxi Beigang New Materials Co., Ltd. (defendant)

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over a sales and purchase contract is RMB110,995,700. As of the date of issuance of this report, the case was in progress.

(23) The amount of the subject matter involved in the dispute between the Company's subsidiary Sichuan Konka (plaintiff) and Shenzhen Junxing Communication Technology Co., Ltd., Shenzhen Hongxing Fengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., Liuyang Huichuan Heyuan Villa Co., Ltd., Zeng Jiankai, Zhong Yuhua (defendant) over a sales and purchase contract is RMB51.72 million. As of the date of issuance of this report, the case was under implementation.

(24) The Company (plaintiff) filed a lawsuit with the Nanshan District People's Court of Shenzhen in May 2023 concerning the equity transfer contract dispute with Longrui Haoteng Technology Development Co., Ltd., Beijing Beida Blue Bird Security System Engineering Technology Co., Ltd., and Beijing Jingrui Haoteng Technology Development Co., Ltd. (Defendant) due to the failure of the other party to pay the balance of the equity transfer as agreed. The subject matter involved amounted to RMB45.4076 million. As of the date of issue of this report, the case has been won and the application for enforcement is in progress.

(25) 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.

(26) The amount of the subject matter involved in the dispute between Sichuan Shuwu Guangrun logistics Co., Ltd. (plaintiff) and the Company's subsidiary Dongguan Konka (defendants) over a sales and purchase contract is RMB122,834,600. As of the date of issuance of this report, the case was under trial.

XV. Subsequent Events after the Balance Sheet Date

1. Important non-adjusting matters

As Konka Huanjia, a subsidiary of the Company, was unable to repay its debts as they matured and its assets were insufficient to repay all of its debts, the Company filed an application with the People's Court of Ganjizi District, Dalian City, Liaoning Province (the "Dalian Ganjingzi District Court") for the bankruptcy and liquidation of Konka Huanjia on 28 February 2024. On 29 February 2024, the Dalian Ganjingzi District Court decided in accordance with the law to accept the Company's application. On 14 March 2024, the Dalian Ganjingzi District Court appointed Shanghai SGLA (Dalian) Law Firm to act as the administrator (hereinafter referred to as the "Administrator") of the bankruptcy and liquidation case of Kangjia Huanjia. On 15 March 2024, the Administrator took over the relevant information and physical objects of Konka Huanjia. The Company no longer exercises control over Konka Huanjia since 15 March 2024.

Except for the above matter, the Group had no significant non-adjusting matters to disclose as of the date of this financial report.

2. Sales return

As of the date of this financial report, the Group had no material sales returns.

3. Notes to other subsequent events after the balance sheet date

Except for the above disclosure of matters after the balance sheet date, the Group did not have any other significant events after the balance sheet date.

XVI. Other Key Matters

Due to the Company's continuous reduction plan resulting in the Company's loss of significant influence on Chutian Dragon, on 31 March 2023, at the Ninth Meeting of the Tenth Session of the Board of Directors of the Company, the Company considered and approved the Proposal on Changing the Accounting Method for Chutian Dragon. Thus, on 31 March 2023, the Company

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designated the remaining shares held in Chutian Dragon as financial assets at fair value through profit or loss for the current period, and therefore converted them from long-term equity investments accounted for under the equity method to held-for-trading financial assets. The investment income resulting from the change in fair value at the date of conversion amounted to RMB574 million. The cumulative gain or loss from fair value changes during the holding period from the date of conversion to 31 December 2023 was RMB-52.05 million. As of 31 December 2023, the remaining number of shares held by the Company in Chutian Dragon was 27,897,662 shares, with a shareholding ratio of 6.055%. On the date of this report, the closing price of the financial asset was RMB13.15 per share.

Apart from the above matters, the Group had no other significant transactions and events that had an impact on investors' decision-making that needed to be disclosed.

XVII. Notes to the Main Items of the Financial Statements of the Parent Company

1. Accounts receivable

(1) Accounts receivable listed by aging portfolio

Aging	Book balance at the end of the year	Book balance at the beginning of the year
Within one year (inclusive)	1,206,382,965.89	4,177,587,681.73
One to two years	1,471,518,725.52	125,417,030.16
Two to three years	116,480,162.93	75,011,848.13
Three to four years	58,805,217.49	130,238,580.35
Four to five years	122,821,401.69	637,992,232.94
Over five years	806,589,292.93	173,615,565.37
Total	3,782,597,766.45	5,319,862,938.68

(2) 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	752,763,517.97	19.90	708,873,222.27	94.17	43,890,295.70
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	355,972,586.88	9.41	166,216,118.67	46.69	189,756,468.21

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Grouping of related parties	2,673,861,661.60	70.69			2,673,861,661.60
Subtotal of portfolio	3,029,834,248.48	80.10	166,216,118.67	5.49	2,863,618,129.81
Total	3,782,597,766.45	100.00	875,089,340.94	23.13	2,907,508,425.51

(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

1) Provision set aside for bad debts of accounts receivable by single item

Name	Closing balance			Reasons for the provision
	Book balance	Provision for bad debts	Provision percentage (%)	
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	180,000,000.00	90.00	Expected to be difficult to recover

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Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Zhongfu Tiangong Construction Group Co., Ltd.	71,389,096.65	53,541,822.49	75.00	Expected to be difficult to recover
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	100.00	Not expected to be recoverable
China Energy Power Fuel Co., Ltd.	50,000,000.00	50,000,000.00	100.00	Not expected to be recoverable
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	36,900,685.94	36,900,685.94	100.00	Not expected to be recoverable
Others	39,898,953.68	39,838,665.67	99.85	Expected to be difficult to recover
Total	752,763,517.97	708,873,222.27	94.17	

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

① In the portfolio, accounts receivable of provision for expected credit loss made by aging

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within one year	143,499,372.75	2,927,387.22	2.04
One to two years	10,150,867.80	1,017,116.96	10.02
Two to three years	51,446,340.40	11,673,174.64	22.69
Three to four years	790,336.20	512,770.12	64.88
Four to five years	884,722.73	884,722.73	100.00
Over five years	149,200,947.00	149,200,947.00	100.00
Total	355,972,586.88	166,216,118.67	46.69

② In the portfolio, accounts receivable of provision for expected credit loss made by other methods

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)

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Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Grouping of related parties	2,673,861,661.60		
Total	2,673,861,661.60		

(3) Provision for bad debts of accounts receivable set aside, recovered or reclassified in the current year

Category	Opening balance	Change in the current year	
		Provision	Recovery or reclassification
Provision for bad debts of accounts receivable	845,983,944.18	32,999,328.16	3,893,931.40
Total	845,983,944.18	32,999,328.16	3,893,931.40

(Continued)

Category	Change in the current year		Closing balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable			875,089,340.94
Total			875,089,340.94

There were no provisions for bad debts with significant amounts to be recovered or classified in the Reporting Period.

(4) Accounts receivable actually written off in the current year

There were no accounts receivable actually written off in the current year.

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

The total amount of accounts receivable with top five closing balance categorised by debtors in the current year was RMB3,025,342,043.16, accounting for 79.98% of the total closing balance of accounts receivable. The total closing balance of provision for bad debts correspondingly set aside was RMB473,153,943.17.

2. Other accounts receivable

Item	Closing balance	Opening balance
Interest receivable	6,325,400.49	3,878,580.64
Dividends receivable	395,209,709.13	393,563,347.61
Other receivables	7,560,988,861.81	9,944,884,426.80

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Item	Closing balance	Opening balance
Total	7,962,523,971.43	10,342,326,355.05

2.1 Interest receivable

Item	Closing balance	Opening balance
Interest on term deposits	6,325,400.49	3,878,580.64
Total	6,325,400.49	3,878,580.64

2.2 Dividends receivable

Item	Closing balance	Opening balance
Hong Kong Konka	115,209,709.13	113,563,347.61
Suining Konka Industrial Park	280,000,000.00	280,000,000.00
Total	395,209,709.13	393,563,347.61

2.3 Other receivables

(1) Classified by account nature

Nature of fund	Book balance at the end of the year	Book balance at the beginning of the year
Intercourse funds among subsidiaries	9,069,786,800.21	11,299,542,985.57
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related parties	235,267,733.09	50,667,315.53
Deposit, security deposit, deposit	12,721,943.88	17,354,107.03
Others	99,060,310.98	375,797,998.76
Total	9,558,385,938.16	11,884,911,556.89

(2) Other receivables listed by aging

Aging	Book balance at the end of the year	Book balance at the beginning of the year
Within one year (inclusive)	5,210,348,063.16	8,060,254,524.30
One to two years	2,145,922,239.93	1,782,503,511.04
Two to three years	198,105,811.44	470,794,157.38
Three to four years	439,082,181.54	1,006,460,259.82

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Aging	Book balance at the end of the year	Book balance at the beginning of the year
Four to five years	1,004,762,554.22	389,224,526.20
Over five years	560,165,087.87	175,674,578.15
Total	9,558,385,938.16	11,884,911,556.89

(3) Classified presentation of other receivables by provisioning methods of bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Other receivables of expected credit losses set aside by single item	2,110,298,248.95	22.08	1,958,251,651.39	92.80	152,046,597.56
Other receivables of provision for bad debts set aside by credit risk characteristic portfolio:					
Aging portfolio	84,338,231.39	0.88	32,163,233.75	38.14	52,174,997.64
Low-risk portfolio	16,543,239.09	0.17	6,982,191.21	42.21	9,561,047.88
Grouping of related parties	7,347,206,218.73	76.87			7,347,206,218.73
Subtotal of portfolio	7,448,087,689.21	77.92	39,145,424.96	0.53	7,408,942,264.25
Total	9,558,385,938.16	100.00	1,997,397,076.35	20.90	7,560,988,861.81

(Continued)

Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
Other receivables of	1,901,377,741.07	16.00	1,882,393,905.79	99.00	18,983,835.28

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Category	Opening balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision percentage (%)	
expected credit losses set aside by single item					
Other receivables of provision for bad debts set aside by credit risk characteristic portfolio:					
Aging portfolio	94,419,620.35	0.79	54,385,072.09	57.60	40,034,548.26
Low-risk portfolio	16,755,275.76	0.14	3,248,152.21	19.39	13,507,123.55
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

1) Provision set aside for bad debts of other receivables by the general expected credit loss model

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
Balance as of 1 January 2023 in the current year	-73,128.86	73,128.86		
-- Transferred to Phase II	-73,128.86	73,128.86		
-- Transferred to Phase III				
-- Reclassified under Phase II				

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-- Reclassified under Phase I				
Provision in the current year	557,099.12		75,857,745.60	76,414,844.72
Recovery in the current year		19,044,898.46		19,044,898.46
Charge-off in the current year				
Write-off in the current year				
Other changes				
Balance as at 31 December 2023	841,697.01	38,303,727.95	1,958,251,651.39	1,997,397,076.35

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.

(4) Provision for bad debts of other receivables set aside, recovered or reclassified in the current year

The amount of provision for bad debts in the current year was RMB57,369,946.26, and other receivables actually written off were RMB0.00.

(5) Other receivables actually written off in the current year

There were no other receivables actually written off in the current year.

(6) Other receivables with top five year-end balances categorised by debtors

The total amount of other receivables with top five closing balance categorised by debtors in the current year was RMB6,550,250,572.65, accounting for 68.53% of the total closing balance of other receivables. The total closing balance of provision for bad debts correspondingly set aside was RMB1,744,736,434.49.

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

3. 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	7,156,825,933.98	781,480,000.00	6,375,345,933.98	7,277,554,047.75	781,480,000.00	6,496,074,047.75
Investment in associated enterprises and joint ventures	2,279,596,484.20	301,754,900.04	1,977,841,584.16	2,824,333,468.08	219,718,378.41	2,604,615,089.67
Total	9,436,422,418.18	1,083,234,900.04	8,353,187,518.14	10,101,887,515.83	1,001,198,378.41	9,100,689,137.42

(1) Investment in subsidiaries

Investee	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision set aside in the current year	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 Electronic Materials	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		

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision set aside in the current year	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	139,400,000.00		437,050,000.00		
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		

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision set aside in the current year	Closing balance of the provision for impairment
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka Industrial Park	200,000,000.00			200,000,000.00		
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 Konka Optoelectronic Technology	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		

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision set aside in the current year	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		
Hainan Konka Material Technology	9,205,452.93			9,205,452.93		
Konka Cross-border (Hebei)	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		42,000,000.00	28,000,000.00		
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	20,000,000.00		20,000,000.00			
Xi'an Kanghong	12,000,000.00			12,000,000.00		

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Opening balance	Increase in the current year	Decrease in the current year	Closing balance	Impairment provision set aside in the current year	Closing balance of the provision for impairment
Technology 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	139,400,000.00	260,128,113.77	6,375,345,933.98		781,480,000.00

(2) Investment in associated enterprises and joint ventures

Investee	Balance as at the end of last year	Changes in the current year			
		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				93,109.02
Kunshan Kangsheng Investment Development Co., Ltd.	219,065,984.22			-52,251,209.71	
Chutian Dragon Co., Ltd.	523,726,463.18		109,831,325.31		
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.	13,333,698.78			-8,144,973.65	-1,136.65

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Balance as at the end of last year	Changes in the current year			
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.					
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen Zhongbing Konka Technology Co., Ltd.)					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,371,364.87			1,719,225.60	
Shenzhen Yaode Technology Co., Ltd.					
Wuhan Tianyuan Environmental Protection Co., Ltd.	352,295,640.91			35,840,487.27	
Shenzhen KONKA E-display Co., Ltd.	12,567,702.52			2,778,976.23	8,655.99
Chuzhou Konka Technology Industry Development Co., Ltd.	5,899,324.39			-5,899,324.39	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	172,987,384.01			-36,821,079.39	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	5,625,680.96				
Shenzhen Kangyue Enterprise Co., Ltd.	2,999,091.61			-2,769,080.00	
Dongguan Guankang Yuhong Investment Co., Ltd.					

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Balance as at the end of last year	Changes in the current year			
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensive income
Chongqing Yuanlv Benpao Real Estate Co., Ltd.					
Chuzhou Kangxin Health Industry Development Co., Ltd.	10,835,065.75			-2,558,013.46	
E3info (Hainan) Technology Co., Ltd.	8,574,609.73				
Shenzhen Kangpeng Digital Technology Co., Ltd.	3,411,153.10			-1,641,132.09	
Yantai Kangyun Industrial Development Co., Ltd.	4,135,456.96			-4,135,456.96	
Shandong Econ Technology Co., Ltd.	1,044,184,489.99			-29,643,085.83	
Dongguan Kangjia New Materials Technology Co., Ltd.	3,950,928.27			-93,956.95	
Chongqing E2info Technology Co., Ltd.	163,744,169.42			28,155,362.85	
Sichuan Chengrui Real Estate Co., Ltd.	7,851,192.26			-7,851,192.26	
Wuhan Kangtang Information Technology Co., Ltd.	26,654,950.30			-897,727.70	
Sichuan Hongxincheng Real Estate Development Co., Ltd.		6,161,929.55		-3,702,243.10	
Total	2,604,615,089.67	6,161,929.55	109,831,325.31	-87,914,423.54	100,628.36

(Continued)

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				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)	
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,493,847.46	
Kunshan Kangsheng Investment Development Co., Ltd.		53,900,000.00			112,914,774.51	
Chutian Dragon Co., Ltd.				-413,895,137.87		
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.					5,187,588.48	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongkang Beidou Technology Co., Ltd. (formerly named: Shenzhen Zhongbing Konka Technology Co., Ltd.)						
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					7,090,590.47	
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	127,671,222.93	3,078,000.00			512,729,351.11	
Shenzhen KONKA E-display Co., Ltd.					15,355,334.74	
Chuzhou Konka Technology Industry Development Co., Ltd.						

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				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)	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					136,166,304.62	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					5,625,680.96	
Shenzhen Kangyue Enterprise Co., Ltd.			230,011.61			230,011.61
Dongguan Guankang Yuhong Investment Co., Ltd.						
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.					8,277,052.29	
E3info (Hainan) Technology Co., Ltd.					8,574,609.73	
Shenzhen Kangpeng Digital Technology Co., Ltd.					1,770,021.01	
Yantai Kangyun Industrial Development Co., Ltd.						
Shandong Econ Technology Co., Ltd.	-4,074,486.01		81,806,510.02		928,660,408.13	81,806,510.02
Dongguan Kangjia New Materials Technology Co., Ltd..					3,856,971.32	
Chongqing E2info Technology Co., Ltd.	-5,977,391.99				185,922,140.28	

Notes to financial statements of Konka Group Co., Ltd.

1 January 2023-31 December 2023

(Unless otherwise specified, the notes to the financial statements are presented in renminbi)

Investee	Changes in the current year				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)	
Sichuan Chengrui Real Estate Co., Ltd.						
Wuhan Kangtang Information Technology Co., Ltd.					25,757,222.60	
Sichuan Hongxincheng Real Estate Development Co., Ltd.					2,459,686.45	
Total	117,619,344.93	56,978,000.00	82,036,521.63	-413,895,137.87	1,977,841,584.16	301,754,900.04

Note 1: The above investees are all associated enterprises.

Note 2: "Other" represents the conversion of long-term equity investments accounted for under the equity method to financial assets.

4. Operating revenue and cost of sales

(1) Operating income and operating costs

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal business	1,677,401,625.28	1,809,632,592.29	1,624,421,165.68	1,872,104,013.01
Other business	170,593,467.51	71,483,083.62	187,362,353.34	90,386,351.96
Total	1,847,995,092.79	1,881,115,675.91	1,811,783,519.02	1,962,490,364.97

(2) 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 contracted but have not yet been fulfilled or completed at the end of the year is RMB15,506,737.84, of which RMB15,506,737.84 is expected to be recognised as revenue in 2024.

5. Investment income

Item	Amount incurred in the current year	Amount incurred last year
Long-term equity investment income calculated by the cost method		125,381,404.76
Returns on long-term equity investments calculated by the equity method	-87,914,423.54	138,908,805.41
Return on investment arising from the disposal of long-term equity investments	197,370,626.59	275,394,866.81
Conversion of long-term equity investments accounted for by the equity method to financial assets	574,780,174.75	
Investment income from disposal of financial assets at fair value through profit or loss	-55,975,275.41	
Interest income from debt investments during the holding period	6,532,591.02	4,640,244.26
Return on investment in the financial assets held for trading during the holding period	9,383,976.00	
Others	500,000.00	-5,378,929.04
Total	644,677,669.41	538,946,392.20

XVIII. Supplementary Materials to the Financial Statements

1. Items and amounts of non-recurring profit or loss in the current year

Item	Amount of current year	Notes
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	198,866,019.16	
Government subsidies included in profit and loss of the current period (except for government subsidies that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss)	264,798,178.16	
Profit or losses from changes in fair value of financial assets and liabilities held by non-financial corporations and profit or losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-88,236,451.43	
Dispossession surcharge to non-financial institutions included in the current profit and loss		
Gain/Loss on entrusting others with investments or asset management		
Gain/loss on entrustment loans	118,808,006.95	
Losses on assets resulted from force majeure factors such as natural disasters		
Reclassification of impairment loss allowances of receivables separately tested for impairment	3,055,800.22	
Profits arising from business combination when the combined cost is less than the recognised fair value of net assets of the merged company		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Profit/Loss on non-monetary asset swap		
Profit/Loss on debt restructuring		
One-time costs incurred by an enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees		
One-time impact on profit or loss for the current period due to adjustments in tax, accounting and other laws and regulations		
One-time recognition of share-based payment expense due to cancellation and modification of equity incentive plans		
Cash-settled share-based payments, profit or losses arising from changes in the fair value of employee compensation payable after the date of exercisability		
Gain/loss on change in fair value of investment property of which the follow-up measurement is carried out adopting fair value method		
Income from transactions at significantly unfair prices		
Profit and losses arising from contingencies unrelated to the normal operation of the Company's business		

Item	Amount of current year	Notes
Custodian fees earned from entrusted operation		
Non-operating income and expenses other than those listed above	-64,433,346.64	
Other profit and loss items in line with the definition of non-recurring gains and losses	571,315,980.43	
Subtotal	1,004,174,186.85	
Less: Income tax effect	239,431,992.39	
Effect of minority shareholders' equities (after tax)	14,087,171.21	
Total	750,655,023.25	-

(1) Specific information on other profit and loss items that meet the definition of non recurring gains and losses:

Item	Amount	Reasons
Chutian Dragon Co., Ltd.	574,780,174.75	The main reason is that the company disposed of a portion of its equity in a subsidiary holding company, which no longer has a significant impact, resulting in a change in the accounting method for this reporting period, from long-term equity investments (equity method) to trading financial assets, resulting in non recurring gains and losses.

(2) The Company recognises items that are not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public--Non-recurring Profit or Loss (Revised in 2023) as non-recurring profit or loss items, and the those involving significant amounts as well as the non-recurring profit or loss items listed as recurring profit or loss items

Item	Amount	Reasons
Software tax refund	5,819,853.78	Government subsidies which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount

2. Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average 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	-32.58	-0.8986	-0.8986
Net profit attributable to ordinary shareholders of the Company as the	-43.89	-1.2103	-1.2103

Parent before exceptional gains and losses			
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The Board of Directors

Konka Group Co., Ltd.

1 April 2024