

# **Konka Group Co., Ltd.**

## **2025 Annual Report**

**April 2026**

# 2025 Annual Report

## Section I Important Notes, Table of Contents and Interpretations

The Board of Directors, directors, and senior executives of the Company guarantee the authenticity, accuracy and completeness of the contents of the annual report, and bear individual and joint legal liabilities for any false records, misleading statements or major omissions.

WU Jianjun, Person in Charge of the Company, YU Huiliang, Chief Financial Officer, and WANG Linhu, Head of Accounting Agency (Chief Accountant), declare that they guarantee the authenticity, accuracy and completeness of the financial report in the Annual Report.

All the Company's directors have attended the Board meeting for the review of this Report.

ShineWing Certified Public Accountants (Special General Partnership) issued an unqualified auditor's report with a paragraph on material uncertainty related to going concern for the Company's 2025 annual financial report, which was clarified by the Board of Directors and the Audit Committee. Investors are advised to pay attention to such content.

ShineWing Certified Public Accountants (Special General Partnership) issued an unqualified Internal Control Audit Report with an emphasis of matter paragraph for the Company, which was clarified by the Board of Directors and the Audit Committee. Investors are advised to pay attention to such content.

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 plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital.

As of the end of the Reporting Period, the parent company had unappropriated losses.

As of the end of the Reporting Period, the parent company had unappropriated losses, and the profit available for distribution to shareholders was negative. In accordance with the No. 3 Guideline for the Supervision of Listed Companies - Cash

**Dividend Distribution of Listed Companies, the Guidelines No. 1 for Self-regulation of Main Board Listed Companies - Standardized Operation, and other relevant regulations, the Company fails to meet the preconditions for implementing cash dividends yet. Investors are kindly reminded to pay attention to investment-related risks.**

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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 accounting agency;
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;
5. Other related information.

## Definitions

Items	Refers to	Content
Company, the Company, the Group	Refers to	Konka Group Co., Ltd.
China Resources	Refers to	China Resources Company Limited
OCT Group	Refers to	Overseas Chinese Town Holdings Company
Panshi Runchuang	Refers to	Panshi Runchuang (Shenzhen) Information Management Co., Ltd.
CR Inc.	Refers to	China Resources Co., Ltd.
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
CSRC Shenzhen Bureau	Refers to	Shenzhen Bureau of the China Securities Regulatory Commission
RMB, RMB 10,000, and RMB 100 million	Refers to	Renminbi yuan, Renminbi ten thousand yuan, Renminbi hundred million yuan

## Section II Company Profile and Financial Indicators

### I. Corporate Information

Stock name	Konka Group-A, Konka Group-B	Stock code	000016, 200016
Previous stock name (if any)	None		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	康佳集团股份有限公司		
Abbreviation in Chinese	康佳集团		
Company name in foreign language (if any)	KONKA GROUP CO., LTD.		
Abbreviation in foreign language (if any)	KONKA GROUP		
Legal representative	Wu Jianjun		
Registered address	Floors 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen 518057		
Postal code of the registered address	518057		
Past changes of registered address	On July 1, 2015, due to the relocation of the company headquarters, the registered address changed from OCT, Nanshan District, Shenzhen to Floors 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen		
Office Address	Floors 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen 518057		
Postal code of the office address	518057		
Company website	www.konka.com		
E-mail	szkonka@konka.com		

### II. Contact information

	Board Secretary	Securities Affairs Representative
Name	Yu Huiliang	Miao Leiqliang
Address	Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen 518057	Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen 518057
Tel.	0755-26609138	0755-26609138
Fax	0755-26601139	0755-26601139
E-mail	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	Shenzhen Stock Exchange ( <a href="https://www.szse.cn">https://www.szse.cn</a> )
Media and website where this Report is disclosed	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Place where this Report is lodged	Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen 518057

**IV. Changes to Company Registration**

Unified Social Credit Code	914403006188155783
Changes to principal activities of the Company after listing (if any)	None
Every change of controlling shareholder since incorporation (if any)	To advance the professional integration among central SOEs and optimize resource allocation, in July 2025, the Company's former controlling shareholder OCT Group and its persons acting in concert transferred all equity interests in the Company held by them to Panshi Runchuang and Commotra Company Limited, wholly owned subsidiaries under China Resources, by way of free transfer. Panshi Runchuang has become the controlling shareholder of the Company, the de facto controller of the Company changed to China Resources, and the ultimate de facto controller remains the SASAC.

**V. Other Related Information**

The independent audit firm hired by the Company:

Name of audit firm	ShineWing Certified Public Accountants (Special General Partnership)
Office address	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing, China
Signatory Accountants	Gu Fanqiu, Liu Lihong

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

Applicable  Not applicable

Financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period

Applicable  Not applicable

**VI. Key Accounting Information and Financial Indicators**

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

Yes  No

## Reasons for retrospective adjustment or restatement

## Correction of accounting errors

	2025	2024		YoY change	2023	
		Before adjustment	Restated	Restated	Before adjustment	Restated
Operating revenue (RMB)	9,835,474,916.53	11,114,763,969.59	11,114,763,969.59	-11.51%	17,849,331,429.24	17,849,331,429.24
Net profit attributable to the listed company's shareholders (RMB)	-12,582,399,856.80	-3,295,588,668.77	-3,725,557,221.78	-237.73%	-2,163,790,053.17	-2,258,279,326.65
Net profit attributable to the listed company's shareholders before non-recurring gains and losses (RMB)	-10,380,838,803.56	-3,205,504,053.63	-3,534,999,165.55	-193.66%	-2,914,445,076.42	-2,938,068,349.90
Net cash generated from/used in operating activities (RMB)	-1,611,000,121.19	173,888,842.99	173,888,842.99	-1026.45%	553,101,277.90	553,101,277.90
Basic earnings per share (RMB/share)	-5.2254	-1.3686	-1.5472	-237.73%	-0.8986	-0.9378
Diluted earnings per share (RMB/share)	-5.2254	-1.3686	-1.5472	-237.73%	-0.8986	-0.9378
Weighted average return on equity	Not applicable	-82.56%	-108.62%	Not applicable	-32.58%	-35.62%
	End of 2025	End of 2024		YoY change	End of 2023	
		Before adjustment	Restated	Restated	Before adjustment	Restated
Total assets (RMB)	22,350,904,261.25	30,412,763,900.34	31,462,204,064.56	-28.96%	35,824,818,212.66	36,851,973,534.48
Net assets attributable to the listed company's shareholders (RMB)	-6,083,071,689.95	2,369,668,838.10	1,592,467,508.28	-481.99%	5,644,401,184.65	5,297,168,407.84

Reasons for changes in accounting policies and details of corrections of accounting errors  
After self-examination, due to the failure to consider special provisions for some equity transfer projects, insufficient provision for patent fees in previous years, and bad debt provisions for individual customers' accounts receivable, the company has made corrections to relevant error items, involving the consolidated balance sheet, consolidated income statement, consolidated statement of changes in owner's equity accounts for the years 2022 to 2024, the first quarter, half year, and third quarter of 2025, as well as the parent company's balance sheet, parent company's income statement, and parent company's statement of changes in owner's equity accounts. The specific situation is as follows:

1. When introducing strategic investors for Chongqing ypfun Technology Co., Ltd. (hereinafter referred to as "ypfun") in 2021, the Company signed supplementary agreements with 11 investors, promising that if ypfun failed to complete its IPO before the agreed time, the Company would be obliged to repurchase their transferred equity at the original transfer price and pay interest. The above-mentioned agreed matters did not go through the approval procedures of the Company's Board of Directors and the General Meeting, and were not subjected to appropriate accounting treatment and information disclosure. Based on this contractual obligation and the facts currently known, the Company's management recognized this obligation as a financial liability and corrected previous accounting errors.

2. When transferring the equity of Anhui Kaikai Vision E-commerce Co., Ltd. (hereinafter referred to as "Kaikai Vision") in previous years, the Company entered into an agreement with Alibaba (China) Network Technology Co., Ltd. (hereinafter referred to as "Alibaba"), under which the Company undertook to repurchase the transferred equity at the original transfer price and pay interest if Kaikai Vision failed to complete its IPO before the agreed time. Since Kaikai Vision failed to complete its IPO within the agreed period, Alibaba filed a lawsuit against the Company in 2024, and the Company paid the equity repurchase amount and interest to Alibaba in 2025. The above-mentioned agreed matters did not go through the Company's internal approval procedures and were not subjected to appropriate accounting treatment. Based on this contractual obligation and the facts currently known, the Company's management recognized this obligation as a financial liability and corrected previous accounting errors.

3. The color TV products operated and sold by the Company adopt essential patents compliant with industry standards. Through self-inspection, the Company identified that patent fees were not fully accrued in prior periods. The Company shall accrue such patent royalties retroactively for previous years and make corrections for prior-period errors.

4. Accounts receivable of specific customers of the Company were overdue and uncollected. After careful verification, the overdue and uncollected accounts receivable of such customers were caused by the inability of related underlying customers to repay. Individual bad debt provision should be made in the year when the related underlying customers lose their repayment ability, and previous accounting errors should be corrected. Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after non-recurring 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

The lower of the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses during the Reporting Period was negative

Yes  No

Item	2025	2024	Remarks
Operating revenue (RMB)	9,835,474,916.53	11,114,763,969.59	
Business income unrelated to core business	570,664,051.62	602,398,241.79	Business income unrelated to core business
Deductions from operating revenue (RMB)	570,664,051.62	602,398,241.79	Income from waste sales, water and electricity fees, rental income, material sales income and other income unrelated to the main business
Operating revenue after deductions (RMB)	9,264,810,864.91	10,512,365,727.80	

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

### **1. Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards**

Applicable  Not applicable

During the Reporting Period, there were no differences in net profit and net assets in the financial reports disclosed by the Company in accordance with both International Accounting Standards and Chinese accounting standards.

### **2. Differences in net profit and net assets in financial reports disclosed in accordance with foreign accounting standards and Chinese accounting standards**

Applicable  Not applicable

During the Reporting Period, there were no differences in net profit and net assets in the

financial reports disclosed by the Company in accordance with both Overseas Accounting Standards and Chinese accounting standards.

### VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating Revenue	2,544,411,519.38	2,703,096,329.89	2,431,462,871.94	2,156,504,195.32
Net profit attributable to the listed company's shareholders	94,810,677.19	-478,138,696.62	-598,192,530.33	-11,600,879,307.04
Net profit attributable to the listed company's shareholders before non-recurring gains and losses	-440,636,189.54	-586,865,935.72	-494,190,886.44	-8,859,145,791.86
Net cash generated from/used in operating activities	-421,786,013.66	-253,837,417.27	-410,704,971.11	-524,671,719.15

Whether there are significant differences between the above financial indicators or the sum and the relevant financial indicators in the company's disclosed quarterly reports and semi-annual reports

Yes  No

### IX. Non-recurring Profits or Losses

Applicable  Not Applicable

Unit: RMB

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
Gains/losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	21,769,444.15	100,956,248.61	198,866,019.16	
Government grants included in the current gains/losses (except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's gains/losses)	-560,729,053.82	105,918,680.20	264,798,178.16	
Gains/losses 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)	-455,947,543.58	-366,040,020.57	-88,236,451.43	
Funds occupation fee charged to non-financial enterprises included in current gains/losses				
Gains/losses on entrusting others with investments or asset management				
Gains/losses on loan entrustment	86,761,707.56	92,549,311.40	118,808,006.95	
Losses on assets resulted from force majeure factors such as natural disasters				
Reversed portions of impairment allowances for receivables which are tested individually for	13,649,084.68	38,227,600.55	3,055,800.22	

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
impairment				
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee				
Current net gains/losses of subsidiaries acquired in business combination under the same control from period-beginning to combination date				
Gains/losses on non-monetary asset swap				
Gains/losses on debt restructuring		-459,737.22		
Non-recurring expenses incurred by the enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees				
One-time impact on current gains/losses 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, gains/losses arising from changes in the fair value of employee compensation payable after the date of exercisability				
Gains/losses on change in fair value of investment property subject to follow-up measurement at fair value method				
Gains from transactions at significantly unfair prices				
Gains/losses arising from contingencies unrelated to the normal operation of the Company's business				
Custodian fees earned from entrusted operation				
Non-operating revenue and expense other than the above	-433,788,481.56	-114,510,494.06	-64,433,346.64	
Other gains/losses that meet the definition of non-recurring gains/losses	-1,069,326,647.31	-133,964,588.12	476,827,980.43	
Less: Income tax effects	1,029,921.23	-56,791,821.41	215,809,992.39	
Minority equity effects (after tax)	-197,080,357.87	-29,973,121.57	14,087,171.21	
Total	-2,201,561,053.24	-190,558,056.23	679,789,023.25	--

Particulars about other gains/losses that meet the definition of non-recurring gains/losses:

Applicable  Not Applicable

Item	Amount involved (RMB)	Reason
Trading financial assets	655,666,680.89	During the Reporting Period, the Company changed the accounting method for its equity interest in Wuhan Tianyuan Group Co., Ltd. from long-term equity investment (equity method) to financial assets held for trading, resulting in non-recurring gains/losses.
Excessive losses of subsidiaries	-1,560,621,492.59	During the Reporting Period, the amount of losses arising from the Company's receivables from subsidiaries with excessive losses was recognized as "Net profit attributable to owners of the parent company",

		resulting in non-recurring gains/losses.
Interest on equity repurchase amount	-164,371,835.61	Interest accrued on equity repurchase amount by the Company during the Reporting Period

Explanation on the definition of non-recurring gains/losses items as recurrent gains/losses items in the Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Gains/Losses

Applicable  Not Applicable

Item	Amount involved (RMB)	Reason
Software tax rebates, VAT credits and deductions	16,548,508.82	Government grants closely related to the normal operation of the Company's business, which comply with national policies and are received continuously based on a certain standard quota or quantitative amount

## Section III Discussion and Analysis of the Management

### I. Principal Activities of the Company during the Reporting Period

#### (I) Consumer Electronics Business

The company's consumer electronics business mainly consists of color TV business and white goods business, as follows:

##### 1. Color TV Business

The Company's color TV business serves the global market, mainly including domestic and export businesses. The domestic color TV business mainly focuses on two business models: B2B (an abbreviation for Business-to-Business, namely, business-to-business) and B2C (an abbreviation for Business-to-Consumer, namely, business-to-consumer). Branches, business departments, and after-sales maintenance service outlets have been established across the country. The operating profit is derived from the price difference between the cost of color TV products and their selling prices. As for selling its color TVs abroad, the Company mainly relies on B2B. Its color TVs are sold to Asia Pacific, Middle East, Central & South America, East Europe, etc., and operating profit is also derived from the differences between the costs and the selling prices of its color TVs.

##### 2. White Goods Business

The Company's white goods business mainly deals in products such as refrigerators, washing machines, air conditioners, freezers, and dishwashers under B2B and B2C models, primarily targeting the global market and generating profit from product price differences. By acquiring the "Frestec" brand, the Company has built a "KONKA + Frestec" operation strategy; by acquiring the Chinese factory of Beko (front-loading washing machine), the Company has made up for the technical shortcomings in front-loading washing machine production; the Company also built a new Xi'an Smart Home Appliance Industrial Park to explore and develop the dishwasher business. The Company by now has formed a "KONKA + Frestec" operation pattern for its white goods business, with the capability of production and operation of refrigerators, washing machines, freezers, air conditioners, and kitchen appliances.

#### (II) Semiconductor Business

The Company by now has established a presence in the semiconductor optoelectronics and memory sectors, the former focusing on three major segments - Micro LED and Mini LED chips, mass transfer, and display. After industrialization, the operating profit is derived from the price difference between product cost and selling price; the memory business primarily focuses on the packaging and testing segment, mainly processing steps such as wafer dicing, packaging, and testing.

#### (III) PCB Business

The Company's PCB business primarily focuses on metal substrate products, thick copper products, and high multi-layer products. Operating under a B2B business model, the Company targets four major electronics fields, namely new energy, automotive electronics, communications & data centers, and new consumer electronics. Profitability is achieved through the spread between product costs and sales prices.

## **II. Industry Overview for the Reporting Period**

At present, the Company's main businesses include consumer electronics and semiconductor businesses. The relevant industries are described below:

### **(I) Consumer electronics industry**

In the color TV industry, high-end transformation has become a leading trend. According to statistics from AVC, the retail volume of China's color TV market in 2025 reached 27.63 million sets, a year-on-year decrease of 10.4%, and the retail sales amounted to RMB 117.3 billion, a year-on-year decrease of 7.3%. Driven by consumption upgrading and technological iteration, China's color TV market is shifting from "volume expansion" to "value upgrading", with increasing momentum of large screen, miniaturization, high refresh rate, and ecological conservation. In terms of large-size products, the average size of color TVs in China continued to grow in 2025. AVC's statistics show that the retail volume of 75-inch color TVs in China reached 24% in 2025. In terms of display technology, Mini LED display technology is growing rapidly. AVC statistics indicate that, in 2025, the retail volume of Mini LED TVs reached 31.8%, and the retail sales reached 55.4%, showing a significant leading position. High refresh rate, as one of the key indicators for enhancing the two core home entertainment scenarios of movie-watching and gaming, is increasingly favored by the market. According to AVC, the penetration rate of products with 120HZ and above in China's color TV market reached 68.8% in 2025, an increase of 10.1% from 2024. In terms of green energy conservation, guided by the national trade-in policy, green energy conservation has become one of the key trends and core directions for the development of the color TV industry. AVC statistics show that the retail volume of Grade 1 energy-efficiency products in the color TV market was 64.2% in 2025, an increase of 44.3% from 2024.

In the white goods industry, in 2025, boosted by the trade-in policy and product structure upgrading, the white goods market highlighted the characteristics of category differentiation and accelerated orientation towards high end, a continued trend of product upgrading from 2024. In terms of refrigerators, AVC statistics show that China's refrigerator market experienced a decline in both volume and value in 2025, with an omnichannel retail volume of 36.82 million sets, a year-on-year decrease of 8.6%, and retail sales of RMB 127.1 billion, a year-on-year decrease of 11.5%. In terms of washing

machines, AVC statistics show that competitive pressure in the domestic washing machine market intensified in 2025, with an omni-channel retail volume of 41.66 million sets, a year-on-year decrease of 3.2%; and retail sales of RMB 96.3 billion, a year-on-year decrease of 4.6%. In terms of household air conditioners, statistics from AVC show that in 2025, China recorded a total production of 191.59 million sets, a year-on-year decrease of 2.3%, and a total sales of 188.07 million sets, a year-on-year decrease of 1.5%.

#### (II) Semiconductor industry

The semiconductor industry is a strategic and fundamental industry that supports the digital economy transformation in line with national security strategy. Driven by emerging demands such as AI, automotive electronics, and data centers, the industry has entered a structural recovery cycle. Semiconductor memory remains the largest sub-sector.

Micro LED plays a leading role for next-generation display technology, with industry chain covering chip manufacturing and mass transfer (upstream), panel manufacturing (midstream), and end-product applications (downstream). With continuous breakthroughs in technological bottlenecks, its application scenarios are expanding to fields such as automotive, commercial, and high-end consumer electronics, offering vast market potential.

### 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 capacity, the Company completed intelligent upgrading and transformation of its production and manufacturing bases in Anhui, Shaanxi, Henan, and other locations. The dishwasher production line at the Shaanxi Konka factory has been fully put into operation, complementing the Company's dishwasher product capabilities. In terms of R&D, the Company has established a three-tiered R&D system of "Research Institute + Research Center + Basic Research", comprehensive AIoT laboratories and 5G ultra-high-definition laboratories in collaboration with several universities and research institutions, and a technology research alliance that matches its industrial layout, possessing an R&D team of over 1,000 experts. 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, and holds a certain brand awareness and reputation in the consumer group. 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. As for offline channels, the Company has expanded its marketing and service network across China; through online channels, the Company has settled in e-commerce platforms such as Tmall, JD.com, Douyin, and Pinduoduo, to develop its live-streaming e-commerce

business and seek new growth drivers for its business growth; in overseas channels, the Company's business covers Latin America, Europe, Asia-Pacific and other countries and regions, and has 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 2025, through professional integration, the Company continued optimizing its business structure, while steadily promoting cost reduction and efficiency improvement, laying a solid foundation for the Company's future development.

In 2025, the Company achieved operating revenue of RMB 98.35 hundred million, down 11.51% YoY, and net profit attributable to shareholders of the listed company of RMB -125.82 hundred million with a YoY decrease of 237.73%; cash flow from operating activities was RMB -16.11 hundred million, down 1026% year-on-year.

##### **(1) Reasons for performance changes in 2025**

① In 2025, the Company's consumer electronics business witnessed a decline in operating revenue due to insufficient product competitiveness. Despite the decrease of overall expenses year-on-year, the gross profit still failed to cover the expenses, leaving the consumer electronics business in a loss-making state.

② In 2025, in accordance with the Accounting Standards for Business Enterprises, the company made provision for impairment losses on accounts receivable, other receivables, inventories, investment real estate, fixed assets, intangible assets, construction in progress, goodwill, long-term equity investments, other current assets, other non-current assets and other items, and recognized certain contingent liabilities. As a result, the company incurred a net loss attributable to shareholders of listed companies in 2025, and its net assets attributable to shareholders of listed companies turned negative.

##### **(2) Key tasks for 2025**

In 2025, against the backdrop of professional integration, the Company further clarified its strategic goals and paths for achievement, with focus on improving the operations of its main businesses under the following work progress:

##### **① Professional management of R&D, production, supply, and sales**

In terms of R&D, the Company set up a Research Institute responsible for coordinating Konka's strategic R&D strategies and building a three-tiered R&D system.

For the supply chain, the Company gave full play to the role of the Supply Chain Management Department in coordinating the procurement of bulk and unified raw materials, thus promoting cost reduction in the supply chain.

As for marketing, the Company established China Marketing Headquarters and International Marketing Business Division to steadily advance loss reduction and conversion into profits in the domestic sales businesses, while building the overseas brand image and transforming the marketing pattern of branded products through integration and collaboration.

On the production side, the Company clarified the orientation for optimizing and integrating production bases and planned to launch intelligent upgrading for some factories for qualitative improvement in the Company's manufacturing capabilities in line with the industry benchmarks.

② Further collaboration for market growth

Based on the Company's business characteristics and CR Group's industrial resources, a cooperation plan covering 5 major areas was formulated to deepen business synergy with subsidiaries of CR Group. The "China Resources Fuzhou Gas Store & Konka Quality Base" officially opened at the end of 2025, while other cooperation plans are under progressive implementation.

③ Loss reduction and efficiency improvement in existing businesses

In terms of business integration, the color TV business and the white goods business are being integrated in some regions. Such measures such as marketing channels, resources, and workforce reusing were taken to drive the Company's consumer electronics businesses into a collaborative pattern, with an incremental performance of approximately RMB 150 million for the year.

In terms of service integration, the Company completed a joint tender for black and white goods express logistics, reducing the overall express logistics costs for both categories by 23.37%; and constantly enhancing the reuse of service providers for the color and white goods businesses, as well as for the Konka and Frestec brands.

In manufacturing efficiency enhancement, benchmarking against industry leaders, all manufacturing bases steadily improved production efficiency, with manufacturing cost per unit meeting the target. In the quality products, total sales exceeded 750,000 sets, generating revenue of over RMB 1 billion. Ningbo Konka Hanrui Electrical Appliance Co., Ltd. surpassed its sales target for the 1 HP inverter series air conditioners, while Jiangsu Konka Smart Appliance Co., Ltd. leveraged its 530 Platform to create differentiated products, completing its product matrix.

On the other hand, the Company clarified its strategy for improving the structure of the color TV business, focusing resources on its own brand business to further advance the brand towards high-end positioning. The Company deepened its cooperation with key customers in the white goods business, promoting in-depth exchanges in areas such as product technology, design, and key indicators.

#### ④ Corporate transformation and development through organizational optimization

The Company comprehensively advanced organizational restructuring efforts, optimized its headquarters functions, and strengthened the professional capabilities of the corporate headquarters team. The Company restructured its business units to adapt to industry characteristics, scaled back non-core businesses, and established 4 secondary business divisions to for the business development. A mechanism of job competition was adopted to further revitalize the organizational vitality and to establish an organizational structure that aligns with market principles and business management needs.

## 2. Revenue and Cost

### (1) Breakdown of operating revenue

Unit: RMB

	2025		2024		YoY change (%)
	Amount	As % of operating revenue	Amount	As % of operating revenue	
Total operating revenue	9,835,474,916.53	100%	11,114,763,969.59	100%	-11.51%
By industry					
Consumer electronics industry	8,918,039,059.06	90.67%	10,136,942,898.84	91.20%	-12.02%
Semiconductor and memory chip	162,222,125.34	1.65%	170,202,408.61	1.53%	-4.69%
Other industries	755,213,732.13	7.68%	807,618,662.14	7.27%	-6.49%
By product category					
Color TV	4,192,163,402.41	42.62%	5,027,758,205.02	45.23%	-16.62%
White goods business	3,815,259,215.10	38.79%	4,127,243,310.93	37.13%	-7.56%
Semiconductor and memory chip business	162,222,125.34	1.65%	170,202,408.61	1.53%	-4.69%
PCB business	529,852,068.40	5.39%	480,868,974.92	4.33%	10.19%
Other	1,135,978,105.28	11.55%	1,308,691,070.11	11.77%	-13.20%
By region					
Domestic sales	6,753,418,875.25	68.66%	7,903,700,862.49	71.11%	-14.55%
Overseas sales	3,082,056,041.28	31.34%	3,211,063,107.10	28.89%	-4.02%
By sales model					

Direct sales	5,784,213,234.28	58.81%	5,058,917,673.95	45.52%	14.34%
Distribution	4,051,261,682.25	41.19%	6,055,846,295.64	54.48%	-33.10%

**(2) Industries, products, regions, or sales models that account for over 10% of the Company's 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 operating cost	YoY change in gross profit margin
By industry						
Consumer electronics industry	8,918,039,059.06	8,689,090,022.95	2.57%	-12.02%	-12.53%	0.57%
By product category						
Color TV	4,192,163,402.41	4,280,594,033.28	-2.11%	-16.62%	-18.29%	2.09%
White goods business	3,815,259,215.10	3,605,987,282.66	5.49%	-7.56%	-6.02%	-1.54%
By region						
Domestic sales	6,753,418,875.25	6,471,030,228.87	4.18%	-14.55%	-16.24%	1.93%
Overseas sales	3,082,056,041.28	2,959,687,689.33	3.97%	-4.02%	-5.63%	1.64%
By sales model						
Direct sales	5,784,213,234.28	5,485,914,211.49	5.16%	14.34%	14.01%	0.28%
Distribution	4,051,261,682.25	3,944,803,706.71	2.63%	-33.10%	-34.80%	2.53%

Where the statistical scope of the company's core business data was adjusted during the Reporting Period, the core business data for the most recent year restated according to the end-of-Reporting Period scope

Applicable  Not applicable

**(3) Whether the revenue from physical sales is higher than the revenue from the rendering of services**

Yes  No

Industry classification	Item	Unit	2025	2024	YoY change (%)
Consumer electronics industry	Sales volume	(10,000 units)	896	912	-1.75%
	Output	(10,000 units)	869	912	-4.71%
	Inventory	(10,000 units)	54	81	-33.33%

Explanation for reasons of over 30% YoY change in the relevant data

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

Product category

Unit: RMB

Product category	Item	2025		2024		YoY change (%)
		Amount	As % of total cost of sales	Amount	As % of total cost of sales	
Color TVs	Color TVs	4,280,594,033.28	45.39%	5,238,743,506.77	48.23%	-18.29%
White goods	White goods	3,605,987,282.66	38.24%	3,837,066,870.14	35.33%	-6.02%
Semiconductor and memory chip business	Semiconductor and memory chip business	176,738,680.35	1.87%	256,853,882.82	2.36%	-31.19%
PCB business	PCB business	484,651,274.02	5.14%	428,530,129.53	3.95%	13.10%
Others	Others	882,746,647.89	9.36%	1,100,629,601.93	10.13%	-19.80%

#### Description

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 10,000)	Shareholding percentage at the end of the Reporting Period (%)	Date of change	Reason for change
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd. (formerly known as: Konka Ronghe Industry Technology (Zhejiang) Co., Ltd.)	5,000	10%	2025-05-09	Equity transfer

#### (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)	3,212,864,972.70
Total sales to top five customers as % of total sales of the Reporting Period (%)	32.66%
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	Beijing Jingdong Century Trading Co., Ltd.	1,238,996,252.74	12.60%
2	Beijing Xiaomi Electronics Co., Ltd.	1,132,246,021.52	11.51%
3	Chuzhou Hanshang Electric Appliance Co., Ltd.	420,246,250.54	4.27%
4	HUIHAI ELECTRONICS CO., LIMITED	221,440,843.82	2.25%
5	Hong Kong Industry & Finance Development Co., Ltd.	199,935,604.08	2.03%
Total	--	3,212,864,972.70	32.66%

## Other information about major customers

√ Applicable □ Not Applicable

None of the top five customers were related parties of the Company. None of the Company's directors, senior executives, core technicians, shareholders with 5% or more shares, de facto 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)	3,020,537,484.75
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	35.63%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

## Top five suppliers

No.	Supplier name	Purchase amount (RMB)	As % of total purchases (%)
1	BOE Technology Group Co., Ltd.	1,811,149,152.09	21.37%
2	Xianyang Caihong Optoelectronics Technology Co., Ltd.	545,041,350.94	6.43%
3	Anhui Demuller Technology Co., Ltd.	305,922,976.92	3.61%
4	Shenzhen Dingsheng Optoelectronics Co., Ltd.	198,648,102.46	2.34%
5	HKC Co., Ltd.	159,775,902.34	1.88%
Total	--	3,020,537,484.75	35.63%

## Other information about major suppliers

√ Applicable □ Not Applicable

None of the top five suppliers were related parties of the Company. None of the Company's directors, senior executives, core technicians, shareholders with 5% or more shares, de facto controller, or any other related parties held equity interests in the major suppliers, directly or indirectly.

During the Reporting Period, the Company's trading business revenue accounted for more than 10% of its operating revenue.

Applicable  Not applicable

### 3. Expense

Unit: RMB

	2025	2024	YoY change (%)	Reason for any significant change
Selling expenses	647,219,068.47	774,298,036.87	-16.41%	
Administrative expenses	564,170,838.00	651,947,833.46	-13.46%	
Finance costs	804,216,933.89	714,987,086.24	12.48%	
R&D expense	386,105,836.96	416,405,840.34	-7.28%	

### 4. R&D Investment

Applicable  Not Applicable

Names of main R&D projects	Project purpose	Project progress	Objectives to be achieved	Expected impact on the company's future development
Bai Xiao Large Language Model	To build the integrated management platform of AI large language model (LLM), achieve rapid integration and customized development of the model across all domains, and enhance the efficiency of rapid commercialization and empowerment of AI capabilities.	The core technology has been developed and applied to products.	To complete the integration and access of general and vertical LLMs in multiple industry domains, achieving independent and controllable model capabilities and full-stack in-house development of TV AI voice.	To enhance the Company's technological competitiveness in AI domain and complete the forward-looking strategies of core technologies.
Yi AI agent 3.0	To provide rapid creation and content operation capabilities for TV platform agents and create differentiated and intelligent interactive experience.	The agent R&D has been completed and applied in related products.	To achieve lightweight configuration and launch of the TV agent backend; and become the industry's first manufacturer to support users in creating personal agents through voice	To significantly enhance the Company's market competitiveness and technological innovation leadership in the AI agent.

Names of main R&D projects	Project purpose	Project progress	Objectives to be achieved	Expected impact on the company's future development
			commands.	
RGB Mini LED Display System	To develop RGB Mini LED backlight algorithms, core technologies for picture quality chips, and optical engines.	The prototype design and technology application have been completed.	To resolve core algorithm bottlenecks and provide solid technical support for the industrial development of the Company's next-generation RGB backlight products.	It is expected to strengthen the Company's core technologies in the high-end display field and its influence in the high-precision and cutting-edge display market.
Frestec 890 New Grade-1 Energy Efficiency Dual-system Dual-cycle, Flat-embedded 600L+ Cross Four-door Product	To fill the gap in mainstream market with air-cooled, large-capacity, dual-system, high-capacity-ratio, and new Grade 1 energy efficiency products, thus promoting sales of mid-to-high-end products and enhancing the product image.	The development has been completed and the product has been launched onto the market.	To stay on par with first-tier market brands at the starting line of high-end products, advance product power construction and high-end transformation, and to create incremental growth.	It is expected to promote the sales of Frestec's high-end products and enhance the product structure and brand image.
Development of Ultra-large Diameter Drum Platforms for 6, 8, 10, and 12KG Models	To fill the gap for the market of ultra-large diameter drums with low cost and enhance the Company's product competitiveness.	The development has been completed and the product has been launched onto the market.	To adopt a large drum diameter to increase the container loading capacity of the entire machine and enhance product competitiveness.	It is expected to enhance the overall competitiveness of the Company's products.
Countertop 8-Place-Setting Dishwasher	To build the Company's countertop 8-place-setting dishwasher platform, adopt a glass panel with a color touch screen to enhance user experience, achieve industry leadership in energy efficiency, and improve product competitiveness.	Prototype is under development.	To become the industry leader in energy efficiency for countertop 8-place-setting dishwashers and achieve the industry's highest Grade 1 energy efficiency. Achieve a good reputation among users and increase sales revenue and profit.	It is expected to significantly enhance the Company's product competitiveness, achieve Grade 1 energy efficiency, and explore new markets.
MIP Mass Production Validation Project	To develop the MIP (Micro LED in package) process and drive the industrialization of Chongqing Konka's optoelectronic chips.	The yield is increasing.	To drive the industrialization of Micro LED chips; produce higher-end COB display screens; and Resolve industry bottlenecks and achieve large-scale	It is expected to enrich the Company's product types, improve product competitiveness, and enhance the Company's brand

Names of main R&D projects	Project purpose	Project progress	Objectives to be achieved	Expected impact on the company's future development
			mass production of MIP.	image.
Thermoelectric Separation Metal Substrate R&D and Industrialization	To explore application markets such as high-end automotive electronics, industrial control, and computing power products, increase the Company's operating profit, and improve market competitiveness.	The development has been completed and the product has been launched onto the market.	To optimize the Company's product structure and increase sales revenue and profit from high-tech products.	It is expected to continuously enhance the Company's capabilities of R&D, order acquisition, and profitability.
Laser + Electroplating Via-filling Copper Substrate R&D	To make breakthroughs in key process technologies for laser drilling and electroplating via-filling copper substrates, increase the Company's operating profit, and enhance market competitiveness.	Completed and started mass production.	To achieve breakthroughs in key process technologies such as laser drilling and electroplating via-filling, and increase sales revenue and profit from high-tech products.	It is expected to further enhance the R&D capability and improve industry position and influence.

### R&D Personnel

	2025	2024	Change (%)
Number of R&D personnel	1,337	1,422	-5.98%
R&D personnel as % of total employees	11.09%	10.65%	0.44%
Educational background of R&D personnel			
Bachelor	1,242	1,321	-5.98%
Master	89	96	-7.29%
Doctor	6	5	20.00%
Age structure of R&D personnel			
Below 30	584	651	-10.29%
30-40	532	569	-6.50%
Over 40	221	202	9.41%

### Details about R&D investments

	2025	2024	Change (%)
R&D investments (RMB)	386,105,836.96	416,405,840.34	-7.28%
R&D investments as % of operating revenue	3.93%	3.75%	0.18%
Capitalized R&D investments (RMB)	0.00	0.00	0.00%

	2025	2024	Change (%)
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	2025	2024	YoY change (%)
Subtotal of cash generated from operating activities	9,034,146,586.16	11,193,611,750.42	-19.29%
Subtotal of cash used in operating activities	10,645,146,707.35	11,019,722,907.43	-3.40%
Net cash generated from/used in operating activities	-1,611,000,121.19	173,888,842.99	-1026.45%
Subtotal of cash generated from investing activities	1,591,759,139.28	725,004,698.10	119.55%
Subtotal of cash used in investing activities	449,279,879.19	756,209,896.13	-40.59%
Net cash generated from/used in investing activities	1,142,479,260.09	-31,205,198.03	3761.18%
Subtotal of cash generated from financing activities	22,718,681,210.48	12,647,798,297.72	79.63%
Subtotal of cash outflows from financing activities	20,015,510,139.99	15,690,719,013.11	27.56%
Net cash from financing activities	2,703,171,070.49	-3,042,920,715.39	188.83%
Net increase in cash and cash equivalents	2,237,292,033.81	-2,891,606,873.10	177.37%

Explanation of the main influencing factors for significant YoY changes in relevant data

Applicable  Not Applicable

Reasons for the change in net cash flow from operating activities: During the Reporting Period, the Company's sales collections decreased compared to the same period last year.

Reasons for the change in net cash flow from investing activities: During the Reporting Period, the Company recovered investments by disposing of Chutian Dragon and Wuhan Tianyuan stocks.

Reasons for the change in net cash flow from financing activities: During the Reporting Period, the Company obtained financing inflows by issuing perpetual bonds.

Reasons for any major difference between the net operating cash flow and the net profit for the Reporting Period

Applicable  Not applicable

## V. Analysis of Non-Core Businesses

Applicable  Not Applicable

Unit: RMB

	Amount	As % of total profit	Explanation of forming reason	Sustainable or not
Return on investment	277,402,566.69	-2.53%		Not sustainable
Gains/losses on changes in fair value	-460,420,971.18	4.21%	Mainly due to changes in the fair value of financial assets and the increase in contingent consideration	Not sustainable
Asset impairments	7,696,783,541.60 <sup>-</sup>	70.33%	Mainly for the impairment of accounts receivable, inventories, investment properties, fixed assets, intangible assets, construction in progress, long-term equity investments, other current assets, other non-current assets, etc.	Not sustainable
Non-operating revenue	23,053,295.76	-0.21%	Mainly due to the increase in gains not directly related to the Company's daily operating activities	Not sustainable
Non-operating expenses	459,512,872.49	-4.20%	Mainly due to the increase in losses not directly related to the Company's daily operating activities	Not sustainable

## VI. Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	End of 2025		Beginning of 2025		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary funds	6,313,941,885.05	28.25%	4,115,767,247.73	13.08%	15.17%	
Accounts receivable	1,086,929,012.15	4.86%	1,315,222,656.92	4.18%	0.68%	
Contract assets	1,892,306.30	0.01%	2,630,508.60	0.01%	0.00%	
Inventories	1,662,246,630.58	7.44%	2,694,648,186.93	8.56%	-1.12%	
Investment properties	866,051,475.13	3.87%	1,650,843,239.51	5.25%	-1.38%	
Long-term equity investments	2,026,038,156.99	9.06%	5,921,501,427.49	18.82%	-9.76%	
Fixed assets	4,405,958,959.37	19.71%	5,005,836,928.31	15.91%	3.80%	
Construction in progress	516,337,481.93	2.31%	873,042,499.04	2.77%	-0.46%	
Right-of-Use Assets	130,076,544.83	0.58%	178,185,679.35	0.57%	0.01%	
Short-term borrowings	4,575,915,552.66	20.47%	5,741,171,468.26	18.25%	2.22%	
Contract liabilities	256,506,499.39	1.15%	623,555,669.97	1.98%	-0.83%	
Long-term borrowings	6,537,926,737.54	29.25%	5,530,649,801.93	17.58%	11.67%	
Lease liabilities	96,858,968.75	0.43%	146,561,588.52	0.47%	-0.04%	

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	Gains/losses on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the current period	Purchase amount in the current period	Sale amount in the current period	Other changes	Ending amount
Financial assets								
1. Trading financial assets (derivative financial assets)	286,648,129.34	179,515,791.07			1,066,861,148.79	1,330,998,069.20		202,027,000.00

Item	Beginning amount	Gains/losses on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the current period	Purchase amount in the current period	Sale amount in the current period	Other changes	Ending amount
excluded)								
2. Derivative financial assets								
3. Investments in other debt obligations								
4. Investments in other equity instruments	16,114,932.00		-5,901,121.80					10,213,810.20
5. Other non-current financial assets	1,802,409,887.89	-639,936,762.25			4,670,000.00	5,361,912.61		1,161,781,213.03
Subtotal of financial assets	2,105,172,949.23	-460,420,971.18	-5,901,121.80		1,071,531,148.79	1,336,359,981.81		1,374,022,023.23
Investment properties								
Productive biological assets								
Others	63,943,324.53				155,957,556.43	63,943,324.53		155,957,556.43
Total of the above	2,169,116,273.76	-460,420,971.18	-5,901,121.80		1,227,488,705.22	1,400,303,306.34		1,529,979,579.66
Financial liabilities								

## Other changes

Unit: RMB

Item	Beginning amount	Gains/losses on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the current period	Purchase amount in the current period	Sale amount in the current period	Other changes	Ending amount
Receivables financing	63,943,324.53				155,957,556.43	63,943,324.53		155,957,556.43

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

Yes  No

### 3. Restricted asset rights at the end of the Reporting Period

Item	Ending book value (RMB)	Reason for restriction
Monetary funds	1,293,472,374.79	Among them, RMB 525,901,180.93 is margin deposits which are pledged for borrowings or issuing bank acceptance bills; RMB 612,670,635.63 represents time deposits that are not available for early withdrawal and are pledged as collateral for borrowings; RMB 154,900,558.23 is restricted for other reasons.
Accounts receivable	1,448,244.31	Pledge loan
Inventories	161,827,378.00	Mortgaged for loan
Investment properties	445,326,656.45	Mortgaged for loan
Fixed assets	1,619,724,502.81	Mortgage for finance lease, mortgage loans, and former shareholder guarantee
Intangible assets	486,364,529.83	Mortgaged for loan
<b>Total</b>	<b>4,008,163,686.19</b>	

## VII. Investment analysis

### 1. Overall situation

Applicable  Not Applicable

Amount of Reporting Period (RMB)	Investment amount of the same period of last year (RMB)	Change (%)
423,828,715.93	621,882,495.13	-31.85%

### 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

Project	Investment method	Fixed asset investment or not	Industry involved	Input amount in the Reporting Period	Accumulative actual input amount as of the period-end	Source of funds	Project progress	Estimated returns	Cumulative realized returns by the end of the Reporting Period	Reasons for failure to achieve the planned progress and estimated returns	Disclosure date (if any)	Disclosure index (if any)
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electronic industry	8,950,769.97	608,027,107.77	Self-funded	-	-	-	Not applicable	October 17, 2018	Cninfo (http://www.cninfo.com.cn)
Chongqing Konka Semiconductor Optoelectronic Industrial Park	Self-build	Yes	Electronic industry	15,944,738.3	722,375,427.42	Self-funded and bank financing	-	-	-	Not applicable	June 14, 2019	
Frestec Refrigeration Industrial Park	Self-build	Yes	Electronic industry	32,199,423.03	593,583,071.68	Self-funded and bank financing	-	-	-	Not applicable	July 21, 2020	
<b>Total</b>	--	--	--	57,094,931.30	1,923,985,606.87	--	--	-	-	--	--	--

Frestec Refrigeration Industrial Park has been put into operation. Suining Konka Electronic Technology Industrial Park is under construction. The Semiconductor Optoelectronic Research Institute project in Chongqing Konka Semiconductor Optoelectronic Industrial Park has been completed and accepted.

#### 4. Financial Asset Investments

##### (1) Securities Investments

Applicable  Not Applicable

Unit: RMB

Securities variety	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement method	Beginning book value	Gains/losses on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Purchase amount in the current period	Sale amount in the current period	Gains/losses in the Reporting Period	Ending book value	Accounting subject	Source of funds
Domestic/Foreign stock	003040	Chutian Dragon	153,522,334.00	Fair value	286,648,129.34	73,622,536.83	-	-	360,270,666.17	60,610,629.43	-	Trading financial assets	Self-funded
Domestic/Foreign stock	301127	Wuhan Tianyuan	239,447,355.00	Fair value	-	105,893,254.24	-	1,066,861,148.79	970,727,403.03	773,184,818.76	202,027,000.00	Trading financial assets	Self-funded
Other securities investments held at the end of the Reporting Period			-	--	-	-	-	-	-	-	-	--	--
Total			392,969,689.00	--	286,648,129.34	179,515,791.07	-	1,066,861,148.79	1,330,998,069.20	833,795,448.19	202,027,000.00	--	--
Disclosure date of announcement on Board of Directors' approving securities investment					April 4, 2023 and April 1, 2025								
Disclosure date of announcement on General Meeting approving securities investment (if any)					Not applicable								

##### (2) Investments in Derivatives

Applicable  Not applicable

The Company had no investments in derivatives during the Reporting Period.

#### VIII. Sale of major assets and equity interests

##### 1. Sale of major assets

Applicable  Not applicable

The Company did not sell any major assets during the Reporting Period.

##### 2. Sale of major equity

Applicable  Not Applicable

Counterparty	Equity sold	Date of sale	Transaction price (RMB 10,000)	Net profit contributed from the equity to the listed company from the beginning of the current period to the date of sale (RMB 10,000)	Impact of the sale on the Company	Ratio of net profit contributed through the sale of equity to the total net profit	Pricing principle for the sale of equity	Related-party transaction or not	Relationship with the counterparty	Equity involved fully transferred or not	Implemented as scheduled or not. If not, clarify the reasons and the measures taken by the Company	Disclosure date	Index to disclosed information
China Resources Asset Management (Shenzhen)	Wuhan Tianyuan	December 24, 2025	91,471.88274	77,318.48	Beneficial for the Company to concentrate	-6.32%	The arithmetic mean of the daily weighted average price of Tianyuan's stock for the 30	Yes	Under the same de facto controller	Yes	Yes	December 25, 2025	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

n) Co., Ltd.					resources on the development of main business		trading days prior to the date of the indicative announcement							
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## IX. Major controlling and joint-stock companies

Applicable  Not Applicable

Major subsidiaries and joint-stock companies with an over 10% effect on the Company's net profit

Unit: RMB

Company name	Relationship with the Company	Main business	Registered capital	Total assets	Net assets	Operating Revenue	Operating profit	Net Profit
Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Subsidiaries	Production and sales of electronic products	RMB800,000,000	1,398,909,810.75	749,894,774.73	1,625,288,653.90	57,262,661.87	-57,483,879.69
Henan Frestec Household Appliances Co., Ltd.	Subsidiaries	Production and sales of electronic products	RMB210,000,000	234,561,391.72	212,711,258.98	168,785,493.98	26,353,415.16	19,850,916.20

Subsidiaries obtained or disposed of in the Reporting Period

Applicable  Not Applicable

Company name	Method of obtaining and disposing of subsidiaries during the Reporting Period	Effects on overall operations and operating performance
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.	Equity transfer	For better allocation of the Company's assets

Information about principal subsidiaries and joint stock companies:

None

## X. Structured Entities Controlled by the Company

Applicable  Not applicable

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

In 2026, the Company will focus on optimizing and reshaping existing businesses and enhancing the efficiency across the entire chain from R&D, production, supply, sales, and service through lean management to significantly improve efficiency. Meanwhile, the Company will strive for innovative engines for high-quality development through analysis of emerging industries under the "9+6" strategies.

(I) Focus on existing business optimization and reshaping for overall enhancement of efficiency of the entire chain

1. Focus on color TV business for quality and efficiency enhancement

(1) Production base optimization and integration

The Company will fully evaluate the existing production bases, integrate factory capacity as per actual business needs, reduce fixed depreciation and amortization costs, and increase the gross profit margin of production for higher operational efficiency.

(2) Focus on core channel operations for domestic sales

The Company will make more efforts on strategic channel cooperation for online channels to seek rapid growth; put emphasis on key retail stores for offline channels for the sales of high-gross-profit products; and Maintain effective coordination with associate entities for project channels in addition to constant investments in hotel brands for higher market growth. On the product end, the Company will strive to keep up with the trend of mini products with focus on sub-sectors, and create differentiated products such as gaming TVs, wallpaper TVs, and age-friendly TVs.

(3) Overseas promotion of localization strategy

The Company will develop proper markets in the regions with favorable conditions, in particular those with high economic growth, large color TV market capacity, and stable trade policies across the five major global regions, while tapping into the potential of key customers, thus achieving breakthroughs on target customers and stabilizing the foundation of the export business. The Company will endeavor to identify target markets with reputed brand foundation and significant potential and work with clients to develop marketing strategies and activities to create benchmark markets for replication and promotion.

2. Focus on white TV business for loss reduction and breakthroughs

(1) Refrigerator landscape optimization

The Company will coordinate and integrate the white appliance factories across various fields such as R&D, supply chain, production, and marketing to improve operational efficiency, complete the landscape and matching for new energy-efficient refrigerators, streamline SKUs, and improve the output efficiency of individual products. The Company will further reinforce business foundation and operation capabilities of ToC channels online, while investing more in OTO channels and engineering models, increasing contributions from the markets of bases, gaining higher market share, and reshaping the product image and reputation of refrigerators offline.

(2) Washing machine brand building

For domestic sales, the Company will refine the product landscape for a full product line in structural segments covering mini, semi-automatic, pulsator, and front-loading models in line with the resources across all subsidy channels on the high, mid, and low-end markets; in addition, the Company will further expand product planning for export sales to meet the product demands of high-end customers.

### 3. Focus on PCB business for capability enhancement

The Company will further increase the sales of high value-added products such as double-sided aluminum substrates, thermoelectric separation copper substrates, and thin boards, and increase the proportion of high gross margin products by deepening cooperation with customers. The Company will systematically promote cost reduction in new processes and procurement, for cost reduction and income increase by adopting new processes, automation transformation, and self-procurement of materials. The Company will actively seek cooperation opportunities with industry competitors to improve capacity utilization.

#### (II) Deepen lean management and innovation to empower business value growth

##### 1. Lean management improvement for greater competence

###### (1) Further implementation of "6S management"

To leverage the professional integration capability to study and establish the "6S" management system to fully enhance management efficiency. On one hand, the Company will continue to optimize the 2026 business plans from various perspectives such as market trends, competitive landscape, and current operating status objectively and comprehensively; on the other hand, it will strengthen process control, establish a transparent management reporting system, build a comprehensive process control mechanism around the business goals and key management issues, and dynamically adjust operating strategies to steadily achieve the business goals.

###### (2) Comprehensively developing lean management

To achieve the goal of efficiency improvement across the entire chain of R&D, production, supply, sales, and service. On the one hand, the Company will continue to enhance lean management of R&D with higher efficiency by shortening the R&D cycle, reducing trial-and-error costs, and enhancing product manufacturability. The Company will promote lean manufacturing on the production end, enhance the automation and intelligence of factories, eliminate waste, stabilize the production pace, and improve production and delivery capabilities. Meanwhile, the Company will strive to reduce costs of the supply chain and optimize procurement synergy to increase gross profit margins, strengthen turnover management to reduce negative operating losses. In addition, the Company will improve sales management, reduce order waste, and accelerate customer response in line with market demand. While reinforcing lean service management, the Company will fully improve after-sales service, reduce service costs, enhance customer satisfaction, and reduce after-sales resource waste.

##### 2. New growth driver development for profitability improvement

###### (1) Small home appliance business

The Company plans to develop self-operated businesses on small home appliances, explore an asset-light operation path through market-oriented recruitment, and build an efficient product operation system.

(2) Actively laying out the smart home industry track

Adhering to the concept of safe, comfortable, green, and smart "good house", the Company has applied the "family AI agent" as the hub based on the independent and controllable ecosystem, while working with the associate entities to build the Konka smart home system covering home appliances and scenario-based terminals.

3. Rebuilding of the mechanism for innovation to empower business growth

(1) Continuous product innovation

The Company will boost product innovation centered on intelligence and user experience to achieve a leap towards "scenario-based intelligence" and "experience aggregation". For color TV, the Company will continue the development of mini-color TVs with differentiated labels such as "age-friendly," "artistic," and "healthy". For refrigerators, the Company will develop high-end refrigerators with differentiated features targeting mid-to-high-end customers, particularly cross-door French-door dual-system flat-embedded refrigerators and large-freezer side-by-side refrigerators. For washing machines, the Company will develop the first high-end triple-tub washing machine platform towards the mid-to-high-end market for domestic front-loading models.

(2) Constant technological innovation

Backed up by cutting-edge technologies in the industry, the Company will deepen the application of core technologies while enhancing the platform capabilities around core product categories. For color TV, the Company will focus on MLED (a collective term for Micro LED and Mini LED) direct-view display and Mini LED backlight technologies to support the R&D of flagship products. The Company will invest more in AI LLM to support innovative applications on audio and video translation and digital humans. In respect of refrigerator business, the Company will focus on preservation (electric field, micro-freezing) and five-fold sterilization technologies. In addition, the Company will upgrade the whole-link disinfection and multi-tub platform technologies for the upgrading of washing machines. In terms of PCB, the Company will invest more in the new process technology of drilling and resin plugging for double-sided copper-clad metal substrates.

(3) System innovation

The Company will endeavor to establish a three-tiered R&D system, focusing on cutting-edge technologies, common platforms, and the development of highly complex products. It will also strengthen the R&D capabilities of manufacturing bases and introduce a digital PLM system to improve R&D efficiency.

## XII. Reception of Research, Communications, Interviews and Other Activities during the Reporting Period

√ Applicable □ Not Applicable

Reception time	Place of reception	Method of reception	Type of object of reception	Object of reception	Main points of discussion and information provided	Index of basic information of researches
February 13, 2025	Conference Room of the Office Building of Konka R&D Building	Field survey	Institution/individual	<p>Shenzhen Pingbang Fund Management Co., Ltd.: Sun Jianchao, Dong Chao</p> <p>Beijing Jianggen Capital Management Co., Ltd.: Li Min</p> <p>Shenzhen Kuayue Fund Management Co., Ltd.: Ge Yunshuai</p> <p>Shenzhen Chaoshan Investment Group Co., Ltd.: Zhang Jinbang, Liang Huana</p> <p>Shenzhen Specialized, Refined, Special and New Enterprises Development Association: Wang Yan</p> <p>Qianhai Yangtze River Fund (Shenzhen) Co., Ltd.: Zhang Hui</p> <p>Shenzhen Nuoyin Asset Management Co., Ltd.: Hou Heng</p> <p>Institutions from CSC Financial Shenzhen Branch: Zhan Jiaqi</p> <p>Aden Financial Group Co., Ltd.: Zhu Rongzhen</p> <p>Northeast Securities Co., Ltd. Shenzhen Branch: Zhang Jun, Zhou Heming, Huang Shiyuan</p> <p>Meili Investment Fund Management (Beijing) Co., Ltd.: Zhang Xiang</p> <p>Guangzhou Lanhai Private Equity Fund Management Co., Ltd.: Pan Weiyu</p> <p>Hainan Liangcheng Private Equity Fund Management Partnership (Limited Partnership): Dai Fang</p> <p>Individual investors: Huang Xuexia, Chen Kexin, Li Jun, Pan Shuohua</p>	For details, please refer to the Investor Relations Activity Record Form (No. 2025-01)	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
May 7, 2025	Conference Room of the Office	Online communication on the	Individual	Investors participating in the 2024 Online Performance Briefing of Konka Group Co.,	For details, please refer to the Investor	

Reception time	Place of reception	Method of reception	Type of object of reception	Object of reception	Main points of discussion and information provided	Index of basic information of researches
	Building of Konka R&D Building	network platform		Ltd. through the Shenzhen Stock Exchange "Interactive Easy" website ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> )	Relations Activity Record Form (No. 2025-02)	
May 9, 2025	Conference Room of the Office Building of Konka R&D Building	Field survey	Institution	Pacific Securities: Jin Tongyu	For details, please refer to the Investor Relations Activity Record Form (No. 2025-03)	
May 13, 2025	Conference Room of the Office Building of Konka R&D Building	Field survey	Institution	Shenzhen Qingpu Capital Management Co., Ltd.: Yan Pu Shenzhen Zeyuan Private Equity Fund Co., Ltd.: Sun Yan Shiju Holding Co., Ltd.: Zou Deqi Shenzhen Rongxintai Private Equity Fund Management Co., Ltd.: Cao Wei Shenzhen Nanfang Huijin Investment Management Co., Ltd.: Liu Jihong Shenzhen Artificial Intelligence Industry Association AIGC Committee: Zeng Lunxing Xincheng Ruiyuan Enterprise Management Consulting (Shenzhen) Co., Ltd.: Jiang Yan Shenzhen Rongxintai Private Equity Fund Management Co., Ltd.: Wan Huan Beijing Dacheng (Shenzhen) Law Firm: Xu Yao	For details, please refer to the Investor Relations Activity Record Form (No. 2025-04)	
May 20, 2025	Conference Room of the Office Building of Konka R&D Building	Field survey	Institution	Huaxi Securities: La Ruimeng	For details, please refer to the Investor Relations Activity Record Form (No. 2025-05)	
June 20, 2025	Conference Room of the Office Building of Konka R&D Building	Online communication on the network platform	Individual	Investors participating in the investor briefing of Konka Group Co., Ltd. on the termination of the issuance of shares and purchase of assets and raising supporting	For details, please refer to the Investor Relations Activity Record Form (No.	

Reception time	Place of reception	Method of reception	Type of object of reception	Object of reception	Main points of discussion and information provided	Index of basic information of researches
	Building			funds through Shenzhen Stock Exchange "Interactive Easy" website ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> )	2025-06)	
September 12, 2025	Conference Room of the Office Building of Konka R&D Building	Field survey	Institution	Aiying Investment: Chen Fan, Guo Feng, Ye Linkun, Wang Fangwen Huihua Holding: Yin Ying Xiaozhong Capital: Liang Xing Chuanghua Investment: Li Junhui Fortune Online: Chang Jianwu, Ruan Shiwang, He Jie	For details, please refer to the Investor Relations Activity Record Form (No. 2025-07)	

### **XIII. Formulation and Implementation of Market Capitalization Management System and Valuation Enhancement Plan**

Whether the Company has formulated a market capitalization management system.

Yes  No

Whether the Company has disclosed its valuation enhancement plan.

Yes  No

### **XIV. Implementation of the "Quality and Return Dual Enhancement" Action Plan**

Whether the Company has disclosed an announcement on the "Quality and Return Dual Enhancement" Action Plan.

Yes  No

## Section IV Corporate Governance, Environment, and Society

### I. General Information on Corporate Governance

During the Reporting Period, in strict accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, relevant laws, regulations and rules of the CSRC, as well as the actual needs of the Company, the Company revised relevant internal control systems, continuously improved the corporate governance structure, and standardized the Company's operations, in a timely manner. By the end of the Reporting Period, the actual situation of corporate governance was basically in compliance with the requirements of the relevant regulatory documents on governance of listed companies issued by the CSRC.

#### (I) Shareholder and General Meeting

The Company has formulated the Articles of Association and the Rules of Procedure for General Meetings, which ensure the legitimate rights and equal status of all shareholders, especially minority shareholders; during the Reporting Period, the Company was in strict compliance with relevant requirements to issue notices on the General Meetings in advance and convene the General Meetings, ensuring that shareholders had the rights to be informed and participate in major matters of the Company; related-party transactions between the Company and related parties are fair and reasonable and have been fully disclosed as required. In 2025, the Company held a total of eight General Meetings. In accordance with the relevant laws and regulations, the Company issued a notice of convening the General Meetings in advance through the designated media, and earnestly carried out the registration, arrangement and organization work for the General Meetings. The Company strictly adhered to the provisions of the Articles of Association to hold on-site General Meetings at the Company's office address, which is conveniently located, allowing shareholders to attend the meetings according to actual circumstances. The Company's directors and senior executives provided explanations and clarifications in response to shareholders' inquiries and suggestions during the General Meetings.

#### (II) The Company and its Controlling Shareholder

During the Reporting Period, the controlling shareholder and the de facto controller of the Company have conducted themselves in a standardized manner, exercised their rights and fulfilled their obligations in accordance with the law. All major decisions of the Company were made by the General Meetings in accordance with the law. The controlling shareholder and the de facto controller of the Company have not directly or indirectly interfered in the Company's decision-making and business operations beyond the scope of authority of the General Meeting. The Board of Directors and internal organizations of the

Company are able to operate independently, and are independent of the controlling shareholders and de facto controllers by practicing the “Five Separations” in terms of business, personnel, assets, organizations and finances.

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

The number and composition of the Board of Directors of the Company are in compliance with the requirements of laws and regulations, and the Company has formulated the Rules of Procedure of the Board of Directors to ensure the efficient operation and scientific decision-making of the Board of Directors; the Company has established an independent directors system and has selected and appointed three independent directors. During the Reporting Period, the number and composition of the Board of Directors of the Company were in compliance with the laws and regulations and the provisions of the Articles of Association. The Board of Directors of the Company has set up four professional committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy and Investment Committee, to provide professional advice for the decision-making by the Board of Directors. All directors of the Company are able to carry out their tasks and fulfill their duties in accordance with the Rules of Procedure of the Board of Directors, the Independent Directors System and other systems, and diligently attend the Board meetings. During the Reporting Period, the Company held a total of 20 Board meetings, effectively leveraging the decision-making mechanism of the Board of Directors.

#### (IV) Performance Valuation, Incentive and Restraint Mechanism

The appointment of the Company's senior executives is open, transparent and in compliance with laws and regulations. The Company has established and is gradually improving the performance evaluation standards and incentive and restraint mechanism for senior executives, so as to attract talents, and ensure the stability of senior executives.

#### (V) Stakeholders

The relationship between the Company and its stakeholders, including banks and other creditors, employees, consumers and suppliers, is one of complementarity, mutual promotion and common development, and the Company is able to fully respect and safeguard the legitimate rights of the stakeholders, and actively cooperate with them to jointly promote the sustainable and healthy development of the Company. During the Reporting Period, the Company fully respected and safeguarded the legitimate rights and interests of relevant stakeholders, achieved a coordinated balance of the interests of society, shareholders and employees, safeguarded the rights and interests of employees, promoted environmental protection and actively participated in social welfare and

charitable undertakings, to jointly promote the Company's sustained and steady development.

#### (VI) Information Disclosure and Transparency

The Company has formulated the Investor Relations Management System and the Information Disclosure Management System, designated dedicated persons to be responsible for information disclosure, appointed a dedicated department to receive shareholders' visits and inquiries, and actively carried out investor relations management to ensure that all shareholders have equal opportunities to access information. During the Reporting Period, the Company was able to disclose in a timely, truthful, complete and accurate manner all types of corporate information that should be disclosed to the public in accordance with the regulations in strict accordance with the laws, regulations and the Articles of Association of the Company, ensuring accurate and timely disclosure of corporate information and guaranteeing that all shareholders had equal opportunities of access to the Company's information.

#### (VII) Non-standard Governance Issues in the Company

##### 1. Types of non-standard governance issues in the Company

There have been circumstances where the Company provided undisclosed information to major shareholders.

##### 2. Types and frequency of undisclosed information provided to major shareholders

The Company provides monthly financial data to its major shareholders.

3. Reasons for relevant non-standard corporate governance: In accordance with the management requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Company submits monthly financial data and other undisclosed information to the major shareholders directly under the jurisdiction of SASAC.

##### 4. Impacts on the Company's independence

The self-inspection indicates that the Company strictly adhered to the requirements under the Notice on Strengthening Supervision over Provision of Undisclosed Information by Listed Companies to Major Shareholders and Actual Controllers and other relevant documents when providing relevant information to major shareholders, and observed the necessary procedures. There has been no abuse of control by major shareholders to disclose undisclosed information for insider trading, and there has been no impact on the Company's independence.

#### (VIII) Implementation of Special Corporate Governance Activities and Formulation and Implementation of the Insider Registration Management System

##### 1. Establishment and improvement of the insider management system

In order to further standardize the Company's insider information management practices, strengthen the confidentiality of the Company's insider information, and uphold the principle of fair information disclosure, and in accordance with the Company Law, the Securities Law, the Measures for the Regulations on Information Disclosure of Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and other relevant laws, regulations and normative documents, the Company has established the Inside Information and Insider Management System of Konka Group Co., Ltd. The Company strictly implements and enforces the system in its information disclosure practices. In addition, the Company has conscientiously implemented the Company's regulations on the registration and management of such insiders, registered such insiders and submitted filings to the Shenzhen Stock Exchange in accordance with the regulations. The Company has conducted a special inspection on the management of inside information during the occurrence of major events in 2025 and the reporting period of the 2025 annual report. The self-inspection shows that the Company has effectively ensured that during the period of preparation, consideration, and disclosure of regular reports and major events, the insiders of the Company have been in strict compliance with the provisions on confidentiality. They have not leaked, disclosed, or spread the Company's inside information to outsiders. There have been no cases where insiders traded the Company's stocks using inside information prior to the disclosure of major sensitive information that may affect the Company's stock price, and there have been no cases of investigation, punishment, and rectification by the regulatory authorities. The Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented and controlled effectively.

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

In order to strengthen the management of the filings of the Company's inside information, in accordance with the relevant provisions of laws, regulations and normative documents such as the Securities Law of the People's Republic of China, the Regulations on Information Disclosure of Listed Companies, and the Inside Information and Insider Management System of Konka Group Co., Ltd., the Company has established an inside information filing mechanism, which regulates matters such as the scope of inside information filing, the filing procedures, and the division of responsibilities.

The Company has conducted a special inspection on the management of inside information during the occurrence of major events in 2025 and the Reporting Period of the 2025 annual report. The self-inspection shows that the Company's inside information filings have been in compliance with the requirements of the Inside Information and Insider

Management System of Konka Group Co., Ltd. The Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented and controlled effectively. Whether there have been significant differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of listed companies

Yes  No

The actual state of corporate governance has not differed materially from the laws, administrative regulations and the provisions on governance of listed companies issued by the CSRC.

## **II. The Company's independence relative to its controlling shareholders and de facto controllers in terms of assets, personnel, finance, organization, and business**

During the Reporting Period, the Company was completely separated from its controlling shareholder in terms of business, personnel, assets, organizations, finance, etc. It enjoyed the status of an independent legal entity and a market competition subject, conducted independent accounting, had an independent and complete business operation and the capability of independent operation, and independently assumed operating responsibilities and risks.

(I) Business independence: The Company has a complete supply, R&D, production, and sales system, with the capability to operate independently in the market. It conducts independent operations, accounting, decision-making, and independently assumes responsibilities and risks, without interference or control from the controlling shareholder, de facto controller, or other enterprises controlled by them.

(II) Personnel independence: The Company has an independent and complete system for labor, HR, and salary management, which is completely independent of the controlling shareholder and de facto controller. The Company has an independent workforce. Its senior executives, financial staff, and business personnel do not hold any positions other than directors and supervisors in the shareholder entities or their affiliates.

(III) Assets integrity: The Company has production and operation premises independent of those of the controlling shareholder, possesses an independent and complete asset structure, and owns assets such as an independent production system, auxiliary production system, supporting facilities, and housing ownership rights. It also has an independent procurement and sales system.

(IV) Organization separation: The Company has established functional organizations that meet its own development needs and the requirements of market competition. All functional organizations are completely independent in terms of personnel, office premises, and management systems. There have been no circumstances of interference in the

establishment of the Company's organization by shareholders or any other entity or individual.

(V) Financial independence: The Company has an independent financial department with full-time financial personnel, has established an independent financial accounting system and complies with the requirements of the relevant accounting system to carry out financial work independently; the Company has formulated a sound financial management system, operates independently and does not share bank accounts with its controlling shareholders, affiliates or any other entities or individuals. The Company files tax returns and fulfills its payment obligations independently in accordance with the law, and there have been no cases involving mixed tax payments with shareholder entities.

### III. Horizontal competition

Applicable  Not Applicable

Problem type	Type of related relationship with listed companies	Company name	Nature	Problem cause	Solution	Work progress and follow-up plan
Horizontal competition	De facto controller	JCET Group Co., Ltd.	SASAC	Business overlap or potential competition with the Company's subsidiary - Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd. - in terms of external packaging and testing services.	Within five years from July 11, 2025, the Company will resolve the business overlap and potential competition between the Company and controlled companies (excluding the listed company and its controlled companies), and Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd., a subsidiary of the listed company, through legal procedures, including but not limited to trusteeship, asset restructuring, business cessation by one party, product structure adjustment, or joint venture establishment, in a bid to comply with regulatory requirements concerning horizontal competition.	Relevant work is in progress

## IV. Directors and senior executives

### 1. Basic information

Name	Gender	Age	Title	Employment status	Start date	End date	Shareholding at the beginning of the current period (shares)	Increase in the shareholding during the current period (shares)	Decrease in the shareholding during the current period (shares)	Other increase/decrease (shares)	Shareholding at the end of the current period (shares)	Reasons for changes in shareholding
Wu Jianjun	Male	55	Chairman of the Board	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Ye Xingbin	Male	56	Employee Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Yu Huiliang	Male	45	Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
			Chief Financial Officer	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
			Concurrently Secretary to the Board of Directors	Incumbent	October 28, 2025	August 13, 2028	0	0	0	0	0	
Song Qing	Male	61	Non-independent Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Sun Yongqiang	Male	56	Non-independent Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Li Zhong	Male	58	Independent Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Pan Zhaoguo	Male	64	Independent Director	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Liu Jian	Male	60	Independent	Incumbent	August	August	0	0	0	0	0	

			Director		14, 2025	13, 2028						
Shi Hongchao	Male	59	Vice President	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Dong Gang	Male	49	Vice President	Incumbent	January 12, 2026	August 13, 2028	0	0	0	0	0	
Lin Hongfan	Male	55	Vice President	Incumbent	August 14, 2025	August 13, 2028	0	0	0	0	0	
Yao Erfang	Female	43	General Counsel	Incumbent	February 11, 2026	August 13, 2028	0	0	0	0	0	
Zhou Bin	Male	47	Vice Chairman of the Board of Directors (in charge of business operation)	Resignation	August 27, 2024	August 14, 2025	0	0	0	0	0	
Cao Shiping	Male	48	Director, President	Resignation	October 21, 2024	January 16, 2026	0	0	0	0	0	
Huang Xinzhen	Male	48	Director	Resignation	October 21, 2024	August 14, 2025	0	0	0	0	0	
Wang Shuguang	Male	55	Independent Director	Resignation	July 25, 2022	August 14, 2025	0	0	0	0	0	
Deng Chunhua	Female	63	Independent Director	Resignation	July 25, 2022	August 14, 2025	0	0	0	0	0	
Yang Bo	Male	56	Vice President	Resignation	August 14, 2025	January 12, 2026	0	0	0	0	0	
Nie Yong	Male	53	Chief Financial Officer	Resignation	August 27, 2024	August 14, 2025	0	0	0	0	0	
Li Chunlei	Male	53	Board Secretary	Resignation	August 27, 2024	August 14, 2025	0	0	0	0	0	
Total	--	--	--	--	--	--	0	0	0	0	0	--

Whether any director or senior executive left office during their term of office in the Reporting Period

Yes  No

On August 14, 2025, Mr. Zhou Bin ceased to serve as the Vice Chairman and Director of the Company's 10th Board of Directors and the positions in the relevant committees UNDER the Board of Directors upon the expiration of term of office.

On August 14, 2025, Mr. Huang Xinzheng ceased to serve as a Director of the Company's 10th Board of Directors and the positions in the relevant special committees of the Board of Directors upon the expiration of term of office.

On August 14, 2025, Mr. Wang Shuguang ceased to serve as an Independent Director of the Company's 10th Board of Directors and the positions in the relevant special committees of the Board of Directors upon the expiration of term of office.

On August 14, 2025, Ms. Deng Chunhua ceased to serve as an Independent Director of the Company's 10th Board of Directors and her positions in the relevant special committees of the Board of Directors upon the expiration of her term of office.

On August 14, 2025, Mr. Nie Yong ceased to serve as the Financial Director of the Company upon the expiration of his term of office.

On August 14, 2025, Mr. Li Chunlei ceased to serve as the Secretary to the Board of Directors of the Company upon the expiration of his term of office.

On January 12, 2026, Mr. Yang Bo resigned from the position of Vice President of the Company due to work arrangements.

On January 16, 2026, Mr. Cao Shiping resigned from positions as Director and President of the Company's 11th Board of Directors, as well as his positions in the relevant committees under the Board of Directors due to work arrangements.

Changes of directors and senior executives of the Company

Applicable  Not Applicable

Name	Position(s)	Type	Date	Reason
Wu Jianjun	Chairman, Director	Elected	August 14, 2025	Reshuffle
Ye Xingbin	Employee Director	Elected	August 14, 2025	Reshuffle
Yu Huiliang	Director	Elected	August 14, 2025	Reshuffle
Song Qing	Non-independent Director	Elected	August 14, 2025	Reshuffle
Sun Yongqiang	Non-independent Director	Elected	August 14, 2025	Reshuffle
Li Zhong	Independent Director	Elected	August 14, 2025	Reshuffle
Pan Zhaoguo	Independent Director	Elected	August 14, 2025	Reshuffle
Shi Hongchao	Vice President	Appointed	August 14, 2025	Reshuffle
Yu Huiliang	Chief Financial Officer	Appointed	August 14, 2025	Reshuffle
Yu Huiliang	Concurrently Secretary to the Board of Directors	Appointed	October 28, 2025	Job transfer

Name	Position(s)	Type	Date	Reason
Dong Gang	Vice President	Appointed	January 12, 2026	Job transfer
Yao Erfang	General Counsel	Appointed	February 11, 2026	Job transfer
Zhou Bin	Vice Chairman of the Board of Directors (in charge of business operation)	Resignation upon expiration of term	August 14, 2025	Reshuffle
Cao Shiping	Director, President	Resignation	January 16, 2026	Job transfer
Huang Xinzheng	Director	Resignation upon expiration of term	August 14, 2025	Reshuffle
Wang Shuguang	Independent Director	Resignation upon expiration of term	August 14, 2025	Reshuffle
Deng Chunhua	Independent Director	Resignation upon expiration of term	August 14, 2025	Reshuffle
Yang Bo	Vice President	Resignation	January 12, 2026	Job transfer
Nie Yong	Chief Financial Officer	Resignation upon expiration of term	August 14, 2025	Reshuffle
Li Chunlei	Board Secretary	Resignation upon expiration of term	August 14, 2025	Reshuffle

## 2. Employment

Professional background and major work experience of the Company's current directors, senior executives, as well as their current major responsibilities in the Company

### (1) Non-independent Director

Mr. Wu Jianjun, Secretary of the Party Committee, Director, and Chairman of the Board. Male, of Han ethnicity, born in 1971, with a bachelor's degree. Once served as Assistant President and Vice President of China Resources Pharmaceutical Group Limited, member of the Party Committee of China Resources Medical Holdings Company Limited, and Deputy General Manager, General Manager, Deputy Secretary of the Party Committee, Secretary of the Party Committee, and Chairman of the Board of China Resources Pharmaceutical Commercial Group Co., Ltd. He currently serves as Assistant General Manager of China Resources (Holdings) Co., Ltd., and Secretary of the Party Committee, Director, and Chairman of the Board of Konka Group.

Mr. Ye Xingbin, Deputy Secretary of the Party Committee, Chairman of the Trade Union, and Employee Director. Male, of Han ethnicity, born in 1970, with a bachelor's degree. Once served as a full-time Director of Overseas Chinese Town Holdings Company, held a temporary post as a member of the Standing Committee of the CPC Qiandongnan Prefecture Committee and Deputy Governor of Guizhou Province, Deputy Secretary of the Party Committee and Director of Shenzhen Huakang Chuangzhan Technology Holding Group Co., Ltd., and Deputy Secretary of the Party Committee and Director of Konka

Group. He currently serves as Deputy Secretary of the Party Committee, Chairman of the Trade Union, and Employee Director of Konka Group.

Mr. Yu Huiliang, member of the Party Committee, Director, Chief Financial Officer, and Secretary of the Board of Directors. Male, of Han ethnicity, born in 1981, with a master's degree, serves as a Certified Public Accountant (CPA), Certified Tax Agent (CTA), Chartered Financial Analyst (CFA), and a member of the Association of Chartered Certified Accountants (ACCA). He once served as Senior Manager of the Finance Department of China Resources Group, and Chief Financial Officer and member of the Party Committee of China Resources Asset Management Co., Ltd. He currently serves as a member of the Party Committee, Director, Chief Financial Officer, and Secretary of the Board of Directors of Konka Group.

Mr. Song Qing, Director. Male, of Han ethnicity, born in 1965, with a bachelor's degree. Once served as President and Chairman of the Board of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd., President of China Resources Pharmaceutical Group Limited, Chairman of the Board of China Resources Medical Holdings Company Limited, and Chairman of the Board of China Resources Health Group Ltd. He currently serves as a part-time external director for relevant business units of China Resources (Holdings) Co., Ltd., and Director of Konka Group.

Mr. Sun Yongqiang, Director. Male, of Mongolian ethnicity, born in 1970, holds a bachelor's degree in Engineering in Thermal Engineering from Dalian University of Technology. Once served as Vice President and Chief Human Resources Officer of China Resources Land Limited, and held a temporary post as Deputy General Manager and member of the Party Committee of Hainan Development Holdings Co., Ltd. He currently serves as a full-time external director for relevant business units under China Resources (Holdings) Co., Ltd., Director of China Resources Pharmaceutical Group Limited, Director of China Resources Ng Fung Limited, and a Director of Konka Group Co., Ltd.

## (2) Independent Directors

Mr. Li Zhong, Independent Director. Male, of Han ethnicity, born in 1968, with a master's degree. Once served as Deputy Manager of the Import Department and Domestic Sales Department of the Plastics Company of China National Packaging Import & Export Corporation under the former Ministry of Foreign Trade and Economic Cooperation, Assistant to the President of Greater China at the Asia-Pacific headquarters of Philip

Morris International Inc., Director of Shenzhen Bus Group Co., Ltd., Executive Director of China Water Affairs Group Limited, and Executive Director and Chairman of the Board of Kangda International Environmental Company Limited. He currently serves as Executive Director of China Water Affairs Group Limited, Executive Director of Kangda International Environmental Company Limited, and Independent Director of Konka Group Co., Ltd..

Mr. Pan Zhaoguo, Independent Director. male, of Han ethnicity, born in 1962, with a master's degree, serves as a fellow Certified Practicing Accountant of CPA Australia, a fellow to The Chartered Governance Institute, a senior fellow to the Hong Kong Chartered Governance Institute, and a member of the Hong Kong Securities and Investment Institute. He once served as an Independent Non-executive Director of Tonly Electronics Holdings Limited, an Independent Non-executive Director of Honghua Group Limited, an Independent Non-executive Director of Chongqing Changan Minsheng APLL Logistics Co., Ltd., an Independent Non-executive Director of Yancoal Energy Group Company Limited, an Independent Non-executive Director of Yuanda China Holdings Limited, an Independent Non-executive Director of Tsingtao Brewery Co., Ltd., an Independent Non-executive Director of Ningbo Zhoushan Port Company Limited, and an Independent Non-executive Director of CSSC Offshore & Marine Engineering (Group) Company Limited. He currently serves as Executive Director, Vice President and Secretary of Huabao International Holdings Limited, an Independent Non-executive Director of Sunac China Holdings Limited, AUX International Holdings Limited, Sany Heavy Equipment International Holdings Company Limited, Greentown Service Group Co. Ltd., Jinchuan Group International Resources Co. Ltd., and China Isotope & Radiation Corporation, and an Independent Director of Konka Group.

Mr. Liu Jian, Independent Director. Male, of Han ethnicity, born in 1966, with a master's degree. Once served as Editor at the University of International Business and Economics Press, Editor at the China Business Times, Independent Director of Wuhan Tianyuan Environmental Protection Co., Ltd., Independent Director of Hisense Visual Technology Co., Ltd., Independent Director of Founder Technology Group Co., Ltd., and Chairman of Beijing Jingguan Culture Media Co., Ltd., among other positions. He currently serves as Director and General Manager of Shandong Economic Observer Media Co., Ltd., President and Editor-in-Chief of the Economic Observer, and Independent Director of Konka Group.

### (3) Senior executives

Mr. Shi Hongchao, member of the Party Committee, Vice President. Male, of Han ethnicity, born in 1967, with a bachelor's degree, holds the qualification of Senior Engineer. He once served as General Manager of Cangzhou China Resources Power Co., Ltd., General Manager of the Inner Mongolia Branch of China Resources Power, Deputy General Manager of the Thermal Power Business Department and General Manager of the Inner Mongolia Region of China Resources Power Holdings Company Limited, and Deputy General Manager of the Strategic Management Department of China Resources (Holdings) Co., Ltd. He currently serves as a member of the Party Committee and Vice President of Konka Group.

Mr. Dong Gang, member of the Party Committee, Vice President. Male, of Han ethnicity, born in 1977, with a master's degree. Once served as Deputy General Manager of the Legal Affairs Department of China Huayuan Group Co., Ltd., Deputy General Manager of the Corporate Management Department of Sanjiu Enterprise Group, General Manager of the Legal and Compliance Department of China Resources Asset Management Co., Ltd., and Deputy General Manager of the Legal and Compliance Department of China Resources (Holdings) Co., Ltd. He currently serves as a member of the Party Committee and Vice President of Konka Group.

Mr. Yu Huiliang, member of the Party Committee, Director, Chief Financial Officer, and Secretary of the Board of Directors. Male, of Han ethnicity, born in 1981, with a master's degree, serves as a Certified Public Accountant (CPA), Certified Tax Agent (CTA), Chartered Financial Analyst (CFA), and a member of the Association of Chartered Certified Accountants (ACCA). He once served as Senior Manager of the Finance Department of China Resources Company Limited, and member of the Party Committee and Chief Financial Officer of China Resources Asset Management Co., Ltd., among other positions. He currently serves as a member of the Party Committee, Director, Chief Financial Officer, and Secretary of the Board of Directors of Konka Group.

Mr. Lin Hongfan, member of the Party Committee, Vice President. Male, of Han ethnicity, born in 1971, with a bachelor's degree. He previously served as Deputy General Manager of the Multimedia Marketing Division, General Manager of the Color TV Strategy and Supply Chain Management Center, Executive Deputy General Manager and General Manager of the Multimedia Business Division, and Assistant to the President and Vice President of Konka Group. He currently serves as a member of the Party Committee and Vice President of Konka Group.

Ms. Yao Erfang, General Counsel, General Manager of the Legal and Compliance Department. Female, of Han ethnicity, born in 1983, with a doctoral degree. Once served as a Professional Director of the Legal and Compliance Department of China Resources Group. She currently serves as the General Counsel and General Manager of the Legal and Compliance Department of Konka Group.

Controlling shareholder or de facto controller serving concurrently as Chairman and General Manager of the listed company

Applicable  Not applicable

Position held at the shareholder's entity

Applicable  Not Applicable

Name of person holding the position	Name of shareholder	Positions held at shareholder entities	Start date	End date	Whether the subject receives remuneration or allowance from the shareholder entities
Wu Jianjun	China Resources (Holdings) Co., Ltd.	Assistant General Manager	July 7, 2025		
Song Qing	China Resources (Holdings) Co., Ltd.	Part-time External Director for Business Units	July 25, 2025		Yes
Sun Yongqiang	China Resources (Holdings) Co., Ltd.	Full-time External Director for Business Units	September 28, 2023		Yes
Sun Yongqiang	China Resources Beverage (Holdings) Co., Ltd.	Director	April 22, 2024	August 8, 2025	
Sun Yongqiang	China Resources Pharmaceutical Group Limited	Director	December 27, 2023		
Sun Yongqiang	China Resources Ng Fung Limited	Director	May 20, 2024		
Explanation of positions held at shareholder entities	<p>1. Apart from this, none of the other directors or senior executives of the Company hold positions in the shareholder entities.</p> <p>2. The terms of office for Mr. Wu Jianjun, Mr. Song Qing, and Mr. Sun Yongqiang in their positions at the shareholder entities are currently unknown.</p>				

## Positions held at other entities

√ Applicable □ Not Applicable

Name of person holding the position	Name of other entity	Positions held at other entities	Start date	End date	Whether the subject receives remuneration or allowance from the other entity
Li Zhong	Shenzhen Bus Group Co., Ltd.	Director	December 23, 2004	October 30, 2025	Yes
Li Zhong	China Water Affairs Group Limited	Executive Director	June 4, 2015		Yes
Li Zhong	Kangda International Environmental Company Limited	Executive Director and Chairman of the Board of Directors	April 4, 2019	Resigned as Chairman of the Board of Directors on February 4, 2026	Yes
Pan Zhaoguo	Huabao International Holdings Limited	Executive Director, Vice President and Company Secretary	March 29, 2004		Yes
Pan Zhaoguo	Sunac China Holdings Limited	Independent Non-Executive Director	June 8, 2011		Yes
Pan Zhaoguo	AUX International Holdings Limited	Independent Non-Executive Director	May 15, 2015		Yes
Pan Zhaoguo	Sany Heavy Equipment International Holdings Company Limited	Independent Non-Executive Director	December 18, 2015		Yes
Pan Zhaoguo	Greentown Service Group Co. Ltd.	Independent Non-Executive Director	June 13, 2016		Yes
Pan Zhaoguo	Jinchuan Group International Resources Co. Ltd,	Independent Non-Executive Director	March 21, 2017		Yes
Pan Zhaoguo	China Isotope & Radiation Corporation	Independent Non-Executive Director	June 30, 2023		Yes
Liu Jian	Shandong Economic Observer Media Co., Ltd., President	Director, General Manager	September 28, 2022		Yes
Liu Jian	The Economic Observer	President, Editor-in-Chief	April 16, 2001		
Explanations on positions held at other entities	None				

Penalties imposed in the recent three years by the securities regulator on the incumbent

directors and senior executives as well as those who left their positions during the reporting period

√ Applicable  Not Applicable

On July 10, 2023, the Company received the Decision of the CSRC Shenzhen Bureau on Regulatory Talks against Liu Fengxi, Zhou Bin, Li Chunlei, and Wu Yongjun ([2023] No. 108) issued by the CSRC Shenzhen Bureau, which imposed regulatory talks against Liu Fengxi, Zhou Bin, Li Chunlei, and Wu Yongjun. For details, please refer to the Announcement on Receiving the Decision on Administrative Regulatory Measures from the CSRC Shenzhen Bureau disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>).

On December 26, 2025, the Company received the Decision of the CSRC Shenzhen Bureau on Issuing a Warning Letter to Konka Group Co., Ltd., Liu Fengxi, Zhou Bin, and Li Chunlei ([2025] No. 260) (hereinafter referred to as the Decision Letter) issued by the CSRC Shenzhen Bureau, and the Regulatory Letter on Konka Group Co., Ltd. and Relevant Parties (Gong Si Bu Jian Guan Han [2025] No. 224) (hereinafter referred to as the Regulatory Letter) issued by the Shenzhen Stock Exchange, which imposed regulatory measures of issuing a warning letter to the Company, Liu Fengxi, Zhou Bin, and Li Chunlei respectively. For details, please refer to the Announcement on receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>).

### **3. Remuneration of Directors and Senior Executives**

Decision-making procedure, determination basis, and actual payment of remunerations for directors and senior executives

The remunerations of directors of the Company shall be approved by the Board of Directors, and thereafter submitted to the General Meeting for deliberation and decision. With reference to the remuneration levels of directors and supervisors of listed companies in the same industry in China, the remuneration scheme for the Company's directors, which was deliberated and approved by the Company's 2nd Extraordinary General Meeting in 2015, is as follows: (1) The basic annual salary standard for the Chairman of the Board of Directors is RMB 1.2 million. The allowance standard for other directors (excluding directors who hold positions within the Company) is RMB 300,000 per person per year; it was implemented from June 2015. (2) The above standards are pre-tax standards, and the individual income tax shall be borne by the individuals themselves, which shall be withheld and paid by the Company.

The additional benefits for directors include the reimbursement of travel expenses for attending meetings of the Board of Directors and the General Meeting, as well as the costs incurred in exercising their powers in accordance with relevant regulations of regulators, the Company's Articles of Association, and other related Company policies, all of which are reimbursed based on actual expenses. The remuneration of the Company's senior executives is determined by the Board of Directors with reference to the following factors: a. The job content and responsibilities of the position; b. The Company's performance and profitability; and c. The market remuneration levels within the same industry and region.

The remunerations of the Company's senior executives shall be reviewed by the Board's Remuneration and Evaluation Committee and then submitted to the Company's Board of Directors for deliberation and decision.

The remuneration information of the Company's directors and senior executives disclosed for the year 2025 has been reviewed and approved by the Remuneration and Evaluation Committee of the Board of Directors.

Remuneration of directors and senior executives of the Company during the Reporting Period

Unit: RMB10,000

Name	Gender	Age	Title	Employment status	Total before-tax compensation received from the Company	Whether the subject receives compensation from related parties of the Company
Wu Jianjun	Male	55	Chairman of the Board	Incumbent	49.07	No
Ye Xingbin	Male	56	Employee Director	Incumbent	53.46	No
Yu Huiliang	Male	45	Director, Chief Financial Officer, Secretary of the Board of Directors	Incumbent	40.36	No
Song Qing	Male	61	Non-independent Director	Incumbent	4.55	No
Sun Yongqiang	Male	56	Non-independent Director	Incumbent	11.37	No
Li Zhong	Male	58	Independent Director	Incumbent	11.37	No
Pan Zhaoguo	Male	64	Independent Director	Incumbent	11.37	No
Liu Jian	Male	60	Independent	Incumbent	30.00	No

Name	Gender	Age	Title	Employment status	Total before-tax compensation received from the Company	Whether the subject receives compensation from related parties of the Company
			Director			
Shi Hongchao	Male	59	Vice President	Incumbent	42.18	No
Lin Hongfan	Male	55	Vice President	Incumbent	53.46	No
Zhou Bin	Male	47	Vice Chairman of the Board of Directors (in charge of business operation)	Resignation	49.27	No
Cao Shiping	Male	48	Director, President	Resignation	69.15	No
Huang Xinzheng	Male	48	Director	Resignation	0	Yes
Wang Shuguang	Male	55	Independent Director	Resignation	18.63	No
Deng Chunhua	Female	63	Independent Director	Resignation	18.63	No
Yang Bo	Male	56	Vice President	Resignation	53.29	No
Nie Yong	Male	53	Chief Financial Officer	Resignation	35.60	No
Li Chunlei	Male	53	Board Secretary	Resignation	35.64	No
Total	--	--	--	--	587.40	--

Assessment basis for the actual remuneration received by all directors and senior executives at the end of the Reporting Period	Determined in accordance with the Company's relevant remuneration management and operating performance assessment rules.
Completion for the actual remuneration received by all directors and senior executives at the end of the Reporting Period	At the end of the Reporting Period, the directors and senior executives had not completed the annual assessment, and the final amount will be based on the actual assessment payment. The independent director allowances received by independent directors are not subject to assessment.
Deferred payment arrangement for the actual remuneration received by all directors and senior executives at the end of the Reporting Period	Not applicable
Payment stoppage and recourse for the actual remuneration received by all directors and senior executives at the end of the Reporting Period	Not applicable

#### Other information or explanations

Applicable  Not applicable

## V. Performance of duties by directors during the Reporting Period

### 1. Attendance of directors at Board of Directors meetings and General Meetings

Attendance of directors at Board of Directors meetings and General Meetings							
Name of director	Number of Board of Directors meetings to be attended for the Reporting Period	Number of Board of Directors meetings attended on site	Number of Board of Directors meetings attended via telecommunication	Number of Board of Directors meetings attended through a proxy	Number of Board of Directors meetings not attended	Whether the subject has failed to attend the Board of Directors meetings in person for two consecutive times	Number of General Meetings attended
Wu Jianjun	6	6	0	0	0	No	2
Ye Xingbin	6	5	0	1	0	No	7
Yu Huiliang	6	6	0	0	0	No	3
Song Qing	6	4	2	0	0	No	0
Sun Yongqiang	6	4	2	0	0	No	0
Li Zhong	6	4	2	0	0	No	0
Pan Zhaoguo	6	3	3	0	0	No	0
Liu Jian	20	0	20	0	0	No	0
Zhou Bin	14	1	13	0	0	No	5
Cao Shiping	20	7	13	0	0	No	7
Huang Xinzheng	14	1	13	0	0	No	0
Wang Shuguang	14	1	13	0	0	No	0
Deng Chunhua	14	1	13	0	0	No	1

Explanations on why the subject has failed to attend the Board meetings in person for two consecutive times

None

### 2. Objections raised by directors on relevant matters of the Company

Whether the director has raised objections on relevant matters of the Company

Yes  No

No objections have been raised by directors on relevant matters of the Company in the Reporting Period.

### 3. Additional explanations on the performance of duties by directors

Whether the suggestions from directors have been adopted by the Company

Yes  No

Explanations on whether suggestions from directors have been adopted or not

During the Reporting Period, the Company's directors actively attended relevant meetings, diligently reviewed various proposals, and fully played their roles in "formulating strategies, making decisions, and preventing risks", gained an in-depth understanding of the development of businesses such as semiconductors, as well as the Company's operational status, internal control construction, and the implementation of resolutions of Board meetings. The Company's directors have leveraged their professional expertise to provide constructive suggestions for the Company's development and corporate governance, such as increasing R&D investment, focusing on cash flow, actively expanding overseas markets, driving cost reduction and expense control in production, strengthening cooperation with upstream and downstream partners, and mitigating foreign exchange risks.

## VI. Performance of duties by specialized committees under the Board during the Reporting Period

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
Financial Audit Committee	Deng Chunhua, Huang Xinzheng, Wang Shuguang	6	January 8, 2025	Review of the Company's issuance of shares to purchase assets and raise supporting funds	After the review and analysis of the documents on the Company's issuance of shares to purchase assets and raise supporting funds, relevant opinions were issued, and such progress was agreed to continue.	None	
			January 13, 2025	Statement of Audit Committee Members on Matters such as Audit Work Arrangements	The audit work arrangements for the Company's 2024 annual report were approved.	None	
				Deliberation Opinion of the Audit Committee on the Financial Accounting Statements Issued by the Company before the Entry of the Annual Audit Certified Public Accountants	1. The submission of the financial statements to the annual audit Certified Public Accountants for audit was approved. 2. The annual audit firm engaged by the Company should strictly adhere to the requirements of the Chinese Certified Public Accountant Auditing Standards while conducting the audit. Any major issues identified should be promptly communicated to this Committee.	None	

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
			March 28, 2025	Deliberation Opinion on the Company's Financial Accounting Statements after the Annual Audit Certified Public Accountants Issued Their Preliminary Audit Opinion	No objection was raised regarding the Company's 2024 financial accounting statements preliminarily reviewed by ShineWing Certified Public Accountants (Special General Partnership).	None	
			April 1, 2025	Proposal on Postponing the Appointment of the Accounting Firm in 2025	It was proposed to postpone the appointment of the audit firm for the Company's 2025 financial statements.	None	
				Review opinion of the Audit Committee on matters related to the 44th meeting of the 10th Board of Directors	1. Review Opinion on the Company's 2024 Annual Report: After careful review by the members of the Financial Audit Committee, we have no objection to the 2024 Annual Report and its summary prepared by the Company, as well as the audit report with a standard unqualified opinion for 2024 issued by ShineWing Certified Public Accountants (Special General Partnership). 2. Review Opinion on the Company's 2024 Internal Control Evaluation Report: The Company has now established a relatively complete internal control system. The current internal control system complies with the requirements of relevant national laws and regulations as well as the actual needs of the Company's production, operation and management, and can be effectively implemented. The establishment of the internal control system has played a significant role in risk prevention and control across all aspects of the Company's production, operation, and	None	

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
					<p>management, ensuring the orderly and effective conduct of the Company's business activities, safeguarding the security and integrity of the Company's assets, and protecting the interests of the Company and its shareholders. After careful review by the members of the Financial Audit Committee, we believe that the Company's 2024 Internal Control Evaluation Report complies with the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Standard Operations of Main Board Listed Companies issued by the Shenzhen Stock Exchange and other relevant documents. The evaluation report has truthfully and comprehensively reflected the actual situation of the Company's internal control system.</p> <p>3. Review Opinion on Reports Related to the Company's Internal Audit Work: After careful review by the members of the Financial Audit Committee, we have no objection to the 2024 Annual Internal Audit Work Report of Konka Group, the 2024 Internal Audit Work Summary and 2025 Key Work Plan of Konka Group, and the 2025 Annual Internal Audit Plan of Konka Group submitted by the Company.</p> <p>4. Review Opinion on the Company's 2024 Comprehensive Risk Management Report and 2025 Major Operational Risk Forecast Report: After careful review by the members of the Financial Audit Committee, we have no objection to the 2024</p>		

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
					Comprehensive Risk Management Report and 2025 Major Operational Risk Forecast Report of Konka Group Co., Ltd. submitted by the Company.		
				Resolution of the Financial Audit Committee on Reports Related to the Company's Internal Audit Work	No objection was raised against the 2024 Annual Internal Audit Work Report of Konka Group, the 2024 Internal Audit Work Summary and 2025 Key Work Plan of Konka Group, and the 2025 Annual Internal Audit Plan of Konka Group submitted by the Company.	None	
				Resolution on the Company's 2024 Annual Report	No objection was raised regarding the 2024 Annual Report and its summary prepared by the Company, as well as the standard unqualified opinion audit report issued by ShineWing Certified Public Accountants (Special General Partnership) for 2024.	None	
				Resolution on the Company's 2024 Internal Control Evaluation Report	It was considered that the Company's 2024 Internal Control Evaluation Report complies with the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Standard Operations of Main Board Listed Companies issued by the Shenzhen Stock Exchange and other relevant documents. The evaluation report has truthfully and comprehensively reflected the actual situation of the Company's internal control system.	None	
			April 18, 2025	Resolution of the Financial Audit Committee on the Company's Financial Accounting Statements for the First Quarter	No objection was raised regarding the Company's financial statements for the first quarter of 2025.	None	

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
				of 2025			
			August 13, 2025	Review Opinion on the Appointment of the Chief Financial Officer	The Company's appointment of Mr. Yu Huijiang as the Chief Financial Officer of the Company was approved, with his term of office consistent with that of the current senior executives.	None	
Audit Committee	Pan Zhaoguo, Sun Yongqiang, Liu Jian	3	August 27, 2025	Resolution on the Company's Semi-Annual Financial Accounting Statements for 2025	No objection was raised regarding the Company's semi-annual financial statements for 2025.	None	
			September 11, 2025	Proposal on the Appointment of Accounting Firm for 2025	It was proposed to continue appointing ShineWing Certified Public Accountants (Special General Partnership) as the Company's 2025 financial statement audit firm and internal control audit firm.	None	
			October 28, 2025	Resolution on the Company's financial accounting statements for the third quarter of 2025	No objection was raised regarding the Company's financial statements for the third quarter of 2025.	None	
Remuneration and Evaluation Committee	Wang Shuguang, Ye Xingbin, Huang Xinzheng, Liu Jian, Deng Chunhua	1	April 1, 2025	Review opinion of the Remuneration and Evaluation Committee on matters related to the 44th meeting of the 10th Board of Directors	<p>1. The Business Performance Responsibility Statement of the Company's Management Team for 2025 was approved.</p> <p>2. The remuneration status of the Company's directors, supervisors and senior executives disclosed for 2024 was reviewed and the review opinions were issued as follows:</p> <p>(1) In 2024, the remuneration status of the Company's directors, supervisors and senior executives disclosed in the annual report is true.</p> <p>(2) The remuneration disclosed by directors, supervisors, and senior executives complies with the Company's remuneration management</p>	None	

Name of committee	Membership	Number of meetings convened	Date of meeting	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
					system without any violations of the Company's remuneration management system.		
Nomination Committee	Liu Jian, Zhou Bin, Cao Shiping, Wang Shuguang, Deng Chunhua	3	July 21, 2025	Review opinion on candidates for the election of a new Board of Directors	An application was made for the nomination by the Board of Directors of Mr. Wu Jianjun, Mr. Cao Shiping, Mr. Yu Huiliang, Mr. Song Qing, and Mr. Sun Yongqiang as candidates for non-independent directors of the 11th Board of Directors; and Mr. Li Zhong, Mr. Pan Zhaoguo, and Mr. Liu Jian as candidates for independent directors, for deliberation at the general meeting.	None	
			August 13, 2025	Proposal on the re-election of senior management	It was proposed that the Company appoint Mr. Cao Shiping as President, Mr. Shi Hongchao, Mr. Yang Bo, and Mr. Lin Hongfan as Vice Presidents, and Mr. Yu Huiliang as Financial Director. Affiliated committee member Mr. Cao Shiping abstained from voting.	None	
	October 28, 2025		Proposal on the appointment of the Secretary to the Board of Directors	It was proposed that the Company appoint Mr. Yu Huiliang as the Secretary to the Board of Directors of the Company, with his term of office consistent with that of the current senior executives.	None		

## VII. Work of the Audit Committee

Whether the Audit Committee, in its oversight activities, has identified any risks that the Company is exposed to

Yes  No

The Audit Committee has raised no objections to the matters overseen during the Reporting Period.

## VIII. Employees

### 1. Number of employees, functional composition, and educational background

Number of in-service employees in the parent company at the end of the Reporting Period	953
Number of in-service employees in major subsidiaries at	11,100

the end of the Reporting Period	
Total number of in-service employees at the end of the Reporting Period	12,053
Total number of employees receiving remuneration during the current period	12,053
Number of retired employees for whom the parent company and major subsidiaries are responsible for bearing the costs (in persons)	0
<b>Functional composition</b>	
Functional composition type	Number of functional composition (in persons)
Production staff	6,087
Sales staff	3,323
Technical staff	1,337
Finance staff	433
Administrative staff	873
Total	12,053
<b>Educational background</b>	
Educational background category	Number (people)
Master's degree and above	271
Bachelor's degree	2,627
Vocational and technical college degree	3,547
High school diploma or below	5,608
Total	12,053

## 2. Remuneration policy

The Company has formulated a remuneration system based on the business strategy that serves the development and improvement of the Company, guided by the principles of determining salaries according to positions and setting salaries based on performance and capabilities, while balancing market competitiveness and internal equity. Employee remuneration is determined as per the Company's profitability, the positions, and the performance.

## 3. Training program

In 2025, the Company adhered to a people-oriented approach, placed great emphasis on talent development in line with the demands of the Company's strategic business, organized various training activities under the "3+1" talent cultivation scheme to constantly improve the Company's talent development system and enhance employees' professional skills and overall quality. Adhering to the principle of the Party overseeing talent management, with lean management as a prerequisite, the Company has continuously carried out various tasks in three aspects, namely, "promoting the implementation of the strategy, supporting business transformation, and coordinating talent development", with satisfactory results. Focusing on the "three levels, seven major brands" project operation

system, the Company advanced projects such as Konka Open Courses for all employees throughout the year; in terms of campus recruitment and social recruitment, the Company organized targeted orientation training to help new employees adapt rapidly; to continuously strengthen professional development and empower business growth, based on the characteristics of each business line within the "3+1" talent framework, the Company carried out professional training programs for marketing, R&D, and manufacturing talents, effectively supporting the construction of talents with high-quality training towards the Company's strategies.

#### 4. Labor outsourcing

Applicable  Not applicable

#### IX. Profit Distribution and the Conversion of Capital Reserve into Share Capital

The formulation, implementation, or adjustment of the profit distribution policy, particularly the cash dividend policy, during the Reporting Period

Applicable  Not Applicable

The Company's cash dividend policy is clearly stipulated in the Articles of Association, with explicit and clear dividend standards and ratios. The relevant decision-making procedures and mechanisms are well-established. The independent directors of the Company have diligently performed their duties and played their due roles, providing minority shareholders with ample opportunities to express their opinions and demands, and effectively safeguarding the legitimate rights and interests of minority shareholders. The Company has strictly adhered to the cash dividend policy stipulated in the Articles of Association, and the cash dividends distributed by the Company are in compliance with the provisions of the Articles of Association and the requirements of the resolutions of General Meetings. In accordance with the Guidelines for the Articles of Association of Listed Companies (2025 Revision) issued by the CSRC and the relevant requirements of the State-owned Assets Supervision and Administration Commission (SASAC), the Company revised the profit distribution policy stipulated in the Articles of Association, changing the cash dividend policy objective from "stable growth dividends" to "the Company implements a continuous and stable profit distribution policy", and clarifying that the Company's profit distribution policy follows the statutory minimum requirements.

Special statement on the cash dividend policy	
Whether it is in compliance with the Company's Articles of Association and resolutions of General Meetings:	Yes
Whether the dividend standards and ratios are explicit and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors have performed their	Yes

duties diligently and played their due roles:	
If the Company has not distributed cash dividends, it should disclose the specific reasons and the measures it plans to take next to enhance the level of investor returns:	Not applicable
Whether minority shareholders have been given ample opportunities to express their opinions and demands, and whether their legitimate rights and interests have been fully protected:	Yes
Whether the conditions and procedures have been compliant and transparent, if the cash dividend policy has been adjusted or changed:	Yes

The Company was profitable during the Reporting Period, and the parent company's profits available for distribution to shareholders were positive, but no cash dividend distribution plan was proposed

Applicable  Not applicable

Whether the Board of Directors has reviewed the profit distribution plan (including no dividend distribution and no conversion)

Yes  No

The profit distribution and the conversion of capital reserve into share capital during the Reporting Period

Applicable  Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital for the year.

#### **X. Implementation of the Company's equity incentive plan, employee stock ownership plan (ESOP) or other employee incentives**

Applicable  Not applicable

The Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation during the Reporting Period.

## XI. Construction and Implementation of Internal Control Systems during the Reporting Period

### 1. Construction and implementation of internal control systems

In accordance with the relevant regulations of the CSRC and the Shenzhen Stock Exchange, the Company adheres to the basic principles of internal control. After initiating professional integration in July 2025, the Company carried out a series of tasks for integration and optimization according to its actual situation. It has established and improved its internal control system, which has been effectively implemented. The Company's Audit Committee, Audit Department, and Legal Compliance Department, guided by value management and aiming to strengthen risk control, have continuously enhanced compliance supervision and internal control evaluation, overseeing and assessing the Company's internal control management. The Company's Internal Control Self-Evaluation Report for 2025 has comprehensively, truthfully and accurately reflected the actual situation of the Company's internal control.

### 2. Details of major deficiencies in internal control identified during the Reporting Period

Yes  No

## XII. Management and Control over Subsidiaries by the Company for the Reporting Period

Company name	Integration plan	Integration progress	Issues during integration	Measures already taken to address the issues	Progress of the resolution	Follow-up resolution plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Abnormal conditions in subsidiary management and control

Yes  No

## XIII. Internal Control Evaluation Report or Internal Control Audit Report

### 1. Internal Control Evaluation Report

Date of full-text disclosure of the Internal Control Evaluation Report	April 29, 2026
Index to the full-text disclosure of the Internal Control Evaluation Report	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Total assets of the units included in the evaluation scope as a percentage of the total assets in the Company's consolidated financial statements	Over 90.00%
Revenue of the units included in the evaluation scope as a percentage of the total revenue in the Company's consolidated financial statements	Over 90.00%
Deficiency identification criteria	

Category	Financial reporting	Non-financial reporting
Qualitative criteria	<p>Deficiencies with the following characteristics are identified as major deficiencies: (1) Discovery of fraudulent acts by the Company's directors, supervisors, and senior executives that have a material impact on the financial reports; (2) The Company's alteration of published financial reports to reflect the correction of material misstatements resulting from fraud or error; (3) The discovery by the certified public accountant of a material misstatement of a current period's financial reports and the failure of the internal controls to detect the misstatement during their operation; (4) Ineffective oversight of internal controls by the Company's audit committee and internal audit organization; (5) Major deficiencies identified in the evaluation of internal controls not corrected after a reasonable period of time; (6) Lack of institutional controls over significant operations or systemic failures of the system. Deficiencies with the following characteristics are recognized as significant deficiencies: (1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; (2) Failure to establish anti-fraud procedures and control measures; (3) Failure to establish corresponding control mechanisms or implement them for the accounting treatment of non-routine or extraordinary transactions, and lack of corresponding compensatory controls; (4) One or more deficiencies in controls over the process of preparing the financial statements at the end of the period; no reasonable assurance that the prepared financial statements achieve the objectives of truthfulness and accuracy; (5) Significant deficiencies identified in the internal control evaluation have not been corrected after a reasonable period of time. Other internal control deficiencies that do not meet the criteria for major or significant deficiencies are classified as general deficiencies.</p>	<p>The following are indications that there may be major deficiencies in non-financial reporting-related internal controls: (1) Serious violations of national laws and regulations by the Company's business activities; (2) Very frequent exposure of negative news in the media that may cause significant damage to the Company's reputation; (3) The departure of the core management team in droves or a serious turnover of personnel in key positions; (4) Lack of institutional control or systematic failure of systems in important businesses; (5) Any major deficiency identified in the internal control evaluation fails to be rectified in a timely manner. The following are indications that there may be significant deficiencies in non-financial reporting-related internal controls: (1) Relatively frequent appearance of negative news in the media that may cause considerable damage to the Company's reputation; (2) Relatively serious turnover of personnel in key positions; (3) Significant deficiencies in important business control systems; (4) Significant deficiencies identified in the internal control evaluation have not been rectified in a timely manner. Other internal control deficiencies that do not meet the criteria for major or significant deficiencies are classified as general deficiencies.</p>
Quantitative criteria	<p>Major deficiency: Potential misstatements amounting to <math>\geq 1\%</math> of the gross profit amount of the Company's consolidated financial statements for 2025. Significant deficiency: <math>0.5\%</math> of the gross profit amount of the Company's consolidated financial statements for 2025 <math>\leq</math> the amount of potential misstatement <math>&lt; 1\%</math> of the gross profit amount of the Company's consolidated financial statements for 2025. General deficiency: Potential misstatements amounting to <math>&lt; 0.5\%</math> of the gross profit amount of the Company's consolidated financial statements for 2025.</p>	<p>Subject to the quantitative criteria of internal control defect evaluation in financial statements.</p>
Number of major deficiencies in financial reporting (counts)	0	
Number of major deficiencies in non-financial reporting	0	
Number of significant deficiencies in financial reporting	0	

Number of significant deficiencies in non-financial reporting	0
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## 2. Internal Control Audit Report

Applicable  Not Applicable

Opinion paragraph in the Internal Control Audit Report	
<p>Konka Group Co., Ltd. has maintained, in all material aspects, effective internal control over financial reporting as of December 31, 2025, in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations. We draw the attention of the users of the Internal Control Audit Report to the facts that (I) Konka Group Co., Ltd. announced in July 2025 that the controlling shareholder of the Company changed; (II) Konka Group Co., Ltd. transferred the equity of Shenzhen ypfun Network Technology Co., Ltd. (currently Chongqing ypfun Technology Co., Ltd., hereinafter referred to as "ypfun") to 11 investors in December 2021, and signed supplementary agreements with the 11 investors respectively, stipulating that if ypfun fails to complete its IPO by the end of 2025, Konka Group Co., Ltd. is required to repurchase the equity transferred to them at the original transfer price and pay interest. The above-mentioned supplementary agreements were not resolved by the Board of Directors or the General Meeting of Konka Group Co., Ltd., nor were they announced. Konka Group Co., Ltd. has conducted self-examination and rectification on the above issues this year, and has carried out accounting treatment and information disclosure in accordance with the relevant regulations of accounting standards for business enterprises and listing supervision rules. The content under this paragraph shall not affect the audit opinion expressed on the internal control over financial reporting.</p>	
Disclosure of the Internal Control Audit Report	Disclosed
Disclosure date of the full text of the Internal Control Audit Report	April 29, 2026
Disclosure index of the full text of the Internal Control Audit Report	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Type of opinions under the Internal Control Audit Report	Unqualified opinion with an emphasis-of-matter paragraph
Whether there are any major deficiencies in non-financial reporting	No

Whether the accounting firm has issued an Internal Control Audit Report with a non-standard opinion

Yes  No

Statement on the Internal Control Audit Report with modified audit opinions issued by the accounting firm

We draw the attention of the users of the Internal Control Audit Report to the facts that (I) Konka Group Co., Ltd. announced in July 2025 that the controlling shareholder of the Company changed; (II) Konka Group Co., Ltd. transferred the equity of Shenzhen ypfun Network Technology Co., Ltd. (currently Chongqing ypfun Technology Co., Ltd., hereinafter referred to as "ypfun") to 11 investors in December 2021, and signed supplementary agreements with the 11 investors respectively, stipulating that if ypfun fails to complete its IPO by the end of 2025, Konka Group Co., Ltd. is required to repurchase the equity transferred to them at the original transfer price and pay interest. The above-mentioned supplementary agreements were not resolved by the Board of Directors or the General Meeting of Konka Group Co., Ltd., nor were they announced. Konka Group Co., Ltd. has conducted self-examination and rectification on the above issues this year, and

has carried out accounting treatment and information disclosure in accordance with the relevant regulations of accounting standards for business enterprises and listing supervision rules. The content under this paragraph shall not affect the audit opinion expressed on the internal control over financial reporting.

Whether the Internal Control Audit Report issued by the accounting firm is consistent with the opinion of the Board of Directors' self-assessment report

Yes  No

Whether any non-standard opinion was issued for the Reporting Period or the previous year

Yes  No

Causes and rectification progress of the non-standard Internal Control Audit Report opinion:

The Company transferred the equity of Shenzhen Ypfun Network Technology Co., Ltd. (now renamed as: Chongqing Ypfun Technology Co., Ltd., hereinafter referred to as "Ypfun") to 11 investors in December 2021, and signed supplementary agreements with the 11 investors respectively, stipulating that if Ypfun fails to complete its IPO by the end of 2025, the Company is required to repurchase the equity transferred to them at the original transfer price and pay interest. The supplementary agreement was not resolved by the Board of Directors or the General Meeting of the Company, nor was it announced.

After initiating professional integration, the Company comprehensively reshaped and upgraded its internal control system. Through a series of systematic integration, optimization, rectification, and improvement measures, all the above-mentioned issues have been fully rectified by the end of 2025, without any further impact on the effectiveness of the Company's overall internal control. The rectification and optimization measures were taken as follows:

1) Comprehensive investigation and rectification focusing on core areas. Through carrying out comprehensive investigation and rectification in key areas such as financial funds, investment management, and corporate governance, the Company further addressed management shortcomings and strengthened the control of weak links. For relevant errors, the Company has strictly conducted accounting adjustments and standardized processing in accordance with the Accounting Standards for Business Enterprises and the Company's financial accounting norms, completely eliminating the impact on the Company's financial statements.

2) Optimization of the organizational structure and job responsibilities. By means of systematic review, integration, and optimization of the Company's organizational structure and job responsibilities, and conducting full-staff competitive appointments for functional

departments, business units, and directly affiliated institutions under the new structure, the Company completed the adjustment of the organizational structure and created an intensive, efficient, modern internal control management organizational structure with clear rights and responsibilities, providing organizational guarantees for the implementation of the internal control system.

3) Improvement of the internal control system. With focus on key areas such as financial management, investment management, and corporate governance, the Company orderly promoted the formulation, revision, and improvement of relevant rules, further clarified control standards, standardized management processes, and strengthened internal control execution and process control, with an aim to enhance the rationality, completeness, and operability of internal control design from the source and build a full-coverage and multi-level internal control system.

4) Enhancement of training on internal control and compliance. The Company continuously organized senior executives, business backbones, and relevant employees to carry out thematic training on internal control system learning and risk control and compliance management, continuously strengthening the awareness of all employees on compliance, risk, and autonomous norms, guiding all employees to consciously regulate their own behaviors, and building a solid ideological defense line for internal control management.

5) Refinement and intelligence of the internal control system. By continuously deepening the internal control and improving the process control and supervision and inspection mechanisms, the Company promoted the transformation of internal control management towards refinement and intelligence, effectively strengthening risk identification, early warning, and disposal capabilities, and significantly improving the Company's overall risk prevention and governance efficiency.

#### **XIV. Rectification of Issues Identified by Self-inspection in the Special Action on the Governance of Listed Companies**

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

#### **XV. Environmental Information Disclosure**

Whether the listed company and its major subsidiaries are included in the list of enterprises required to disclose environmental information by law

Yes  No

Number of enterprises on the list of enterprises required to disclose environmental information by law		2
No.	Name of enterprise	Search index for the Environmental Information Disclosure Report

1	Guangdong Xingda Hongye Electronics Co., Ltd.	Department of Ecology and Environment of Guangdong Province ( <a href="https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex">https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex</a> )
2	Boluo Konka Precision Technology Co., Ltd.	Department of Ecology and Environment of Guangdong Province ( <a href="https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex">https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex</a> )

## **XVI. Social Responsibilities**

For details, please refer to the 2025 Environmental, Social and Corporate Governance (ESG) Report disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) on April 29, 2026.

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

In 2025, the Company actively fulfilled its social responsibilities and took various measures to boost rural revitalization. In terms of consumption-based assistance, the Company participated in the "Central SOE Consumption-based Assistance for Spring Festival" program and special procurement activities for the Mid-Autumn Festival and National Day, purchasing a total of RMB 173,100 of agricultural and sideline products throughout the year to support the industrial development of poverty-stricken areas with concrete actions. In terms of educational assistance, on February 20, 2025, the Company held a symposium at the Sansui County Model Kindergarten in Guizhou Province under the "From Afar, To the Future" pairing assistance program for students in need in Sansui and Tianzhu counties of Qiandongnan Prefecture, Guizhou Province. The Company made donations to the assisted students, conveying immersive care from afar. In terms of employment assistance, the Company employed a total of 236 workers from former national-level poverty-stricken counties and former Central Soviet Areas throughout the year, providing stable employment opportunities for the labor force in poverty-stricken areas.

## Section V Important Matters

### 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 end of the Reporting Period

√ Applicable □ Not Applicable

Reason	Party making commitment	Type	Content	Date	Term	Performance
Commitment made in the acquisition report or report on changes in equity	Panshi Runchuang (Shenzhen) Information Management Co., Ltd. and Commotra Company Limited	Restrictions on equity rights	Lock-up period for the shares of the listed company acquired through this transfer is subject to the relevant laws and regulations.	April 30, 2025	No fixed term	As of now, the commitment party has strictly fulfilled its commitments.
Commitment made in the acquisition report or report on changes in equity	Panshi Runchuang (Shenzhen) Information Management Co., Ltd. and China Resources Company Limited	The independence of the listed company	To ensure the independence of the listed company in terms of personnel, assets, finance, organization, and business.	April 30, 2025	No fixed term	As of now, the commitment party has strictly fulfilled its commitments.
Commitment made in the acquisition report or report on changes in equity	Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	Avoidance of horizontal competition	<p>1. During the period when Panshi Runchuang or its related parties control the listed company, Panshi Runchuang will take necessary and possible measures in accordance with the law to avoid any business or activity conducted by Panshi Runchuang and any of its controlled companies (excluding the listed company and any of its controlled companies) that constitutes horizontal competition with the main business of the listed company and any of its controlled companies.</p> <p>2. If Panshi Runchuang or any of its controlled companies (excluding the listed company and any of</p>	April 30, 2025	No fixed term	As of now, the commitment party has strictly fulfilled its commitments.

Reason	Party making commitment	Type	Content	Date	Term	Performance
			<p>its controlled companies) obtains a business opportunity that constitutes substantial horizontal competition with the main business of the listed company (excluding minority equity financial investment opportunities that are the same as or similar to the main business of the listed company but do not constitute control or significant influence), Panshi Runchuang will notify the listed company in writing. If the listed company provides a written reply expressing its willingness to accept the business opportunity within 30 days upon receipt of such notice, Panshi Runchuang or any of its controlled companies (excluding the listed company and its controlled companies) will endeavor to facilitate the provision of such business opportunity to the listed company first on reasonable and fair terms and conditions.</p> <p>If the regulatory authority deems that the aforementioned business engaged in by the commitment party or any other subordinate controlled by the commitment party constitutes horizontal competition with the main business of the listed company, the commitment party will resolve the issue by means permitted by laws and regulations (including but not limited to transfer, entrusted operation, entrusted management, leasing, contracting, etc.).</p>			
Commitment made in the acquisition report or report on changes in	China Resources Company Limited	Avoidance of horizontal competition	1. By the date of issuance of this commitment letter, JCET Group Co., Ltd., an enterprise controlled by China Resources, was	April 30, 2025	Five years	In progress

Reason	Party making commitment	Type	Content	Date	Term	Performance
equity			<p>involved in business overlap or potential competition with the Company's subsidiary - Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd. - in terms of external packaging and testing services. China Resources undertakes to, within five years after the completion of this transaction, resolve the business overlap and potential competition between China Resources and its controlled companies (excluding the listed company and its controlled companies) and Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd., a subsidiary of the listed company, through legal procedures, including but not limited to trusteeship, asset restructuring, business cessation by one party, product structure adjustment, or joint venture establishment, in a bid to comply with regulatory requirements concerning horizontal competition.</p> <p>2. Except for the circumstances mentioned above and those under Article 3 herein, during the period when China Resources indirectly controls the listed company, China Resources will take necessary and possible measures in accordance with the law to avoid any business or activity conducted by China Resources or any of its controlled companies (excluding the listed company and its controlled companies) that constitutes horizontal competition with the main business of the listed company and its</p>			

Reason	Party making commitment	Type	Content	Date	Term	Performance
			<p>controlled companies.</p> <p>3. If China Resources or any of its controlled companies (excluding the listed company and its controlled companies) obtains a business opportunity that constitutes substantial horizontal competition with the main business of the listed company (excluding minority equity financial investment opportunities that are the same as or similar to the main business of the listed company but do not constitute control or significant influence), China Resources will notify the listed company in writing. If the listed company provides a written reply expressing its willingness to accept the business opportunity within 30 days upon receipt of such notice, China Resources or any of its controlled companies (excluding the listed company and its controlled companies) will endeavor to facilitate the provision of such business opportunity to the listed company first on reasonable and fair terms and conditions.</p> <p>If the regulatory authority deems that the aforementioned business engaged in by the commitment party or any other subordinate controlled by the commitment party constitutes horizontal competition with the main business of the listed company, the commitment party will resolve the issue by means permitted by laws and regulations (including but not limited to transfer, entrusted operation, entrusted management, leasing, contracting, etc.).</p>			
Commitment	Panshi	To Regulate	The commitment party or	April	No fixed	As of now, the

Reason	Party making commitment	Type	Content	Date	Term	Performance
made in the acquisition report or report on changes in equity	Runchuang (Shenzhen) Information Management Co., Ltd. and China Resources Company Limited	Related-Party Transactions	any of its controlled companies will minimize and regulate related-party transactions with the listed company. If such transactions are unavoidable, the commitment party will strictly regulate the related-party transactions with the listed company in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other laws, regulations, normative documents, and the Articles of Association of Konka Group Co., Ltd., without prejudice to the legitimate rights and interests of the listed company and its minority shareholders.	30, 2025	term	commitment party has strictly fulfilled its commitments.
Whether the commitment is fulfilled on time	Yes					
If the commitments are not fulfilled within the time limit, the specific reasons for the unfinished performance and the next work plan shall be specified	Not applicable					

**2. In case that any earnings forecast for an asset or project and the Reporting Period was still within the forecast period, the reasons why the forecast has been reached for the Reporting Period was clarified.**

Applicable  Not applicable

**3. The Company involves performance commitments.**

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

None.

### **III. Irregularities in the Provision of Guarantees**

Applicable  Not applicable

None.

### **IV. Explanations Given by the Board of Directors Regarding the Latest “Modified Audit Report” on the Financial Statements**

Applicable  Not applicable

### **V. Explanations Given by the Board of Directors and the Independent Directors (if any) Regarding the Independent Auditor's “Modified Audit Report” on the Financial Statements of the Reporting Period**

Applicable  Not Applicable

ShineWing Certified Public Accountants (Special General Partnership) audited the Company's 2025 annual financial report and issued an unqualified audit report with a paragraph on material uncertainty related to going concern. The Board of Directors and the independent directors of the Company provide the following explanations regarding the unqualified audit report with a paragraph on material uncertainty related to going concern for 2025 issued by ShineWing Certified Public Accountants (Special General Partnership):

(I) We agree with the unqualified audit report with a paragraph on material uncertainty related to going concern issued by ShineWing Certified Public Accountants for the Company, which objectively and fairly reflects the Company's financial and operational conditions.

(II) The matters involved in the above-mentioned emphasis do not fall under the circumstances of significant violation of accounting standards, systems and relevant information disclosure norms as stipulated in the Rules for Information Disclosure and Compilation of Companies Offering Securities to the Public No. 14 - Non-Standard Unqualified Audit Opinions and the Handling of Matters Involved by the China Securities Regulatory Commission.

(III) In response to the above-mentioned emphasis, the Company will actively urge the Management to take effective measures to eliminate the adverse effects as soon as possible, and safeguard the legitimate rights and interests of the Company and its shareholders.

(IV) The matters involved in the non-standard unqualified opinion will not have an impact on the Company's financial conditions and operation results in 2025.

(V) In 2026, the Company will focus on optimizing and reshaping existing businesses and enhancing the efficiency across the entire chain from R&D, production, supply, sales, and service through lean management to significantly reduce existing businesses. Meanwhile,

the Company will strive for innovative engines for high-quality development through analysis of emerging industries under the "9+6" strategies.

## VI. YoY Changes in Accounting Policies, Estimates or Correction of Material

### Accounting Errors

√ Applicable □ Not Applicable

Unit: RMB

Account title	Amount of last year		Amount of the current year		Adjustment process
	Before adjustment	Restated	Before adjustment	Restated	
Accounts receivable	1,458,923,06 6.70	1,315,222,656. 92	1,086,929,0 12.15	1,086,929,01 2.15	Because it was difficult for underlying customers to collect payments, the impairment provision for accounts receivable from individual customers was not fully provisioned. In 2022, the impairment provision for accounts receivable from individual customers was retrospectively fully provisioned, and the bad debt provision made in 2023 and 2024 was retrospectively adjusted simultaneously.
Long-term equity investments	4,728,360,85 3.49	5,921,501,427. 49	2,026,038,1 56.99	2,026,038,15 6.99	Formed due to the retrospective events of equity repurchases related to Chongqing Ypfun Technology Co., Ltd. and Anhui Kaikai Shijie E-commerce Co., Ltd.
Total assets	30,412,763,9 00.34	31,462,204,064 .56	22,350,904, 261.25	22,350,904,2 61.25	Impact of retrospective adjustment of accounts receivable and long-term equity investments.
Other payables	1,676,154,88 7.59	3,502,796,381. 63	6,565,100,7 88.16	6,565,100,78 8.16	Formed due to the retrospective events of equity repurchases related to Chongqing Ypfun Technology Co., Ltd. and Anhui Kaikai Shijie E-commerce Co., Ltd.
Total Liabilities	28,178,112,2 16.55	30,004,753,710 .59	28,211,299, 370.27	28,211,299,3 70.27	Same as above.
Undistributed profits	- 1,797,506,89 8.08	- 2,574,708,227. 90	- 15,157,108, 084.70	- 15,157,108,0 84.70	Due to the impact of retrospective adjustment of financial expenses, credit impairment loss, and asset impairment loss.
Total equity attributable to owners of the parent company	2,369,668,83 8.10	1,592,467,508. 28	- 6,083,071,6 89.95	- 6,083,071,68 9.95	Same as above.

Account title	Amount of last year		Amount of the current year		Adjustment process
	Before adjustment	Restated	Before adjustment	Restated	
Total owners' equity	2,234,651,683.79	1,457,450,353.97	- 5,860,395,109.02	- 5,860,395,109.02	Same as above.
Total liabilities and owners' equity	30,412,763,900.34	31,462,204,064.56	22,350,904,261.25	22,350,904,261.25	Same as above.
Cost of sales	10,626,035,183.90	10,861,823,991.19	9,430,717,918.20	9,430,717,918.20	Formed due to the insufficient provision of patent fee from retrospective adjustment.
Finance costs	581,022,498.12	714,987,086.24	804,216,933.89	804,216,933.89	Formed due to the retrospective events of equity repurchases related to Chongqing Ypfun Technology Co., Ltd. and Anhui Kaikai Shijie E-commerce Co., Ltd.
Credit impairment loss	- 418,711,979.06	- 405,967,710.66	- 1,520,599,233.40	- 1,520,599,233.40	Because it was difficult for underlying customers to collect payments, the impairment provision for accounts receivable from individual customers was not fully provisioned. In 2022, the impairment provision for accounts receivable from individual customers was retrospectively fully provisioned, and the bad debt provision made in 2023 and 2024 was retrospectively adjusted simultaneously.
Asset impairment loss	- 926,456,808.21	- 999,416,234.21	- 6,176,184,308.20	- 6,176,184,308.20	Due to the impact of retrospective events of equity repurchases related to Chongqing Ypfun Technology Co., Ltd. and Anhui Kaikai Shijie E-commerce Co., Ltd., the corresponding long-term equity investment impairment loss was retrospectively provisioned in 2024.
Operating profit	- 3,685,513,437.20	- 4,115,481,990.21	- 10,507,913,987.10	- 10,507,913,987.10	Due to the impact of retrospective adjustment of financial expenses, credit impairment loss, and asset impairment loss.
Total profits	- 3,814,586,444.61	- 4,244,554,997.62	- 10,944,373,563.83	- 10,944,373,563.83	Same as above.
Net Profit	- 3,884,138,773.61	- 4,314,107,326.62	- 12,237,613,519.85	- 12,237,613,519.85	Same as above.
Net profit	-	-	-	-	Same as above.

Account title	Amount of last year		Amount of the current year		Adjustment process
	Before adjustment	Restated	Before adjustment	Restated	
attributable to owners of the parent company	3,295,588,66 8.77	3,725,557,221. 78	12,582,399, 856.80	12,582,399,8 56.80	

## VII. YoY Changes in 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 Section III Discussion and Analysis of the Management 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 (Special General Partnership)
The Company's payment to the domestic independent auditor (RMB'0,000)	200
Length of consecutive years the domestic independent auditor has provided audit service for the Company	7 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Gu Fanqiu, Liu Lihong
Length of consecutive years the certified public accountants have provided audit service for the Company	1 year, 4 years
Name of the overseas independent auditor (if any)	Not applicable
The Company's payment to the overseas independent auditor (RMB10,000) (if any)	0
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	Not applicable
Name of the certified public accountants from the overseas independent auditor (if any)	Not applicable
Length of consecutive years the certified public accountants have provided audit service for the Company (if any)	Not applicable

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 (Special General Partnership) as the internal control auditor in 2025 with RMB 700,000 (tax-exclusive) of payment for the internal control audit.

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

Applicable  Not Applicable

As audited and confirmed by ShineWing Certified Public Accountants (Special General Partnership) hired by the Company, the audited net assets attributable to the parent company of the Company for 2025 were RMB -6,083,071,689.95. According to the provisions of Item (II) of Article 9.3.1 of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, a delisting risk warning is imposed on the stock trading of a listed company if it experiences the circumstance that "the audited net assets at the end of the most recent accounting year are negative".

The lower of the audited net profit before and after deducting non-recurring gains/losses of the Company for the last three accounting years was negative, and ShineWing Certified Public Accountants (Special General Partnership) issued an unqualified audit report with a paragraph on material uncertainty related to going concern for the Company's 2025 annual financial report. According to the provisions of Item (VII) of Article 9.8.1 of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other risk warnings are imposed on the stock trading of a listed company if it experiences the circumstance that "the lower of the net profit before and after deducting non-recurring gains/losses for the last three accounting years is negative, and the audit report for the most recent accounting year shows that there is uncertainty in the company's ability to continue as a going concern".

In summary, since the Company touched upon the circumstances of imposing a delisting risk warning and other risk warnings on its stock trading simultaneously, a delisting risk warning and other risk warnings have been imposed on the Company's shares since April 30, 2026. The Company's stock abbreviations have been changed from "Konka Group-A" and "Konka Group-B" to "\*ST Konka Group-A" and "\*ST Konka Group-B", respectively, while the stock codes remain "000016" and "200016". For more details, please refer to the Indicative Announcement on the Imposition of a Delisting Risk Warning and Other Risk Warnings on the Company's Stock and the Suspension and Resumption of Stock Trading disclosed by the Company on April 29, 2026, on designated information disclosure media Securities Times, China Securities Journal, and Cninfo (<http://www.cninfo.com.cn>).

#### **X. Insolvency and Reorganization**

Applicable  Not applicable

None.

**XI. Major Legal Matters**

√ Applicable □ Not Applicable

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
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 in the process of application for resumption of enforcement.	The case is in the process of application for resumption of enforcement.	The case is in the process of application for resumption of enforcement.	September 19, 2020	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Due to a purchase and sales contract dispute, Sichuan Shuwu Guangrun Logistics Co., Ltd. filed a lawsuit against the Company's subsidiary Dongguan Konka Electronics Co., Ltd., requesting the latter to make payment for goods and pay liquidated damages.	12,283.46	Yes	The case has been closed.	The case has been closed.	The case has been closed.	June 1, 2023	
Due to the equity transfer dispute, Alibaba (China) Network Technology Co., Ltd. sued Anhui Kaikai Vision E-commerce Co., Ltd. and the Company, requesting that the defendants be ordered to pay the equity investment amount and interest, and bear the attorney's fees and other costs.	12,488.79	No	The case has been closed.	The case has been closed.	The case has been closed.	April 15, 2025	
Due to a trademark license agreement dispute, Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd. sued the Company, requesting a court order for the defendant to compensate for damages from contract termination, other losses, refund the security deposit, and bear the litigation costs.	30,002.91	No	The case has been closed.	The case has been closed.	The case has been closed. (The lawsuit was withdrawn by Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co.,	April 15, 2025	

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
					Ltd.)		
Due to a right of recourse dispute, the Company sued Zhongfu Tiangong Construction Group Co., Ltd., He Junsheng, China Nuclear Weiye Construction Investment Co., Ltd., Zhongfu Jianye Holdings Limited, and Zhonghong Jianye (Beijing) Technology Co., Ltd., demanding the repayment of the principal and overdue interest.	11,693.78	No	The case is in execution.	The case is in execution.	The case is in execution.	April 15, 2025	
Due to a sales contract dispute, Heilongjiang Xinda New Material Co., Ltd. sued Anhui Konka Electronics Co., Ltd., a subsidiary of the Company, requesting a court order for the defendant to pay the outstanding payment for goods and relevant interest.	13,444.02	No	The case has been closed.	The case has been closed.	The case has been closed.	April 15, 2025	
Due to a tort liability dispute, Shenzhen Shuwu Industrial Co., Ltd. sued Shenzhen Qianhai Xinfeng Supply Chain Management Co., Ltd. and Dongguan Konka Electronics Co., Ltd., a subsidiary of the Company, requesting a court order for the defendants to jointly compensate for the loss of goods, loss from price difference, and pay for the loss from fund occupation and litigation costs.	3,779.97	No	The case has been closed.	The case has been closed.	The case has been closed.	April 15, 2025	
The Company sued Jiangxi High Transparent Substrate Material Technology Co., Ltd., Jiangxi Xinzixin Real Estate Co., Ltd., Xiong Muzhi, Zhu Qingming, and Zeng Xiaohong over a right of recourse dispute, requesting a court order for the defendants to repay the plaintiff for the finance lease payments, interest, and legal fees incurred	2,348.4	No	The case is under the second-instance trial.	The case is under the second-instance trial.	The case is under the second-instance trial.	July 31, 2025	

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
from fulfilling the payment obligations under the Finance Lease Agreement (Gui Zu (2019) Nian Zu Zi No. (026)).							
The Company sued Jiangxi High Transparent Substrate Material Technology Co., Ltd., Jiangxi Xinzixin Real Estate Co., Ltd., Xiong Muzhi, Zhu Qingming, and Zeng Xiaohong over a right of recourse dispute, requesting a court order for the defendants to repay the plaintiff for the finance lease payments, interest, and legal fees incurred from fulfilling the payment obligations under the Finance Lease Agreement (Gui Zu (2019) Nian Zu Zi No. (028)).	2,348.4	No	The case is under the second-instance trial.	The case is under the second-instance trial.	The case is under the second-instance trial.	July 31, 2025	
Zhongkang Storage Technology Co., Ltd., a subsidiary of the Company, sued Tianxiang Technology Limited, Chen Lifa, Zeng Zhaohao, and Xiao Fangbin over a contract dispute, requesting a court order for the defendants to pay the outstanding payment for goods and assume joint and several liability for repayment.	4,300.99	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	November 26, 2025	
Nantong Construction Group Co., Ltd. sued Nantong Konka Technology Industrial Park Operation Management Co., Ltd., Nantong Haimen Ronghui Real Estate Co., Ltd., the Company, and Shanghai Rongzhen Enterprise Management Co., Ltd. over a construction contract dispute, requesting a court order for the defendants to pay the construction fee and assume joint and several liability for repayment.	9,900.00	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	November 26, 2025	
Nanjing Jiakang Venture Capital Partnership	4,025.50	No	The case has	The case has been	The case has	November	

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
(Limited Partnership) sued the Company and the third party Hefei Kangxinwei Storage Technology Co., Ltd. over an equity transfer dispute, requesting a court order for the defendants to pay the equity price and bear the litigation costs.			been closed.	closed.	been closed.	26, 2025	
Sichuan Yisheng Construction Group Co., Ltd. sued Yibin Konka Technology Park Operation Co., Ltd., a subsidiary of the Company, over a construction contract dispute, requesting a court order for the defendant to pay the construction fee.	2,806.10	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	November 26, 2025	
Shenzhen Sansen Decoration Group Co., Ltd. sued Shenzhen Konka Semiconductor Technology Co., Ltd. and Chongqing Konka Technology Co., Ltd., both subsidiaries of the Company, over a construction contract dispute, requesting a court order for the defendants to pay the construction fee and assume joint and several liability for repayment.	2,560.73	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	November 26, 2025	
Hebei Kangjiatong Technology Co., Ltd., a subsidiary of the Company, sued Shenzhen Junxing Communication Technology Ltd., Herewin Technology Group (HK) Co., Ltd., Zeng Jiankai, Zhong Yuhua, Hengyang Yancheng Hotel Co., Ltd., Hengyang Chaolian Real Estate Co., Ltd., Anhui Baolin Industrial Co., Ltd., Zhong Yuekun, and Guizhou Chuanglian Technology Energy Co., Ltd. over a contract dispute, requesting a court order for the defendants to pay the outstanding payment for goods and assume	113,975.84	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	March 28, 2026	

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
joint and several liability for repayment.							
The Company sued Guangdong Nanfang Aishi Entertainment Technology Co., Ltd., Shenzhen Dahua IoT M&A Fund Management Partnership (Limited Partnership), Shenzhen Ruibao Lanyuan Investment Partnership (Limited Partnership), Zhongshan Weiyuan Innovation Investment Fund Management Center (Limited Partnership), and Fuzhou Dahua Intelligent Technology Co., Ltd. over a contract dispute, requesting a court order for the defendants to pay for the equity and assume liability for compensation.	16,747.24	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	March 28, 2026	
Shenzhen Konka Electronics Technology Co., Ltd., a subsidiary of the Company, sued Gome Custom (Tianjin) Home Appliance Co., Ltd. and Gome Intelligence Technology Co., Ltd. over a sales contract dispute, requesting a court order for the defendants to pay the outstanding payment for goods and assume joint and several liability for repayment.	4,007.29	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	March 28, 2026	
Due to a loan contract dispute, Sichuan Shuwu Guangrun Logistics Co., Ltd. sued Shenzhen Qianhai Xinfeng Supply Chain Management Co., Ltd. and Dongguan Konka Electronics Co., Ltd., a subsidiary of the Company, requesting a court order for the defendants to pay the contract amount and interest.	10,647.90	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	March 28, 2026	
Longxin Construction Group Co., Ltd. sued Nantong Kanghai Technology Industry Development Co., Ltd., a subsidiary of the	8,000.00	No	The case is under the first-instance trial.	The case is under the first-instance trial.	The case is under the first-instance trial.	March 28, 2026	

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Disclosure date	Index to disclosed information
Company, over a construction contract dispute, requesting a court order for the defendant to pay the construction fee and interest.							

Remarks: The court or arbitration institution ruled in favor of the Company in the following cases, and the rulings are currently being implemented. For details of the cases, please refer to the Announcement on Large-amount Pending Litigation and Arbitration (Announcement No.: 2019-63) disclosed by the Company on June 25, 2019, the subsequent Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2020-97, 2021-48, 2021-101, 2022-89, 2023-37, 2023-39, 2025-36, 2025-67) disclosed on September 19, 2020, June 1, 2021, December 1, 2021, November 24, 2022, June 1, 2023, June 22, 2023, April 15, 2025, and July 31, 2025, respectively, as well as the regular reports of the Company: 1. For notes not paid at maturity, the Company filed a lawsuit with the court, requesting that China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Industrial Co., Ltd., Shanghai Nengping Industrial Co., Ltd., and Shenzhen Qianhai Baoying Commercial Factoring Co., Ltd. pay the notes and the corresponding interest to the Company; 2. Due to the unpaid notes due, the Company filed a lawsuit with the court, requesting that CEFC Shanghai International Group Limited and Tianjin International Trade Petrochemical Co., Ltd. be ordered to pay the notes and corresponding interest to the Company; 3. Due to the outstanding notes matured, the Company filed a lawsuit with the court, requesting that CEFC Shanghai International Group Limited, Qingdao Bonded Zhongshe International Trade Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. be ordered to pay the notes and corresponding interest to the Company; 4. Since the bills were not paid upon maturity, Konka Electronic Material Technology (Shenzhen) Co., Ltd. (formerly known as Konka Commercial Factoring (Shenzhen) Co., Ltd.) filed a lawsuit with the court, requesting an order for Tahoe Group Co., Ltd., Fuzhou Taijia Industrial Co., Ltd., and Xiamen Lianchuang Microelectronics Co., Ltd. to pay Konka Factoring the amount of the bills and the corresponding interest; 5. Since the notes were not repaid when due, the Company filed a lawsuit with the court, requesting that Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Science and Technology Development Co., Ltd. be ordered to pay the notes and corresponding interest to the Company; 6. Due to disputes over logistics contracts, the Company's subsidiary Anhui Konka Electronics Co., Ltd. sued the freight forwarding companies Shanghai Likai Logistics Co., Ltd. Shenzhen Branch and Shanghai Likai Logistics Co., Ltd., demanding them to bear the responsibility for compensation for losses; 7. Due to a contract dispute, the Company's subsidiary Shenzhen Nianhua Enterprise Management Co., Ltd. filed an arbitration application, requesting the Respondent Fang Xianglong and Jiang Yan to pay the corresponding annual profit compensation and fund occupation fee; 8. Due to a dispute over the payment for goods, the Company's subsidiary Hong Kong Konka Co., Ltd. filed an arbitration application with the Shenzhen Court of International Arbitration,

requiring the respondent MAKENA ELECTRONIC (HONG KONG) COMPANY LIMITED to pay the payment for goods and liquidated damages; 9. Due to a dispute over the purchase and sales contract of international goods, the Company's subsidiary Anhui Konka Electronics Co., Ltd., sued MAKENA ELECTRONIC (HONG KONG) COMPANY LIMITED, requesting that the respondent be ordered to pay the applicant for the goods and the interest on overdue payment; 10. Due to 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 interest. 11. Due to a contract dispute, the Company filed a lawsuit with the Intermediate People's Court of Zhengzhou, requiring Henan Radio and Television Network Co., Ltd. to take delivery of the goods according to the contract and pay the payment for goods, interest and liquidated damages; 12. Due to a contract dispute, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, sued Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Co., Ltd., Shenzhen Xiangrui Yingtong Investment Management LP, Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong, and Luo Saiyin, demanding payment of goods and liquidated damages; 13. Due to trademark infringement and unfair competition, the Company sued Fu'an Xinshang Electronics Co., Ltd., Fujian Zhaoguan Industry and Trade Co., Ltd., Jinhua Konka Medical Equipment Factory and Wang Jun, requesting an order to stop the infringement and compensate for the loss; 14. Due to commission contract dispute, Anhui Konka Electronics Co., Ltd., a subsidiary of the Company, sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co., Ltd., Lin Yuanqin, Huang Ruirong and Jiangsu East China Hardware City Co., Ltd., requesting an order to terminate the contract, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property; 15. Due to commission contract dispute, the Company's subsidiary Anhui Konka Electronics Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong and Jiangsu East China Hardware City Co., Ltd., requesting an order to terminate the contract, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property; 16. Due to a dispute over the loan contract, the Company sued Yantai Kangyue Investment Co., Ltd., requesting that the defendant be ordered to repay the loan and interest; 17. Due to the equity repurchase dispute, Shenzhen Nianhua Enterprise Management Co., Ltd., a subsidiary of the Company, sued Fang Xianglong and Jiang Yan, requesting to repurchase the equity and pay the repurchase price; 18. Due to purchase and sales contract dispute, Sichuan Konka 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 for payment of goods and liquidated damages, which is under execution; 19. Due to contract disputes, Konka Telecommunications Technology Co., Ltd., a subsidiary of the Company, sued Hong Kong Junxing Electronics International Limited, Zeng Jiankai and Zhong Yuhua, requesting payment of goods and liquidated damages; 20. Due to a commission contract dispute, 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 then return the payment for goods, pay liquidated damages and give priority to the mortgaged property; 21. Due to a dispute over an entrustment contract, Hainan Konka Material Technology Co., Ltd., a subsidiary of the Company, sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Jiangsu East China Hardware City Co., Ltd., requesting an order to terminate the contract, and the defendants return the payment for goods, pay liquidated damages and give priority to compensation from the mortgaged property; 22. Due to a dispute over a purchase and sales contract, Dongguan Konka Electronics Co., Ltd., a subsidiary of the Company, filed a lawsuit with the People's Court of Nanshan District, Shenzhen, requesting the latter to order Dongguan Gaoneng Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd., Huang Zhihao to pay the overdue payment and corresponding liquidated damages; 23. Due to a dispute over an entrustment contract, Shenzhen Konka Pengrun Technology Industry Co., Ltd., a subsidiary of the Company, sued Guang'an Ouqishi Electronic Technology Co., Ltd., Guan Hongshao, Huaying Gaokede Electronic Technology Co., Ltd., Huaying Gaokelong Electronic Technology Co., Ltd., Guizhou Jiaguida Technology Co., Ltd., Sichuan Horoy Real Estate Co., Ltd., Lin Bolong and Wang Shisheng, requesting the defendants to pay the payment for goods and liquidated damages; 24. Due to a dispute over an equity transfer contract, the Company sued Langrui Haoteng Technology Development Co., Ltd., Beijing Beida Jade Bird Safety System Engineering Technology Co., Ltd. and Beijing Jingrui Haoteng Technology Development Co., Ltd. for payment of the equity transfer balance; 25. Due to a dispute over the purchase and sales contract of international goods, Anhui Kangzhi Trading Co., Ltd., a subsidiary of the Company, sued B&L TECHNOLOGY CO., LIMITED, requesting that the respondent be ordered to pay the payment for goods and liquidated damages; 26. Due to a dispute over an

entrustment contract, Henan Frestec Refrigeration Appliance Co., Ltd., a subsidiary of the Company, sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu East China Hardware City Co., Ltd. and Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd., requesting an order to terminate the contracts, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property; 27. Due to a contract dispute, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, filed a lawsuit against Shenzhen Junxing Communication Technology Co., Ltd., Gumei Electronics (Hong Kong) Technology Ltd., 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.

The following cases have been disclosed in interim announcements and periodic reports and are under trial. For details of the cases, please refer to the Announcement on Large-amount Pending Litigation and Arbitration (Announcement No.: 2019-63) disclosed by the Company on June 25, 2019, the subsequent Announcement on Cumulative Litigation and Arbitration (Announcement No: 2020-97, 2021-48, 2021-101, 2022-89, 2023-37, 2023-39, 2025-36, 2025-67) disclosed on September 19, 2020, June 1, 2021, December 1, 2021, November 24, 2022, June 1, 2023, June 22, 2023, April 15, 2025, and July 31, 2025, respectively, as well as the Company's periodic reports: 1. The customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIA E COMERCIO S.A (Brazil), encountered insolvency and obtained approval for the judicial reorganization application from the Third Civil Court of Cotia, Sao Paulo State, Brazil, in May 2013. As the creditor of H-BUSTER, Hong Kong Konka submitted the claim application document, and the recognized claim amount in August 2014 was approximately USD 2.78 million; 2. Shenzhen Konka Telecommunications Technology Co., Ltd., a subsidiary of the Company, sued Liu Jie, Zhang Yinxia, Ren Chunni, Jiang Tianliang, and Hunan Ditsing Technology Co., Ltd. over a sales contract dispute, requesting a court order for the defendants to pay the outstanding payment for goods and assume joint and several liability for repayment; 3. Due to disputes over international goods contracts, the Company's subsidiary Jiaxin Technology Co., Ltd., sued Dingxin Electronics Technology (Hong Kong) Co., Ltd., Chen Wenhuan and Chen Baohong, requesting that the defendants be ordered to pay the purchase price and liquidated damages; 4. Due to a dispute over an international sales of goods contract, Micro Crystal Transfer Group Ltd. sued Chongqing Konka Optoelectronics Technology Co., Ltd. (formerly known as: Chongqing Konka Optoelectronics Technology Research Institute

Co., Ltd.), a subsidiary of the Company, requesting payment for goods and liquidated damages; 5. 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; 6. As Jiangxi Xinxin Jian'an Engineering Co., Ltd., Jiangxi Shanshi Technology Development Co., Ltd., and Jiangxi Zhongyi Decorative Materials Co., Ltd. failed to repay the loan and interest to the Jiangxi Branch of China Great Wall Asset Management Co., Ltd. on time, Jiangxi Branch of China Great Wall Asset Management Co., Ltd. filed a lawsuit with the court, requesting a judgment ordering Jiangxi Xinxin Jian'an Engineering Co., Ltd., Jiangxi Shanshi Technology Development Co., Ltd., and Jiangxi Zhongyi Decorative Materials Co., Ltd. to repay the loan of RMB 300 million, liquidated damages of RMB 108,000, and interest of RMB 13.65 million and requesting that nine guarantors, including Jiangxi Konka New Material Technology Co., Ltd., Jiangxi High-transparent Substrate Material Technology Co., Ltd., and Jiangxi Xinfeng Microcrystalline Jade Co., Ltd., assume joint and several liability of guarantee. 7. Due to a dispute over the contract of international sales of goods, Chongqing Konka Optoelectronics Technology Co., Ltd. (formerly known as Chongqing Konka Optoelectronics Technology Research Institute Co., Ltd.), a subsidiary of the Company, sued Micro Crystal Transfer Group Ltd., requesting the termination of the contract, the return of the price difference, and compensation for losses; 8. Zhongkang Storage Technology Co., Ltd., a subsidiary of the Company, sued Hongwang Semiconductor Co., Ltd., Li Bin, and Xu Xiaoxuan over a contract dispute, requesting a court order for the defendants to pay the overdue payment for goods, liquidated damages, and other fees.

## XII. Punishments and Rectifications

√ Applicable □ Not Applicable

Name	Type	Reason	Type of investigation and punishment	Conclusion (if any)	Disclosure date	Index to disclosed information
Konka Group Co., Ltd.	Others	In June 2018, Konka Group Co., Ltd. sold a 5% equity interest in Anhui Kaikai Vision E-commerce Co., Ltd., which failed to meet the conditions for recognition of investment income, leading to inaccurate information disclosure in the Company's 2018 semi-annual report.	The CSRC took administrative regulatory measures, and the Shenzhen Stock Exchange issued a regulatory letter.	A warning letter was issued as the regulatory measure.	December 27, 2025	Announcement on Receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange

Name	Type	Reason	Type of investigation and punishment	Conclusion (if any)	Disclosure date	Index to disclosed information
						2025-102 disclosed by the Company on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Liu Fengxi	Then Chairman	In June 2018, Konka Group Co., Ltd. sold a 5% equity interest in Anhui Kaikai Vision E-commerce Co., Ltd., which failed to meet the conditions for recognition of investment income, leading to inaccurate information disclosure in the Company's 2018 semi-annual report.	The CSRC took administrative regulatory measures, and the Shenzhen Stock Exchange issued a regulatory letter.	A warning letter was issued as the regulatory measure.	December 27, 2025	Announcement on Receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange 2025-102 disclosed by the Company on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Zhou Bin	Then General Manager	In June 2018, Konka Group Co., Ltd. sold a 5% equity interest in Anhui Kaikai Vision E-commerce Co., Ltd., which failed to meet the conditions for recognition of investment income, leading to inaccurate information disclosure in the Company's 2018 semi-annual report.	The CSRC took administrative regulatory measures, and the Shenzhen Stock Exchange issued a regulatory letter.	A warning letter was issued as the regulatory measure.	December 27, 2025	Announcement on Receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange 2025-102 disclosed by the Company on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Li Chunlei	Then Chief Financial Officer	In June 2018, Konka Group Co., Ltd. sold a 5% equity interest in Anhui Kaikai Vision E-commerce Co., Ltd., which failed to meet the conditions for recognition of investment income, leading to inaccurate information disclosure in the Company's 2018	The CSRC took administrative regulatory measures, and the Shenzhen Stock Exchange issued a regulatory letter.	A warning letter was issued as the regulatory measure.	December 27, 2025	Announcement on Receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen

Name	Type	Reason	Type of investigation and punishment	Conclusion (if any)	Disclosure date	Index to disclosed information
		semi-annual report.				Stock Exchange 2025-102 disclosed by the Company on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

#### Rectification

Applicable  Not Applicable

After the receipt of the Decision Letter and the Regulatory Letter, the Company and the relevant personnel attached great importance to the issues in 2018 as described therein and will make rectifications in strict accordance with the requirements of the CSRC Shenzhen Bureau and Shenzhen Stock Exchange, earnestly drawing lessons while effectively enhancing compliance awareness. Meanwhile, the Company and the relevant personnel will, on this basis, strengthen the study of relevant laws, regulations, and normative documents such as the Administrative Measures for the Information Disclosure of Listed Companies and the Accounting Standards for Business Enterprises, further improve and strictly implement the financial and accounting management regulations to regulate the Company's operation and information disclosure, safeguard the interests of the Company and all shareholders, and promote the healthy, stable, and high-quality development of the Company.

For details, please refer to the Announcement on receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>).

#### **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. Related-party transactions on daily operation

√ Applicable □ Not Applicable

Related party	Relationship with the Company	Type of related-party transactions	Content of related-party transactions	Pricing principle	Transaction price	Amount of related-party transaction (RMB'0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
OCT Group and its subsidiaries	Under the same de facto controller	Sales of goods and services	Sales of TVs, smart terminals and other products, and collection of smart TV terminal installation fees and other fees	Market pricing	Market price	6,501.75	0.66%	10,000	No	Cash	Not applicable	April 15, 2025	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
OCT Group and its subsidiaries	Under the same de facto controller	Purchasing services and products	Property management, utilities, housing lease services and products	Market pricing	Market price	6,333.97	0.75%	15,000	No	Cash	Not applicable	April 15, 2025	
Panshi Runchuang and related parties	Under the same de facto controller	Selling products and services to related parties	Sales of TVs, air conditioners, washing machines, refrigerators, PCBs, smart terminals, and other products, and provision of leasing and other services	Market pricing	Market price	105.76	0.01%	1,500	No	Cash	Not applicable	October 30, 2025	
Panshi Runchuang and related	Under the same de facto	Purchase of services and	Digital and other products; insurance,	Market pricing	Market price	118.77	0.01%	1,000	No	Cash	Not applicable	October 30, 2025	

Related party	Relationship with the Company	Type of related-party transactions	Content of related-party transactions	Pricing principle	Transaction price	Amount of related-party transaction (RMB'0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
parties	controller	products from related parties	property services, etc.										
China Resources Bank of Guangdong Co., Ltd.	Under the same de facto controller	Deposit interest	Deposit interest	Market pricing	Market price	51.98	2.15%	200	No	Cash	Not applicable	October 30, 2025	
China Resources Bank of Guangdong Co., Ltd.	Under the same de facto controller	Loan interest	Loan interest	Market pricing	Market price	3,798.51	7.09%	4,300	No	Cash	Not applicable	October 30, 2025	
Total				--	--	16,910.74	--	32,000	--	--	--	--	--
Detailed circumstances of large-amount sales return				Not applicable									
Given the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of routine related-party transactions by type to occur in the Reporting Period				The Company disclosed the Announcement on Estimated Routine Related-Party Transactions for 2025 and the Announcement on Routine Related-Party Transactions for 2025 on April 15, 2025 and October 30, 2025, respectively, in the Securities Times, Shanghai Securities News, China Securities Journal, and on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ). In the Reporting Period, the basis for pricing, transaction price, transaction amount and settlement methods of raw materials purchased by the Company from related parties and goods sold to related parties were basically in accordance with the forecast. The total amount incurred was RMB 169.1074 million.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Not applicable									

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

Applicable  Not Applicable

For details, please refer to the relevant contents of other major related-party transactions in point 7 of this subsection.

## 3. Related-party transactions regarding joint investments in third parties

Applicable  Not applicable

The Company did not engage in any related-party transactions regarding joint investments in third parties during 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 from related parties

Liabilities payable to related parties

Related party	Relationship with the Company	Reason for formation	Beginning balance (RMB'0,000)	Increase in the current period (RMB'0,000)	Repaid in this period (RMB'0,000)	Interest rate	Interest in this period (RMB'0,000)	Ending balance (RMB'0,000)
OCT Group	Former controlling shareholder	The Company applied for an entrusted loan from it.	81,091.00		81,091.00	3.00%	1,615.06	
			50,000.00		50,000.00	3.00%	995.83	
			70,000.00		70,000.00	3.00%	1,394.17	
				11,447.30	11,447.30	3.00%	227.99	
Panshi Runchuang	Controlling shareholder	The Company applied for a loan from it.		217,000.00		3.00%	2,278.50	217,000.00
CR Inc.	Related party	The Company applied for a loan from it.		100,000.00	100,000.00	3.00%	111.67	
Effects of liabilities with related parties on the Company's operating results and financial condition		The Company's application for loans from related parties met the needs of existing business development and reduced 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 any deposits, receive loans or credit from, and was not involved in any other finance business with any related parties.

## 7. Other major related-party transactions

Applicable  Not Applicable

(1) Listing and transfer of partial equity in the investee company and waiver of the right of first refusal: the Company reviewed and approved the Proposal on Listing and Transfer of Partial Equity of Kunshan Kangsheng Investment Development Co., Ltd. and Waiver of the Right of First Refusal at the 37th Meeting of the Tenth Board of Directors held on November 6, 2024. To optimize the Company's asset allocation, recover funds, and enhance asset liquidity, the Company jointly listed and transferred its 29.4% equity in Kunshan Kangsheng Investment Development Co., Ltd., and the 30.6% equity held by Taizhou Overseas Chinese Town Co., Ltd. in the same company, and waived its right of first refusal for the 30.6% equity listed and transferred by Taizhou Overseas Chinese Town Co., Ltd. According to the Shanghai Property Transaction Contract signed by the Company, Taizhou Overseas Chinese Town Co., Ltd. and Kunshan Fangxin Equity Investment Management Co., Ltd., the Company has received all the equity transfer price and completed the industrial and commercial registration of changes of Kunshan Kangsheng Investment Development Co., Ltd.

(2) The Company's application for a borrowing facility from its controlling shareholder and its related parties: At the 2nd Meeting of the 11th Board of Directors held on August 27, 2025, the Company reviewed and approved the Proposal on Applying for a Borrowing Facility from the Controlling Shareholder and Its Related Parties. To meet the Company's needs on daily operating capital, the meeting approved the Company's application for a total borrowing facility of RMB 2.17 billion from its controlling shareholder, Panshi Runchuang, specifically for the repayment of the principal and interest of the loan from OCT Group, with a loan term of one year and an annualized interest rate of 3%; the meeting also reviewed and approved the Company's application for a short-term revolving borrowing facility of up to RMB 1.8 billion from China Resources Inc. for the repayment of external interest-bearing liabilities and for working capital purposes (the facility valid for one year from the date of the first drawdown, with a single financing term not exceeding 270 days and an annualized interest rate of 3%).

(3) Change of credit enhancement measures for the Company's non-public issuance of corporate bonds: At the 5th Meeting of the 11th Board of Directors held on November 12,

2025, the Company reviewed and approved the Proposal on Changing the Credit Enhancement Measures for the Company's Non-Public Issuance of Corporate Bonds. China Resources Inc. will assume the full, unconditional, and irrevocable joint and several liability guarantee provided by OCT Group for the Company's outstanding RMB 3.5 billion non-publicly issued corporate bonds, and the Company's counter-guarantee liability to OCT Group will be released accordingly. The Company intends to pay a guarantee fee to China Resources Inc. for the actual amount of the guarantee used. The estimated guarantee fee rate will not exceed 0.05% per annum of the actual guarantee amount used. That is, calculated on a guarantee amount of RMB 3.5 billion, the total guarantee fee paid by the Company during the guarantee period will not exceed RMB 2.94 million, with the specific terms subject to the contract.

(4) The Company's non-public transfer of partial shares in Wuhan Tianyuan Group Co., Ltd. via agreement: The Company's Board of Directors reviewed and approved the Proposal on the Non-Public Transfer of Partial Shares in Wuhan Tianyuan Group Co., Ltd. by Agreement at the 6th Meeting of the 11th Board of Directors on November 28, 2025, and at the 6th Extraordinary General Meeting of 2025 on November 28, 2025. To concentrate resources on the development of main business and accelerate the divestment of non-core assets, the meeting approved the Company's transfer of 66,283,973 shares of Wuhan Tianyuan Group Co., Ltd. to China Resources Asset Management (Shenzhen) Co., Ltd. through a non-public agreement transfer at a price of RMB 13.80 per share, totaling RMB 914,718,827.40. Upon completion of this related-party transaction, the number of shares held by the Company in Wuhan Tianyuan Group Co., Ltd. will be reduced from 79,583,973 to 13,300,000, and China Resources Asset Management (Shenzhen) Co., Ltd. will hold 66,283,973 shares in Wuhan Tianyuan Group Co., Ltd. According to the Share Transfer Agreement officially executed between the Company and China Resources Asset Management (Shenzhen) Co., Ltd., the Company has received the full share transfer payment and has completed the share transfer registration.

(5) Perpetual bond financing from the controlling shareholder: The Company's Board of Directors reviewed and approved the Proposal of the Company on Perpetual Bond Financing from Controlling Shareholder Panshi Runchuang (Shenzhen) Information Management Co., Ltd. at the Sixth Meeting of the 11th Board of Directors held on November 28, 2025 and at the 6th Extraordinary General Meeting of 2025 held on November 28, 2025. To improve the capital structure, risk resistance, and financial stability, the meeting approved the Company's perpetual bond financing from its controlling shareholder, Panshi Runchuang, with a total amount not exceeding RMB 5 billion, no fixed

term, and a floating annualized interest rate of one-year Loan Prime Rate (LPR), repriced every 12 months, excluding an interest rate step-up clause. The specific term and purpose are subject to the contract between both parties. According to the Perpetual Bond Agreement signed between the Company and Panshi Runchuang, the RMB 5 billion perpetual bond financing has been received.

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

Title of public announcement	Date of disclosure	Website of disclosure
Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-Party Transactions	January 17, 2025	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Announcement on the Application for a Borrowing Facility from the Controlling Shareholder and Its Related Parties and Related-Party Transactions	August 29, 2025	
Announcement on the Change of Credit Enhancement Measures for the Company's Non-Public Issuance of Corporate Bonds and Related-party Transactions	November 13, 2025	
Announcement on the Related-party Transaction of Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	November 29, 2025	
Announcement on the Related-Party Transaction of Perpetual Bond Financing from the Controlling Shareholder	November 29, 2025	
Announcement on the Progress of Related-Party Transaction of Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	December 4, 2025	
Announcement on the Progress of Related-Party Transaction of Perpetual Bond Financing from the Controlling Shareholder	December 19, 2025	
Announcement on the Completion of Transfer Registration for the Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	December 25, 2025	

## XV. Major Contracts and Execution thereof

### 1. Entrustment, contracting and leases

#### (1) Entrustment

Applicable  Not applicable

There is no custody during the Reporting Period.

#### (2) Contracting

Applicable  Not applicable

There is no contracting during the Reporting Period.

#### (3) Leases

Applicable  Not Applicable

Leases description

No significant leases in the Reporting Period.

During the Reporting Period, Konka R&D Building and Konka Guangming Technology Center and other properties received rents of about RMB 950.3 million.

Items whose gains/losses brought to the Company account for over 10% of total profit in the Reporting Period

Applicable  Not applicable

There are no lease items whose gains/losses brought to the Company account for over 10% of total profit in the Reporting Period.

## 2. Major guarantees

√ Applicable □ Not Applicable

Unit: RMB10,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Guaranteed party name	Disclosure date of the announcement on guarantee line	Guarantee line	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter guarantee situation	Guarantee period	Fulfilled or not	Guarantee for a related party or not
Econ Technology Co., Ltd.	April 28, 2022	50,000	May 22, 2023	1,499	Joint liability guarantee	None	No	Four years	No	No
			September 24, 2024	2,248	Joint liability guarantee	None	No	Two years	No	No
			October 24, 2024	4,388	Joint liability guarantee	None	No	Two years	No	No
			January 14, 2025	1,499	Joint liability guarantee	None	No	One year	No	No
			January 17, 2025	750	Joint liability guarantee	None	No	One year	No	No
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	December 12, 2016	10,000	Joint liability guarantee	None	No		No	No
Jiangxi Zhongyi Decorative Material Co., Ltd.		10,000	December 12, 2016	10,000	Joint liability guarantee	None	No		No	No
Jiangxi Shanshi Technology Development		10,000	December 12, 2016	10,000	Joint liability guarantee	None	No		No	No

Co., Ltd.										
Total approved line for such guarantees in the Reporting Period (A1)			0			Total actual amount of such guarantees in the Reporting Period (A2)			2,249	
Total approved line for external guarantees at the end of the Reporting Period (A3)			106,870			Total actual balance of external guarantees at the end of the Reporting Period (A4)			40,384	
Guarantees provided for subsidiaries by the Company										
Guaranteed party name	Disclosure date of the announcement on guarantee line	Guarantee line	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Guarantee for a related party or not
Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	February 25, 2023	55,000	February 24, 2025	5,000	Joint liability guarantee	None	No	One year	No	No
			February 25, 2025	2,000	Joint liability guarantee	None	No	One year	No	No
			April 21, 2025	4,000	Joint liability guarantee	None	No	One year	No	No
Boluo Konka Precision Technology Co., Ltd.	February 25, 2023	5,000	April 29, 2025	1,000	Joint liability guarantee	None	No	One year	No	No
Shenzhen Konka Electronics Technology Co., Ltd.	February 25, 2023	100,000	December 3, 2024	50,000	Joint liability guarantee	None	No	One and a half years	No	No
Dongguan Konka Electronics Co., Ltd.	March 24, 2021 and February 25, 2023	90,000	June 23, 2021	80,000	Joint liability guarantee	None	No	Ten years	No	No

Sichuan Konka Smart Terminal Technology Co., Ltd.	March 24, 2021 and February 25, 2023	20,000	May 23, 2023	4,000	Joint liability guarantee	None	None	Three years	No	No
Ningbo Kanghanrui Electric Appliances Co., Ltd.	March 22, 2025	12,000	May 9, 2025	6,000	Joint liability guarantee	None	None	One and a half years	No	No
			July 13, 2025	6,000	Joint liability guarantee	None	None	One year	No	No
Anhui Konka Electronics Co., Ltd.	April 28, 2022	33,216	August 10, 2021	10,216	Joint liability guarantee	None	Other shareholders of Anhui Konka provided a counter guarantee for the Company for 22% of the guarantee line.	Ten years	No	No
			October 29, 2021	7,000	Joint liability guarantee	None		Five years	No	No
			October 24, 2022	7,000	Joint liability guarantee	None		Four years	No	No
			June 25, 2023	5,000	Joint liability guarantee	None		Five years	No	No
			March 6, 2025	4,000	Joint liability guarantee	None		One year	No	No
Shenzhen Konka Circuit Co., Ltd.	March 24, 2021	50,000	July 19, 2023	10,000	Joint liability guarantee	None	None	Three and a half years	No	No
Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd.	March 24, 2021	30,000	July 12, 2021	8,278	Joint liability guarantee	None	None	Five years	No	No
			November 26, 2024	12,100	Joint liability guarantee	None	None	Three years	No	No
Yibin Konka Smart Technology Co., Ltd.	March 22, 2025	980	May 19, 2025	980	Joint liability guarantee	None	None	Three years	No	No
Chongqing Konka	March 24, 2021	55,600	December 13, 2022	38,000	Joint liability guarantee	None	None	Fifteen years	No	No

Technology Development Co., Ltd.										
Suining Konka Hongye Electronics Co., Ltd.	April 28, 2022 and February 25, 2023	19,010	January 24, 2024	19,010	Joint liability guarantee	None	None	14 years	No	No
Xi'an Kanghong Technology Industry Development Co., Ltd.	February 25, 2023	30,000	May 26, 2023	30,000	Joint liability guarantee	None	None	Ten years	No	No
Total approved line for the guarantees to subsidiaries in the Reporting Period (B1)				12,980	Total actual amount of the guarantees to subsidiaries in the Reporting Period (B2)				28,980	
Total approved line for the guarantees to subsidiaries at the end of the Reporting Period (B3)				607,320	Total actual balance of the guarantees to subsidiaries at the end of the Reporting Period (B4)				309,584	
Guarantees provided between subsidiaries										
Guaranteed party name	Disclosure date of the announcement on guarantee line	Guarantee line	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Guarantee for a related party or not
None										
Total approved line for the guarantees to subsidiaries in the Reporting Period (C1)				0	Total actual amount of the guarantees to subsidiaries in the Reporting Period (C2)				0	
Total approved line for the guarantees to subsidiaries at the end of the Reporting Period (C3)				0	Total actual balance of the guarantees to subsidiaries 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)				12,980	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				31,229	
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)				714,190	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				349,968	

Total guarantee balance(A4+B4+C4) as % of the Company's net assets	-57.53%
Including:	
Balance of guarantees provided for shareholders, de facto controller and their related parties (D)	0
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)	349,968
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)	Not applicable
Total of the three amounts above (D+E+F)	349,968
Explanation of the situation in which the guarantee liability occurs or there is evidence that it may bear joint and several repayment liability during the Reporting Period in respect of unexpired guarantee contracts (if any)	None
Provision of external guarantees in breach of the prescribed procedures (if any)	None

#### Explanation of compound guarantees

None

### 3. Cash entrusted for wealth management

#### (1) Cash entrusted for wealth management

Applicable  Not Applicable

Overview of entrusted wealth management in the Reporting Period

Unit: RMB10,000

Product category	Risk characteristics	Balance of entrusted wealth management during the Reporting Period	Unrecovered overdue amount
Trust wealth management products	High risk	0	0

Note: Due to the expiration of trust wealth management products, the manager allocated the underlying assets of the trust wealth management.

Specifics of high-risk entrusted wealth management where the Company, as a sole trustor, entrusts a financial institution to carry out asset management, or invests in products with low security and poor liquidity

Applicable  Not Applicable

Unit: RMB10,000

Name of trustee institution (or name of trustee)	Type of trustee institution (or trustee)	Risk characteristics	Product type	Amount	Start date	End date	Use of funds	Actual gains/losses during the Reporting Period	Actual recovery of gains/losses during the Reporting Period	Overview of matter and related enquiry index (if any)
Daye Trust Co., Ltd.	Trust	High	Trust Wealth Management	10,000	October 21, 2022	October 21, 2025	Equity assets	-10,000	The manager allocates the underlying assets of the trust wealth management	-
Total				10,000	--	--	--	-10,000	--	--

#### (2) Entrusted loans

Applicable  Not applicable

The Company had no entrusted loans during the Reporting Period.

### 4. Other major contracts

Applicable  Not applicable

The Company had no other major contracts during the Reporting Period.

### XVI. Use of Raised Funds

Applicable  Not Applicable

#### 1. Overall use of raised funds

Applicable  Not Applicable

Unit: RMB10,000

Year of fundraising	Method of fundraising	Listing date of securities	Total raised funds	Net amount of raised funds (1)	Total raised funds used in the current period	Total cumulative use of raised funds (2)	Proportion of use of raised funds at the end of the Reporting Period (3) = (2)/(1)	Total raised funds whose use was changed during the Reporting Period	Total raised funds with changes in use	Proportion of total raised funds with changes in use	Total unused raised funds	Purpose and whereabouts of unused raised funds	Amount of raised funds idle for more than two years
2025	Non-public issuance of corporate bonds	June 30, 2025	41,000	40,868.8	41,000	41,000	100.32%	0	0	0.00%	0	Not applicable	0
2025	Non-public issuance of corporate bonds	July 11, 2025	79,000	78,747.2	79,000	79,000	100.32%	0	0	0.00%	0	Not applicable	0
Total	--	--	120,000	119,616.00	120,000	120,000	100.32%	0	0	0.00%	0	--	0

#### Description of overall use of raised funds:

1. The non-public issuance of corporate bonds (Phase I) (Variety I) by Konka Group Co., Ltd. to professional investors in 2025 was completed on June 23, 2025 and the raised funds have been used up during the Reporting Period. The Company used the raised funds in strict accordance with the agreed purposes of the bond prospectus, and the special account for raised funds operated well.

2. The non-public issuance of corporate bonds (Phase II) (Variety I) by Konka Group Co., Ltd. to professional investors in 2025 was completed on July 4, 2025 and the raised funds have been used up during the Reporting Period. The Company used the raised funds in strict accordance with the agreed purposes of the bond prospectus, and the special account for raised funds operated well.

#### 3. Committed projects of raised funds

Applicable  Not applicable

#### 3. Project changes of raised funds

Applicable  Not applicable

The Company did not have any changes in raised funds during the Reporting Period.

#### 4. Verification opinion from the intermediary on the storage and use of the raised funds

Applicable  Not applicable

#### XVII. Other Significant Events

Applicable  Not Applicable

(I) Major events planned by the Company's controlling shareholder: On April 29, 2025, the Company received a notice from its former controlling shareholder, OCT Group: To promote professional integration among central state-owned enterprises and optimize resource allocation, OCT Group and its parties acting in concert (Shenzhen OCT Capital Investment Management Co., Ltd. and Jialong Investment Co., Ltd., wholly-owned subsidiaries of OCT Group) executed the Agreement on the Gratuitous Transfer of Shares of Konka Group Co., Ltd. with Panshi Runchuang and Commotra Company Limited, respectively, to gratuitously transfer all the shares held by OCT Group and its parties acting in concert to Panshi Runchuang and Commotra Company Limited, wholly-owned subsidiaries of China Resources. As of July 2025, the gratuitous share transfer has been completed. The Company's controlling shareholder changed to Panshi Runchuang, the de facto controller is China Resources, and the ultimate de facto controller is the SASAC.

(II) Non-public issuance of corporate bonds: The Company issued corporate bonds of RMB 410 million and RMB 790 million on June 23, 2025 and July 4, 2025, respectively.

(III) Termination of the planned issuance of shares for purchasing assets and raising supporting funds: The Company held the 39th Meeting of the 10th Board of Directors on January 13, 2025, which reviewed and approved the Proposal on the Plan for Issuance of Shares to Purchase Assets and Raise Supporting Funds by Konka Group Co., Ltd. and its Abstract and other related proposals. For more details, please refer to the relevant announcements disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) on January 14, 2025. The Company held the 48th meeting of the 10th Board of Directors and the 18th Meeting of the 10th Board of Supervisors on June 10, 2025, which reviewed and approved the Proposal on Terminating the Issuance of Shares to Purchase Assets and Raise Supporting Funds and the Proposal on Executing the Termination Agreement for the Share Purchase Agreement, specifying the termination of transaction and execution of relevant termination agreement with the counterparty. For more details, please refer to the Announcement on the Termination of the Issuance of Shares to Purchase Assets and Raise Supporting Funds (Announcement No.: 2025-46).

(IV) Initiation and establishment of funds: the total scale of the Oriental-Konka Industry M&A Fund was RMB 1,001 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB 500 million, accounting for 49.95% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB 487.34 million. The fund invested in Jiangxi Yahua Electronic Materials Co., Ltd., Potron Technology Co., Ltd., etc.

The total scale of the Kunshan Xinjia Emerging Industry Development Investment Fund was RMB 1,006 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB

500 million, accounting for 49.70% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB 195.21 million. The fund invested in UnionTech Software Technology Co., Ltd., Jingwei Qili (Beijing) Technology Co., Ltd., etc.

The total scale of the Tongxiang Wuzhen Jiayu Digital Economic Industry Fund was RMB 500 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB 200 million, accounting for 40% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB 200 million. The fund invested in Feidi Technology (Shenzhen) Co., Ltd., Allystar Technology (Shenzhen) Co., Ltd., etc.

The total amount of Yancheng Kangyan Information Industry Investment Fund was RMB 3,000 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB 1,201.5 million, accounting for 40.05% of the total units. By the date of report issuance, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB 217.37 million. The fund invested in Anhui Zhongdianxinlong Technology Co., Ltd. (formerly known as Anhui Zhongdianxingfa and Xinlong Technology Co., Ltd.), Chongqing ypfun Technology Co., Ltd., etc.

The total amount of Yibin Kanghui Electronic Information Industry Equity Investment Fund was RMB 1,002 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB 401 million, accounting for 40.02% of the total. By the date of report issuance, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB 107.52 million. The fund invested in Chongqing ypfun Technology Co., Ltd., etc.

The total amount of Chongqing Kangxin Equity Investment Fund was RMB 2,000 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB 1,000 million, accounting for 50% of the total. By the date of report issuance, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB 152 million. The fund invested in Shanghai Veiglo Information Technology Co., Ltd., Jiangxi Taide Wisdom Technology Co., Ltd., etc.

#### (V) Disclosure Index of Significant Information

No.	Date	Title	Page	Website link
2025-01	January 4, 2025	Announcement on Resolutions of the First Extraordinary General Meeting in 2025	Securities Times B28, Shanghai Securities News 60, etc.	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
2025-02	January 7, 2025	Announcement on the Progress of Suspension of Trading due to the Planned	Securities Times B18, Shanghai Securities News	

No.	Date	Title	Page	Website link
		Issuance of Shares to Purchase Assets	60, etc.	
2025-03	January 14, 2025	Announcement of the General Risk Warning and Stock Resumption on the Issuance of Shares to Purchase Assets and Raise Supporting Funds	Securities Times B71, Shanghai Securities News 52, etc.	
2025-04	January 14, 2025	Announcement on Resolutions of the 39th Meeting of the Tenth Board of Directors	Securities Times B71, Shanghai Securities News 52, etc.	
2025-05	January 14, 2025	Announcement on the Resolutions of the 15th Meeting of the 10th Board of Supervisors	Securities Times B71, Shanghai Securities News 52, etc.	
2025-06	January 14, 2025	Announcement on the Shareholding of the Top Ten Shareholders and Top Ten Tradable Shareholders of the Listed Company on the Trading Day Prior to the Suspension	Securities Times B71, Shanghai Securities News 52, etc.	
2025-07	January 14, 2025	Announcement on Not Convening a General Meeting to Review Matters Related to the Transaction	Securities Times B71, Shanghai Securities News 52, etc.	
2025-08	January 17, 2025	Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-Party Transactions	Securities Times B43, Shanghai Securities Journal 36, etc.	
2025-09	January 21, 2025	Announcement on Progress in the Provision of External Guarantee	Securities Times B88, Shanghai Securities Journal 73, etc.	
2025-10	January 27, 2025	2024 Results Forecast	Securities Times B18, Shanghai Securities Journal 28, etc.	
2025-11	February 14, 2025	Announcement on the Progress of the Issuance of Shares to Purchase Assets and Raise Supporting Funds	Securities Times B16, Shanghai Securities Journal 9, etc.	
2025-12	March 8, 2025	Notice on Convening the Second Extraordinary General Meeting in 2025	Securities Times B13, Shanghai Securities Journal 16, etc.	
2025-13	March 8, 2025	Announcement on Resolutions of the 41st Meeting of the Tenth Board of Directors	Securities Times B13, Shanghai Securities Journal 16, etc.	
2025-14	March 8, 2025	Announcement on Extended Loans Provided by the Holding Subsidiary to Shareholders in Proportion to Equity	Securities Times B13, Shanghai Securities Journal 16, etc.	
2025-15	March 14, 2025	Announcement on the Progress of the Issuance of Shares to Purchase Assets and Raise Supporting Funds	Securities Times B20, Shanghai Securities Journal 52, etc.	
2025-16	March 22, 2025	Announcement on Resolutions of the 42nd Meeting of the Tenth Board of Directors	Securities Times B44, Shanghai Securities Journal 132, etc.	

No.	Date	Title	Page	Website link
2025-17	March 22, 2025	Notice on Convening the Third Extraordinary General Meeting in 2025	Securities Times B44, Shanghai Securities Journal 132, etc.	
2025-18	March 22, 2025	Announcement on Providing Guarantees for Holding Companies	Securities Times B44, Shanghai Securities Journal 132, etc.	
2025-19	March 22, 2025	Announcement on the Extension of Financial Assistance to Sichuan Chengrui Real Estate Co., Ltd.	Securities Times B44, Shanghai Securities Journal 132, etc.	
2025-20	March 25, 2025	Announcement on Resolutions of the Second Extraordinary General Meeting in 2025	Securities Times B34, Shanghai Securities Journal 44, etc.	
2025-21	March 28, 2025	Announcement on Changes in Certain Accounting Policies	Securities Times B75, Shanghai Securities Journal 108, etc.	
2025-22	March 29, 2025	Announcement on Progress in the Provision of External Guarantee	Securities Times B160, Shanghai Securities Journal 9, etc.	
2025-23	April 1, 2025	Announcement on Resolutions of the 43rd Meeting of the Tenth Board of Directors	Securities Times B87, Shanghai Securities Journal 10, etc.	
2025-24	April 1, 2025	Announcement on Changes to the Accounting Method for Associated Companies	Securities Times B87, Shanghai Securities Journal 10, etc.	
2025-25	April 8, 2025	Announcement on Resolutions of the Third Extraordinary General Meeting in 2025	Securities Times B16, Shanghai Securities Journal 12, etc.	
2025-26	April 9, 2025	Indicative Announcement on the Planning of Major Events by the Controlling Shareholder	Securities Times B105, Shanghai Securities Journal 108, etc.	
2025-27	April 12, 2025	Announcement on the Progress of the Issuance of Shares to Purchase Assets and Raise Supporting Funds	Securities Times B103, Shanghai Securities Journal 153, etc.	
2025-28	April 14, 2025	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B3, Shanghai Securities Journal 9, etc.	
2025-29	April 15, 2025	Announcement on Resolutions of the 16th Meeting of the 10th Board of Supervisors	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-30	April 15, 2025	Announcement on Expected Routine Related-party Transactions in 2025	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-31	April 15, 2025	Announcement on the Profit Distribution Plan for 2024	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-32	April 15, 2025	Announcement on Accrual of Asset Impairment Reserves for 2024	Securities Times A7, Shanghai Securities Journal 20, etc.	

No.	Date	Title	Page	Website link
2025-33	April 15, 2025	Summary of 2024 Annual Report of Konka Group Co., Ltd.	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-34	April 15, 2025	2024 Annual Report	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-35	April 15, 2025	Announcement on Resolutions of the 44th Meeting of the Tenth Board of Directors	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-36	April 15, 2025	Announcement on Cumulative Litigations and Arbitrations	Securities Times A7, Shanghai Securities Journal 20, etc.	
2025-37	April 26, 2025	Announcement on Holding 2024 Online Performance Briefing	Securities Times B784, Shanghai Securities Journal 300, etc.	
2025-38	April 30, 2025	First Quarter Report 2025	Securities Times B398, Shanghai Securities Journal 76, etc.	
2025-39	April 30, 2025	Announcement on the Progress of the Planning of Major Events by the Controlling Shareholder	Securities Times B80, Shanghai Securities Journal 732, etc.	
2025-40	May 9, 2025	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Times B15, Shanghai Securities Journal 57, etc.	
2025-41	May 12, 2025	Announcement on the Progress of the Issuance of Shares to Purchase Assets and Raise Supporting Funds	Securities Times A12, Shanghai Securities Journal 10, etc.	
2025-42	May 21, 2025	Announcement on Resolutions of the 46th Meeting of the Tenth Board of Directors	Securities Times B30, Shanghai Securities Journal 60, etc.	
2025-43	May 21, 2025	Notice on Convening 2024 Annual General Meeting of Shareholders	Securities Times B30, Shanghai Securities Journal 60, etc.	
2025-44	June 3, 2025	Announcement on the Opportunistic Sale of Partial Shares of Wuhan Tianyuan Group Co., Ltd.	Securities Times B137, Shanghai Securities News 60, etc.	
2025-45	June 3, 2025	Announcement on Resolutions of the 47th Meeting of the Tenth Board of Directors	Securities Times B137, Shanghai Securities News 60, etc.	
2025-46	June 11, 2025	Announcement on the Termination of Issuing Shares to Purchase Assets and Raise Supporting Funds	Securities Times B2, Shanghai Securities News 76, etc.	
2025-47	June 11, 2025	Announcement on Holding Investor Briefing on the Termination of Issuing Shares to Purchase Assets and Raise Supporting Funds	Securities Times B2, Shanghai Securities News 76, etc.	
2025-48	June 11, 2025	Announcement on Resolutions of the 48th Meeting of the Tenth Board of Directors	Securities Times B2, Shanghai Securities News	

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			76, etc.	
2025-49	June 11, 2025	Announcement of Resolutions of the 18th Meeting of the 10th Supervisory Board	Securities Times B2, Shanghai Securities News 76, etc.	
2025-50	June 17, 2025	Announcement on Resolutions of the 2024 Annual General Meeting of Shareholders	Securities Times B46, Shanghai Securities News 44, etc.	
2025-51	June 25, 2025	Announcement of Issuance Results of Privately Placed Corporate Bonds to Professional Investors in 2025 (Tranche I)	Securities Times B14, Shanghai Securities News 84, etc.	
2025-52	June 28, 2025	Announcement on the Progress of the Planning of Major Events by the Controlling Shareholder	Securities Times B176, Shanghai Securities News 171, etc.	
2025-53	July 1, 2025	Announcement on the Progress of the Planning of Major Events by the Controlling Shareholder	Securities Times B53, Shanghai Securities News 64, etc.	
2025-54	July 8, 2025	Announcement of Issuance Results of Privately Placed Corporate Bonds to Professional Investors in 2025 (Tranche II)	Securities Times B37, Shanghai Securities News 76, etc.	
2025-55	July 12, 2025	Announcement on the Completion of A-share Transfer Registration for Shareholder Equity Change and Change of the Company's Controlling Shareholder	Securities Times B71, Shanghai Securities News 140, etc.	
2025-56	July 15, 2025	2025 Semi-annual Performance Forecast	Securities Times B128, Shanghai Securities Journal 60, etc.	
2025-57	July 22, 2025	Announcement on the Completion of Partial Transfer of B-shares Related to Shareholder Equity Change and the Completion of Gratuitous Transfer of Shares	Securities Times B50, Shanghai Securities Journal 20, etc.	
2025-58	July 30, 2025	Declaration and Commitment of Independent Director Candidate (Li Zhong)	Securities Times B7, Shanghai Securities Journal 73, etc.	
2025-59	July 30, 2025	Declaration and Commitment of the Nominator for Independent Director (Li Zhong)	Securities Times B7, B8, Shanghai Securities Journal 73, etc.	
2025-60	July 30, 2025	Declaration and Commitment of Independent Director Candidate (Pan Zhaoguo)	Securities Times B7, Shanghai Securities Journal 73, etc.	
2025-61	July 30, 2025	Declaration and Commitment of the Nominator for Independent Director (Pan Zhaoguo)	Securities Times B8, Shanghai Securities Journal 73, etc.	
2025-62	July 30, 2025	Declaration and Commitment of Independent Director Candidate (Liu Jian)	Securities Times B7, Shanghai Securities Journal 73, etc.	

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2025-63	July 30, 2025	Declaration and Commitment of the Nominator for Independent Director (Liu Jian)	Securities Times B7, Shanghai Securities Journal 73, etc.	
2025-64	July 30, 2025	Announcement on the Re-election of the Board of Directors	Securities Times B7, Shanghai Securities Journal 73, etc.	
2025-65	July 30, 2025	Announcement on Resolutions of the 52nd Meeting of the Tenth Board of Directors	Securities Times B8, Shanghai Securities Journal 73, etc.	
2025-66	July 30, 2025	Notice on Convening the 2025 Fourth Extraordinary General Meeting	Securities Times B7, Shanghai Securities Journal 73, etc.	
2025-67	July 31, 2025	Announcement on Cumulative Litigations and Arbitrations	Securities Times B6, Shanghai Securities Journal 73, etc.	
2025-68	August 15, 2025	Announcement on the Election of Employee Director	Securities Times B87, Shanghai Securities Journal 65, etc.	
2025-69	August 15, 2025	Announcement on Resolutions of the Fourth Extraordinary General Meeting in 2025	Securities Times B87, Shanghai Securities Journal 65, etc.	
2025-70	August 15, 2025	Announcement on the Completion of the Re-election of the Board of Directors and the Appointment of Senior Executives	Securities Times B87, Shanghai Securities Journal 65, etc.	
2025-71	August 15, 2025	Announcement of Resolutions of the 1st Meeting of the 11th Board of Directors	Securities Times B87, Shanghai Securities Journal 65, etc.	
2025-72	August 20, 2025	Announcement on the Progress of Providing Guarantees for the Holding Company	Securities Times B115, Shanghai Securities Journal 105, etc.	
2025-73	August 21, 2025	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B72, Shanghai Securities Journal 44, etc.	
2025-74	August 29, 2025	Summary of 2025 Semi-annual Report	Securities Times B23, Shanghai Securities Journal 196, etc.	
2025-75	August 29, 2025	Announcement on the Application for a Borrowing Facility from the Controlling Shareholder and Its Related Parties and Related-Party Transactions	Securities Times B23, Shanghai Securities Journal 196, etc.	
2025-76	August 29, 2025	Announcement of Resolutions of the 2nd Meeting of the 11th Board of Directors	Securities Times B23, Shanghai Securities Journal 196, etc.	
2025-77	September 12, 2025	Announcement of Resolutions of the 3rd Meeting of the 11th Board of Directors	Securities Times B94, Shanghai Securities Journal 20, etc.	
2025-78	September 12, 2025	Announcement on the Appointment of Audit Firms for 2025 Financial Statements and	Securities Times B94, Shanghai Securities	

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		Internal Control Audit	Journal 20, etc.	
2025-79	September 12, 2025	Announcement on Extended Loans Provided by the Holding Subsidiary to Shareholders in Proportion to Equity	Securities Times B94, Shanghai Securities Journal 20, etc.	
2025-80	September 12, 2025	Notice on Convening the 5th Extraordinary General Meeting in 2025	Securities Times B94, Shanghai Securities Journal 20, etc.	
2025-81	September 27, 2025	Announcement on the Overdue Shareholder Borrowings for the Investee Company	Securities Times B40, Shanghai Securities Journal 60, etc.	
2025-82	September 30, 2025	Announcement on Resolutions of the 5th Extraordinary General Meeting in 2025	Securities Times B215, Shanghai Securities Journal 20, etc.	
2025-83	October 30, 2025	Third Quarter Report in 2025	Securities Times B373, Shanghai Securities Journal 676, etc.	
2025-84	October 30, 2025	Announcement on Resolutions of the 4th Meeting of the 11th Board of Directors	Securities Times B373, Shanghai Securities Journal 676, etc.	
2025-85	October 30, 2025	Announcement on the Appointment of the Secretary to the Board of Directors	Securities Times B373, Shanghai Securities Journal 676, etc.	
2025-86	October 30, 2025	Announcement on Routine Related-party Transactions in 2025	Securities Times B373, Shanghai Securities Journal 676, etc.	
2025-87	November 13, 2025	Announcement on the Change of Credit Enhancement Measures for the Company's Non-Public Issuance of Corporate Bonds and Related-party Transactions	Securities Times B17, Shanghai Securities Journal 20, etc.	
2025-88	November 13, 2025	Announcement on Resolutions of the 5th Meeting of the 11th Board of Directors	Securities Times B17, Shanghai Securities Journal 20, etc.	
2025-89	November 13, 2025	Notice on Convening the 6th Extraordinary General Meeting in 2025	Securities Times B17, Shanghai Securities Journal 20, etc.	
2025-90	November 26, 2025	Announcement on Cumulative Litigations and Arbitrations	Securities Times B17, Shanghai Securities Journal 76, etc.	
2025-91	November 29, 2025	Announcement on Resolutions of the 6th Extraordinary General Meeting in 2025	Securities Times B165, Shanghai Securities Journal 68, etc.	
2025-92	November 29, 2025	Announcement on the Related-party Transaction of Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	Securities Times B102, Shanghai Securities Journal 68, etc.	
2025-93	November 29, 2025	Announcement on Resolutions of the 6th Meeting of the 11th Board of Directors	Securities Times B165, Shanghai Securities	

No.	Date	Title	Page	Website link
			Journal 68, etc.	
2025-94	November 29, 2025	Notice on Convening the 7th Extraordinary General Meeting in 2025	Securities Times B165, Shanghai Securities Journal 68, etc.	
2025-95	November 29, 2025	Announcement on the Related-Party Transaction of Perpetual Bond Financing from the Controlling Shareholder	Securities Times B165, Shanghai Securities Journal 68, etc.	
2025-96	December 4, 2025	Announcement on the Progress of Related-Party Transaction of Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	Securities Times B51, Shanghai Securities News 65, etc.	
2025-97	December 16, 2025	Announcement on Resolutions of the 7th Extraordinary General Meeting in 2025	Securities Times B93, Shanghai Securities News 85, etc.	
2025-98	December 19, 2025	Announcement on the Progress of Related-Party Transaction of Perpetual Bond Financing from the Controlling Shareholder	Securities Times B18, Shanghai Securities News 60, etc.	
2025-99	December 23, 2025	Announcement on Overdue Shareholder Loans for Chuzhou Kangxin Health Industry Development Co., Ltd.	Securities Times B22, Shanghai Securities News 16, etc.	
2025-100	December 23, 2025	Announcement on Overdue Shareholder Loans for Yikang Technology Co., Ltd.	Securities Times B23, Shanghai Securities News 16, etc.	
2025-101	December 25, 2025	Announcement on the Completion of Transfer Registration for the Non-Public Transfer of Partial Shares of Wuhan Tianyuan Group Co., Ltd. via Agreement	Securities Times B19, Shanghai Securities News 19, etc.	
2025-102	December 27, 2025	Announcement on Receiving the Decision on Administrative Regulatory Measures from the Shenzhen Bureau of the China Securities Regulatory Commission and the Regulatory Letter from the Shenzhen Stock Exchange	Securities Times B129, Shanghai Securities News 12, etc.	

### XVIII. Major Events Concerning the Company's Subsidiaries

Applicable  Not applicable

## Section VI. Share Changes and Shareholders

### I. Share Changes

#### 1. Share changes

Unit: share

	Before the Change		Increase/decrease in the reporting period (+/-)					After the Change	
	Quantity	Percentage (%)	New issues	Bonus shares	Capital reserves converted into share capital	Others	Subtotal	Quantity	Percentage (%)
I. Restricted shares	0	0.00%						0	0.00%
II. Unrestricted shares	2,407,945,408	100.00%						2,407,945,408	100.00%
1. RMB-denominated ordinary shares	1,596,593,800	66.31%						1,596,593,800	66.31%
2. Domestically listed foreign shares	811,351,608	33.69%						811,351,608	33.69%
III. Total shares	2,407,945,408	100.00%						2,407,945,408	100.00%

Reasons for changes in shareholding

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 the total shares, shareholder structure and asset-liability structure

Applicable  Not Applicable

Changes to the Company's controlling shareholder: On April 29, 2025, the Company received a notice from its former controlling shareholder, OCT Group: To promote professional integration among central state-owned enterprises and optimize resource allocation, OCT Group and its parties acting in concert (Shenzhen OCT Capital Investment Management Co., Ltd. and Jialong Investment Co., Ltd., wholly-owned subsidiaries of OCT Group) executed the Agreement on the Gratuitous Transfer of Shares of Konka Group Co., Ltd. with Panshi Runchuang and Commotra Company Limited, respectively, to gratuitously transfer all the shares held by OCT Group and its parties acting in concert to Panshi Runchuang and Commotra Company Limited, wholly-owned subsidiaries of China Resources. As of July 2025, the gratuitous share transfer has been completed. The Company's controlling shareholder changed to Panshi Runchuang, the de facto controller is China Resources, and the ultimate de facto controller is the SASAC.

Perpetual bond financing from the controlling shareholder: The Company's Board of Directors reviewed and approved the Proposal of the Company on Perpetual Bond Financing from controlling shareholder Panshi Runchuang (Shenzhen) Information Management Co., Ltd. at the sixth meeting of the 11th Board of Directors held on November 28, 2025 and at the 6th Extraordinary General Meeting of 2025 held on November 28, 2025. To improve the capital structure, risk resistance, and financial stability, the meeting approved the Company's perpetual bond financing from its controlling shareholder, Panshi Runchuang, with a total amount not exceeding RMB 5 billion, no fixed term, and a floating annualized interest rate of one-year Loan Prime Rate (LPR), repriced every 12 months, excluding an interest rate step-up clause. The specific term and purpose are subject to the contract between both parties. According to the Perpetual Bond Agreement signed between the Company and Panshi Runchuang, the RMB 5 billion perpetual bond financing has been received.

## 3. Existing staff-held shares

Applicable  Not applicable

### III. Shareholders and de facto controller

#### 1. Shareholders and their shareholdings at the period end

Unit: share

Number of ordinary shareholders as at the end of the Reporting Period	134,165	Number of ordinary shareholders at the month end prior to the disclosure of this report	126,753	Number of preferred shareholders with resumed voting rights	0	Number of preferred shareholders with resumed voting rights at the month end prior to the disclosure of this report	0		
Shareholdings of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through refinancing)									
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held at the end of the Reporting Period	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen		
							Status	Quantity	
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	State-owned legal person	21.76%	524,022,432	524,022,432	0	524,022,432			
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	Foreign legal person	8.24%	198,361,110	18,360,000	0	198,361,110			
Guoyuan Securities Brokerage (Hong Kong) Co., Ltd.	Foreign legal person	2.55%	61,327,243	-101,900	0	61,327,243			
HOLY TIME GROUP LIMITED	Foreign legal person	2.34%	56,289,100	-1,000,000	0	56,289,100			
Wang Jingfeng	Domestic natural person	1.12%	27,001,800	27,001,800	0	27,001,800			
Li Tao	Domestic natural person	0.71%	17,000,000	17,000,000	0	17,000,000			
NAM NGAI	Foreign natural person	0.64%	15,300,400	-4,699,600	0	15,300,400			
Xu Zhiwang	Foreign natural person	0.37%	8,887,629	0	0	8,887,629			
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.36%	8,775,097	-14,651,270	0	8,775,097			
Xu Xiongui	Foreign natural person	0.25%	5,995,480	0	0	5,995,480			
Circumstances under which strategic investors	None								

or general legal persons become top 10 shareholders due to the placement of new shares (if any)			
Related or acting-in-concert parties among the shareholders above	Panshi Runchuang and Commotra Company Limited are both wholly-owned subsidiaries of China Resources and parties acting in concert; panshi Runchuang holds 524,022,432 A-shares of Konka Group Co., Ltd., accounting for 21.76% of the total share capital, and is the controlling shareholder of the company. Commotra Company Limited holds 198,361,110 B-shares of Konka Group Co., Ltd. through CITIC Securities Brokerage (Hong Kong) Co., Ltd., accounting for 8.24% of the total share capital; it is unknown whether other shareholders are related or act in concert.		
Involvement of any shareholder above in entrusting/being entrusted with voting rights or waiving voting rights	Not applicable		
Notes on the existence of repurchase-specific accounts among the top 10 shareholders (if any)	None		
Shareholdings of the top 10 shareholders without restrictions on sales (excluding shares lent through refinancing and shares locked by senior management)			
Name of shareholder	Unrestricted shares held at the period-end	Type	
		Type	Quantity
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	524,022,432	RMB-denominated ordinary stock	524,022,432
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	198,361,110	Domestically listed foreign stock	198,361,110
Guoyuan Securities Brokerage (Hong Kong) Co., Ltd.	61,327,243	Domestically listed foreign stock	61,327,243
HOLY TIME GROUP LIMITED	56,289,100	Domestically listed foreign stock	56,289,100
Wang Jingfeng	27,001,800	RMB-denominated ordinary stock	27,001,800
Li Tao	17,000,000	RMB-denominated ordinary stock	17,000,000
NAM NGAI	15,300,400	Domestically listed foreign stock	15,300,400
Xu Zhiwang	8,887,629	Domestically listed foreign stock	8,887,629
Hong Kong Securities Clearing Company Ltd.	8,775,097	RMB-denominated ordinary stock	8,775,097
Xu Xiongui	5,995,480	Domestically listed foreign stock	5,995,480
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10	Panshi Runchuang and Commotra Company Limited are both wholly-owned subsidiaries of China Resources and parties acting in concert; panshi Runchuang holds 524,022,432 A-shares of Konka Group Co., Ltd., accounting for 21.76% of the total share capital, and is the controlling shareholder of the company. Commotra Company Limited holds 198,361,110 B-shares of Konka Group Co., Ltd. through CITIC Securities Brokerage (Hong Kong) Co., Ltd.,		

unrestricted public shareholders and top 10 shareholders	accounting for 8.24% of the total share capital; it is unknown whether other shareholders are related or act in concert.
Disclosure on the participation of the top 10 ordinary shareholders in margin trading and securities lending (if any)	A-share shareholder Wang Jingfeng holds 27,001,800 shares through the Client Credit Trading Collateral Securities Account of Guotai Haitong Securities Co., Ltd. A-share shareholder Li Tao holds 17,000,000 shares through the Client Credit Trading Collateral Securities Account of Guotai Haitong Securities Co., Ltd.

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares in refinancing business and lending shares

Applicable  Not applicable

Changes of the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due to refinancing lending/repayment

Applicable  Not applicable

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

The company's top 10 common stock shareholders and top 10 unrestricted common stock shareholders did not engage in any repurchase transactions during 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 Controlling Shareholder	Legal Representative/Person in Charge	Date of Establishment	Unified Social Credit Code	Principal Activity
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	Chen Rong	May 31, 2024	91440300MADMXA FW5J	Information consulting services (excluding licensed information consulting services); enterprise management. (Except for projects subject to approval according to the law, market participants may independently carry out business activities upon strength of the business license)
Controlling Shareholder's Holdings in Other Listed Companies at Home or Abroad in the Reporting Period	None			

## Change to the Controlling Shareholder in the Reporting Period

√ Applicable  Not Applicable

Name of New Controlling Shareholder	Panshi Runchuang (Shenzhen) Information Management Co., Ltd.
Date of Change	July 11, 2025
Index for Inquiry on Designated Website	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Disclosure Date on Designated Website	July 12, 2025

**3. De facto Controller and Persons Acting in Concert**

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

Type of the de facto controller: Legal Person

Name of De facto Controller	Legal Representative/Person in Charge	Date of Establishment	Unified Social Credit Code	Principal Activity
China Resources Company Limited	Wang Xiangming	December 31, 1986	91110000100055386	Real estate investment; investment in infrastructure and public utilities such as energy and environmental protection; investment and asset management in fields such as banking, trust, insurance, and funds; investment in and R&D of high-tech industrial projects such as semiconductor application, bioengineering, and energy conservation and environmental protection; hospital investment and hospital management; organization of subsidiaries to engage in the production and sales of medical devices and pharmaceuticals; real estate development; sales of building materials; and Sales of food products. (Market entities shall independently select business items and engage in business activities in accordance with the law; for sales of food products and projects subject to approval in accordance with the law, business activities shall be carried out as approved by the relevant authority; business activities in projects prohibited or restricted by national and municipal industrial policies are prohibited.)
De facto Controller's Holdings in Other Listed Companies at Home or Abroad in the Reporting Period	Directly or indirectly holds 53.40% of the shares of China Resources Pharmaceutical Group Limited, 63.22% of the shares of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd., 51.91% of the shares of China Resources Beer (Holdings) Company Limited, 61.73% of the shares of China Resources Power Holdings Company Limited, 59.55% of the shares of China Resources Land Limited, 68.72% of the shares of China Resources Building Materials Technology Holdings Limited, 61.46% of the shares of China Resources Gas Group Limited, 36.58% of the shares of China Resources Medical Holdings Company Limited, 71.55% of the shares of China Resources Mixc Lifestyle Services Limited, 50.04% of the shares of China Resources Beverage (Holdings) Co., Ltd., 60.24% of the shares of China Resources Double-Crane Pharmaceutical Co., Ltd., 43.14% of the shares of China Resources Jiangzhong Pharmaceutical Co., Ltd., 30.48% of the shares of China Resources Boya Bio-pharmaceutical Group Co., Ltd., 66.37% of the shares of China Resources Chemical Materials Technology Co., Ltd., 82.05% of the shares of China Resources Microelectronics Co., Ltd., 39.43% of the shares of Chongqing Gas Group Co., Ltd., 28.05% of the shares of KPC Pharmaceuticals, Inc., 33.70% of the shares of Dong-E-E-Jiao Co., Ltd., 22.53% of the shares of JCET Group			

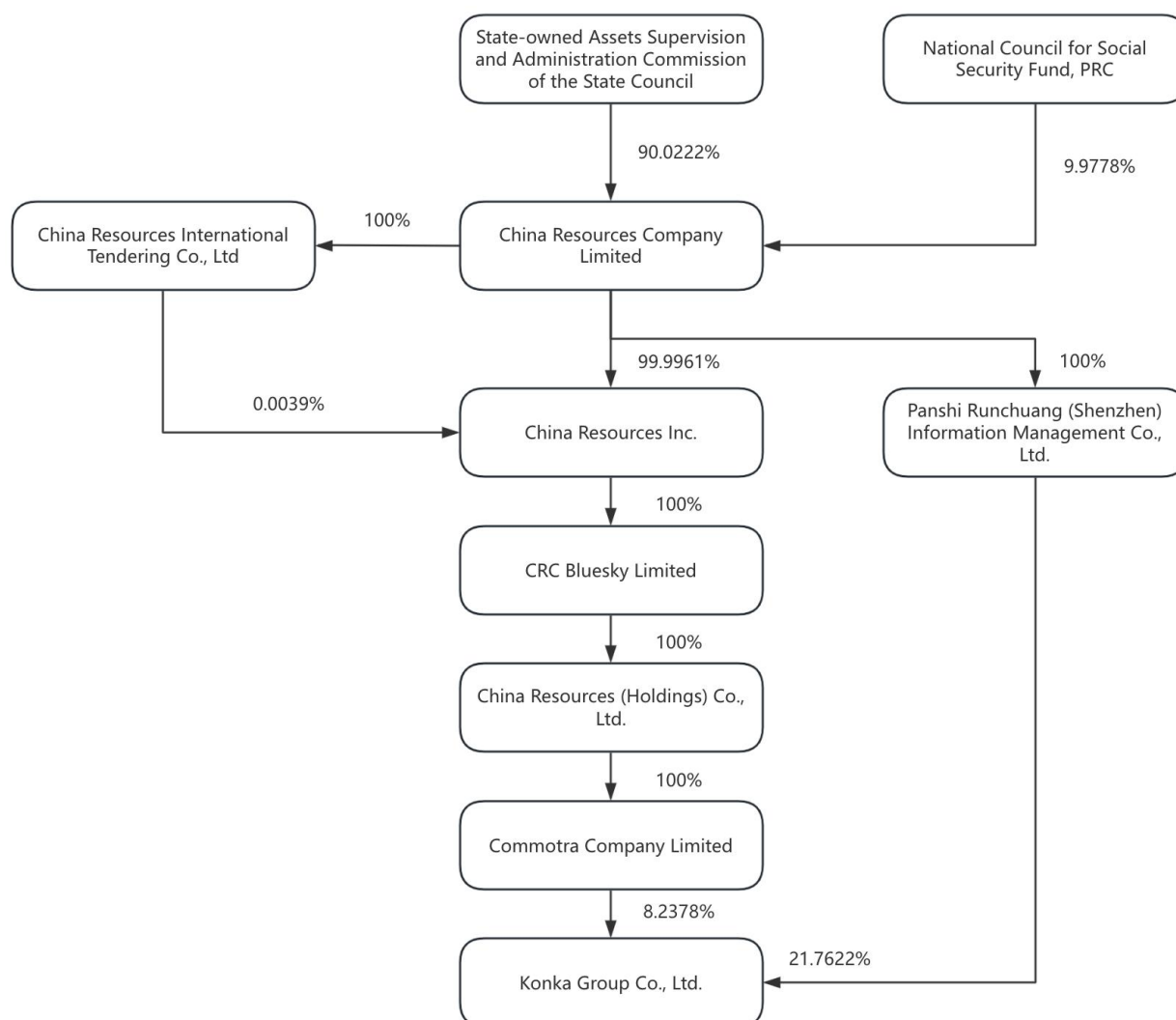
Co., Ltd., 28.34% of the shares of Dirui Industrial Co., Ltd., and 28.00% of the shares of Tasly Pharmaceutical Group Co., Ltd.

### Change of the De facto Controller during the Reporting Period

Applicable  Not Applicable

Name of the former de facto controller	State-owned Assets Supervision and Administration Commission of the State Council
Name of the new de facto controller	China Resources Company Limited (the ultimate de facto controller of the Company is still the State-owned Assets Supervision and Administration Commission of the State Council)
Date of Change	July 11, 2025
Index for Inquiry on Designated Website	Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Disclosure Date on Designated Website	July 12, 2025

### Ownership and control relations between the de facto controller and the Company:



The de facto controller controls the company through trust or other asset management methods

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, de facto controller, reorganizer and other commitment makers**

Applicable  Not Applicable

The controlling shareholder, Panshi Runchuang, committed that the lock-up period for the shares of the listed company acquired through this transfer shall be subject to the relevant laws and regulations.

**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

**V. Preference shares**

Applicable  Not applicable

No preference shares in the reporting period.

## Section VII 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: RMB10,000

Bond name	Bond abbreviation	Bond code	Issue date	Value date	Due date	Bonds balance	Interest rate	Way of redemption	Trading venue
Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd. (Tranche I)	24 Konka 01	133759	January 29, 2024	January 29, 2024	January 29, 2026	150,000	4.00%	Interest paid every year, principal repaid in full 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 02	133782	March 18, 2024	March 18, 2024	March 18, 2026	40,000	4.00%	Interest paid every year, principal repaid in full 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 03	133783	March 18, 2024	March 18, 2024	March 18, 2027	40,000	4.03%	Interest paid every year, principal repaid in full when expired	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2025 of Konka Group Co., Ltd. (Tranche I) (Variety I)	25 Konka 01	134294	June 23, 2025	June 23, 2025	June 23, 2028	41,000	3.50%	Interest paid every year, principal repaid in full when expired	Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2025 of Konka Group Co., Ltd.	25 Konka 03	134334	July 4, 2025	July 4, 2025	July 4, 2028	79,000	2.80%	Interest paid every year, principal repaid in full when expired	Shenzhen Stock Exchange

Bond name	Bond abbreviation	Bond code	Issue date	Value date	Due date	Bonds balance	Interest rate	Way of redemption	Trading venue
(Tranche II) (Variety I)									
Appropriate arrangement of the Investors (if any)	"24 Konka 01", "24 Konka 02", "24 Konka 03", "25 Konka 01" and "25 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.								
Applicable Trade Mechanism	"24 Konka 01", "24 Konka 02", "24 Konka 03", "25 Konka 01" and "25 Konka 03": negotiate-and-deal, click-and-deal, inquire-and-deal, bid-and-deal.								
Risk of delisting (if any) and countermeasures	No								

Overdue and outstanding bond

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

During the Reporting Period, the company's or investors' option clauses were triggered and executed as follows:

"24 Konka 01" holds a term of 3 years, with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year. On December 12, 2025, the issuer decided to adjust the coupon rate of "24 Konka 01" to 1.50% for the last year of its duration. According to the data from the Shenzhen Office of China Securities Depository and Clearing Co., Ltd., the number of valid put bonds declared for "24 Konka 01" during the put registration period was 15,000,000.00, with 0 not put, and the put amount was RMB 1,500,000,000.00. As "24 Konka 01" was fully put back, it was delisted from the Shenzhen Stock Exchange after the interest from January 29, 2025 to January 29, 2026 and the put principal of "24 Konka 01" were paid on January 29, 2026.

"24 Konka 02", "25 Konka 01" and "25 Konka 03" all hold a term of 3 years, with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year. During the Reporting Period, the exercise period for the embedded option clauses of the bonds was not reached, without any option exercised.

During the Reporting Period, no investor protection clauses were triggered.

As of the date when this report was approved for disclosure, on January 22, 2026, the issuer decided to adjust the coupon rate of "24 Konka 02" to 1.00% for the last year of its duration. According to the data from the Shenzhen Office of China Securities Depository and Clearing Co., Ltd., the number of valid put bonds declared for "24 Konka 02" during the put registration period was 4,000,000.00, with 0 not put, and the put amount was RMB 400,000,000.00. As "24 Konka 02" was fully put back, it was delisted from the Shenzhen

Stock Exchange after the interest from March 18, 2025 to March 17, 2026 and the put principal of "24 Konka 02" were paid on March 18, 2026.

### 3. Intermediaries

Bond	Intermediary	Office Address	Signatory Accountants	Contact Person of Intermediary	Tel.
24 Konka 01 24 Konka 02 24 Konka 03	Industrial Securities Co., Ltd.	32/F, SK Building, No. 6 Jianguomenwai Avenue, 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, 1088 Fangdian Road, Pudong New Area, Shanghai	/	Yao Heng, Qing Chunlin, Zhu Jing	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	26/F, China World Tower 3, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	ShineWing Certified Public Accountants (Special General Partnership)	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing, China	Tang Qimei, Liu Lihong	Tang Qimei, Liu Lihong	010-65542288
25 Konka 01 25 Konka 03	Century Securities Co., Ltd.	16/F, Building C, Huahai Financial Innovation Center, No. 5073, Menghai Avenue, Nanshan District, Shenzhen	/	Li Peng	0755-83199417
	Industrial Securities Co., Ltd.	32/F, SK Building, No. 6 Jianguomenwai Avenue, Chaoyang District, Beijing	/	Zhang Huifang, Li Zihao	010-50911206
	Guolian Minsheng Securities Underwriting and Sponsorship Co., Ltd.	3/F, Building B, Star Cube Building, 1888 Yangshupu Road, Hongkou District, Shanghai	/	Wang Tianhan, Cai Zhiqiang, Wang Chenxu, Yan Pengfei	0510-85200510
	United Ratings Co., Ltd.	17/F, Building 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing	/	Cui Mengxiao, Zhao Xi	010-85679696
	ShineWing Certified Public Accountants (Special General Partnership)	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing, China	Tang Qimei, Deng Dengfeng, Liu Lihong	Tang Qimei, Liu Lihong	010-65542288
	Beijing Yingke Law Firm	26/F, China World Tower 3, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	/	Han Jian, Zhang Jinxing	0755-36866600

Did the intermediary change during the Reporting Period?

□ Yes √ No

**4. Use of raised funds**

Unit: RMB10,000

Bond code	Bond abbreviation	Total raised funds	Agreed purpose of raised funds	Amount Spent	Actual use of raised funds (by purpose, excluding temporary supplementary flow)	Actual use of funds by category	Unused Amount	Operation of special account for raised funds (if any)	Rectification of violation in the use of raised funds (if any)	Whether consistent with the usage, use plan and other agreements stipulated in the prospectus
133759	24 Konka 01	150,000	Used to repay corporate bonds	150,000	Used to repay corporate bonds	Repay corporate bonds in full	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133782	24 Konka 02	40,000	Used to repay corporate bonds	40,000	Used to repay corporate bonds	Repay corporate bonds in full	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133783	24 Konka 03	40,000	Used to repay corporate bonds	40,000	Used to repay corporate bonds	Repay corporate bonds in full	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
134294	25 Konka 01	41,000	Used to repay corporate bonds	41,000	Used to repay corporate bonds	Repay corporate bonds in full	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
134334	25 Konka 03	79,000	Used to repay corporate bonds	79,000	Used to repay corporate bonds	Repay corporate bonds in full	0	It has been operating well and there has been no violation of	None	Yes

Bond code	Bond abbreviation	Total raised funds	Agreed purpose of raised funds	Amount Spent	Actual use of raised funds (by purpose, excluding temporary supplementary flow)	Actual use of funds by category	Unused Amount	Operation of special account for raised funds (if any)	Rectification of violation in the use of raised funds (if any)	Whether consistent with the usage, use plan and other agreements stipulated in the prospectus
								relevant regulations and fund supervision agreements.		

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

During the Reporting Period, for “24 Konka 01”, “24 Konka 02”, “24 Konka 03”, “25 Konka 01” and “25 Konka 03”, which were originally provided with a full, unconditional, and irrevocable joint and several liability guarantee by Overseas Chinese Town Holdings Company, the guarantor was changed to CR Inc. due to the change in the issuer's controlling shareholder and de facto controller. On December 9, 2025, upon approval by vote at the first bondholders' meeting of 2025 for the corporate bonds “24 Konka 01”, “24 Konka 02”, “24 Konka 03”, “25 Konka 01” and “25 Konka 03” of Konka Group Co., Ltd., it was agreed to change the guarantor of the aforementioned bonds to CR Inc., in which case, “24 Konka 01”, “24 Konka 02”, “24 Konka 03”, “25 Konka 01” and “25 Konka 03” would be provided with a full, unconditional, and irrevocable joint and several liability guarantee by CR Inc. The change in credit enhancement measures was not expected to cause any material adverse impact on the rights and interests of bondholders.

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

Applicable  Not applicable

None

**IV. Convertible Corporate Bonds**

Applicable  Not applicable

None

**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

Project	Details of loss	Reason for loss	Impact on the company's production, operation and solvency
Net profit attributable to the listed company's shareholders	During the Reporting Period, the Company's net profit loss attributable to shareholders of listed companies was RMB 12.582 billion, accounting for 206.84% of the net assets.	1. In 2025, the Company's consumer electronics business witnessed a decline in operating revenue due to insufficient product competitiveness. Despite the decrease of overall expenses year-on-year, the gross profit still failed to cover the expenses, leaving the consumer electronics business in a loss-making state. 2. In 2025, in accordance with the Accounting Standards for Business Enterprises, the company made provision for impairment losses on accounts receivable, other receivables, inventories, investment properties, fixed assets, intangible assets, construction in progress, goodwill, long-term equity investments, other current assets, other non-current assets and other items, and recognized certain estimated liabilities. As a result, the company incurred a net loss attributable to shareholders of the listed company and recorded negative net assets attributable to shareholders of the listed company in 2025.	In 2026, the Company will focus on optimizing and reshaping existing businesses and enhancing the efficiency across the entire chain from R&D, production, supply, sales, and service through lean management to significantly improve efficiency. Meanwhile, the Company will strive for innovative engines for high-quality development through analysis of emerging industries under the "9+6" strategies.

**VI. Matured Interest-bearing Debt excluding Bonds as at the Reporting Period**

Applicable  Not applicable

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

Yes  No

**VIII. Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company as at the End of the Reporting Period**

Unit: RMB10,000

Item	End of the Reporting Period	End of the previous year	Change from the end of the previous year to the end of the Reporting Period
Current ratio	61.70%	57.20%	7.87%
Debt-to-asset ratio	126.22%	95.37%	30.85%
Quick ratio	52.63%	44.28%	18.86%

	Reporting Period	Same period last year	Increase/decrease compared to the same period last year
Net profit after deducting non-recurring gains/losses	-1,038,083.88	-353,499.92	-193.66%
EBITDA-to-total debt ratio	-54.80%	-12.51%	-42.29%
Times interest earned	-13.84	-4.75	-191.37%
Cash interest coverage ratio	-1.08	1.40	-177.14%
EBITDA interest coverage ratio	-12.86	-3.87	-232.30%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage ratio	100.00%	100.00%	0.00%

## Section VIII Financial Report

### I. Independent Auditor's Report

Type of the independent auditor's opinion	Unqualified Opinion with a Paragraph on Material Uncertainty Related to Going Concern
Date of signing this report	April 27, 2026
Name of the independent auditor	ShineWing Certified Public Accountants (Special General Partnership)
Reference number of audit report	XYZH/2026SZAA8B0071
Name of the certified public accountants	Gu Fanqiu, Liu Lihong

Main body of the audit report  
Audit Report

XYZH/2026SZAA8B0071  
Konka Group Co., Ltd.

**To all shareholders of Konka Group Co., Ltd.:**

#### I. Auditor's Opinion

We have audited the financial statements of Konka Group Co., Ltd. (hereinafter referred to as the "Konka Group"), including the consolidated and parent company's balance sheet as at December 31, 2025, the consolidated and parent company's income statement, consolidated and parent company's statement of cash flows, consolidated and parent company's statement of changes in shareholders' equity, as well as the related notes to the financial statements for the year then ended.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and fairly present the consolidated and the Company's financial position of Konka Group Co., Ltd. as at December 31, 2025, and the consolidated and the parent company's operating results and cash flows for the year then ended.

#### II. Basis for the Audit Opinion

We have conducted our audit in accordance with the Chinese Auditing Standards for Certified Public Accountants. Our responsibilities under these standards are further described in the "Certified Public Accountant's Responsibilities for the Audit of Financial Statements" section of the audit report. In accordance with the independence requirements of the Independence Standards for Certified Public Accountants of China and the Code of Ethics for Certified Public Accountants of China applicable to the auditing of financial statements of public interest entities, we are independent of Konka Group Co., Ltd., and have fulfilled our other responsibilities in terms of independence and professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### III. Material Uncertainty Related to Going Concern

We draw the attention of the users of the financial statements to the fact that, as stated in Note III. 2 to the financial statements, the consolidated net profit of Konka Group Co., Ltd. for the year 2025 was RMB -12.238 billion, and as of December 31, 2025, Konka Group Co., Ltd.'s net assets in the consolidated financial statements were RMB -5.860 billion, with a debt-to-asset ratio of 126.22%. The aforesaid matters or conditions, along with others set forth in Note III.2 to the financial statements, indicate the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Such matter does not affect the audit opinion that has been expressed.

### IV. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters are 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. Revenue Recognition	
Key Audit Matters	Responses in Audit
<p>For relevant information disclosure, please refer to the accounting policies described in Note "IV. Significant Accounting Policies and Accounting Estimates 34" and "VI. Notes to Major Items in the Consolidated Financial Statements 49" of the financial statements.</p> <p>Konka Group Co., Ltd. recognized operating revenue of RMB 9.835 billion yuan in its consolidated financial statements for the year 2025, which mainly consisted of revenue from businesses such as color TVs, white goods, printed circuit boards, and semiconductors. Due to the significance of revenue to the financial statements as a whole and the risk of material misstatement that management may manipulate revenue recognition to achieve specific goals or expectations, we identified revenue recognition as a key audit matter.</p>	<p>(1) Evaluated and tested the effectiveness of the designing and operation of key internal control related to revenue recognition;</p> <p>(2) Obtained the executed sales contracts, analyzed the relevant terms of the sales contracts, and evaluated whether the revenue recognition policies of Konka Group Co., Ltd. comply with the provisions of the Accounting Standards for Business Enterprises;</p> <p>(3) Obtained the list of product sales customers of Konka Group Co., Ltd., and identified whether there is a related-party relationship between the customers and Konka Group Co., Ltd. by means such as checking the industrial and commercial information of the customers;</p> <p>(4) Performed analytical procedures on revenue and costs to evaluate the rationality of changes in sales revenue and gross profit margin on sales;</p> <p>(5) Checked documents such as significant sales contracts, orders, invoices, certificates of transfer of property rights, and bank receipts to verify the authenticity, completeness, and accuracy of the revenue;</p> <p>(6) Performed cut-off tests on sales revenue.</p>
2. Impairment of External Financial Assistance Funds	
Key Audit Matters	Responses in Audit
<p>For relevant information disclosure, please refer to the accounting policies described in Note "IV. Significant Accounting Policies and Accounting Estimates 11" and "VI. Notes to Major Items in the Consolidated Financial Statements 7", and "VI. Notes to Major Items in the</p>	<p>(1) Understood, evaluated, and tested the designing and operating effectiveness of the Management's key internal controls related to external financial assistance;</p> <p>(2) Obtained the relevant review documents, loan</p>

<p>Consolidated Financial Statements 10" to the financial statements.</p> <p>The external financial assistance by Konka Group Co., Ltd. was mainly the shareholders' financial assistance funds receivable from associates. As of December 31, 2025, the balance of such financial assistance funds was RMB 2.102 billion, with a provision for bad debts of RMB 1.290 billion. Given the significance of the external financial assistance to the financial statements as a whole, and that provision for impairment of the related assets involved significant management judgments and estimates, we identified the impairment of external financial assistance as a key audit matter.</p>	<p>contracts, equity pledge contracts, minutes of meetings and other original documents relating to the external financial assistance with Konka Group Co., Ltd., and checked whether the lending process of such external financial assistance was compliant;</p> <p>(3) For the overdue financial assistance payments, consulted with the Management of Konka Group on the operating conditions of the relevant investees and the Company's follow-up plans;</p> <p>(4) For the amounts of external financial assistance with indications of impairment, obtained the information on the Management's estimated recoverable amount, and brought in valuation experts from the accounting firms to assist in reviewing key parameters and assumptions adopted by the Management in evaluating expected credit losses, as well as checking the accuracy of the calculation of the recoverable amount;</p> <p>(3) Evaluated the competence, professionalism, and objectivity of the external valuation experts engaged by the Management; and</p> <p>(6) Examined the presentation and disclosure of information relating to impairment of external financial assistance in the financial statements.</p>
<b>3. Impairment of long-term assets</b>	
<b>Key Audit Matters</b>	<b>Responses in Audit</b>
<p>For relevant information disclosure, please refer to the accounting policies stated in Note IV. Significant Accounting Policies and Accounting Estimates (Items 20, 21, 22, 23, 26 and 27) and Note VI. Notes to Major Items of Consolidated Financial Statements (Items 12, 14, 15, 16 and 18) in the financial statements.</p> <p>The significant long-term assets of Konka Group include long-term equity investments, investment properties, fixed assets, construction in progress and intangible assets. As of December 31, 2025, the total carrying amount of the aforesaid assets amounted to 8.587 billion yuan, with accumulated impairment provisions of 6.985 billion yuan accrued. Given the overall materiality of these long-term assets to the financial statements and the fact that the accrual of relevant asset impairment provisions involves significant management judgments and estimates, we have identified the impairment of long-term assets as a key audit matter.</p>	<p>(1) Understood and assessed the internal control of Konka Group Co., Ltd. related to identifying indicators of impairment of each long-term assets and measuring recoverable amounts, and tested the effectiveness of key internal control;</p> <p>(2) Discussed with the Management of Konka Group Co., Ltd. to understand whether the management's business strategies for the relevant long-term assets have changed, and analyzed whether there is any inter-period and over-accrual of provision for impairment of long-term assets;</p> <p>(3) For assets or asset groups with indications of impairment, obtained the information on the Management's estimated recoverable amount, and brought in valuation experts from the accounting firms to assist in reviewing key parameters such as the measurement model based on which the recoverable amount was measured, the fair value, the disposal costs, the projected data of future cash flows and the discount rate, as well as checking the accuracy of the calculation of the recoverable amount;</p> <p>(4) Evaluated the competence, professionalism, and objectivity of the external valuation experts engaged by the Management; and</p> <p>(5) Examined the presentation and disclosure of information relating to impairment of assets in the financial statements.</p>

**V. Other information**

The Management of Konka Group Co., Ltd. (hereinafter referred to as the Management) is responsible for other information. Other information includes information covered in the 2025 Annual Report of Konka Group Co., Ltd., but excludes the financial statements and our audit report.

Our audit 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 during 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 the other information, we are required to report that fact. We have nothing to report in this regard.

**VI. Responsibilities of the Management and Governance Executives for Financial Statements**

The Management is responsible for preparing the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to fraud or errors.

In preparing the financial statements, the Management is responsible for assessing the going-concern ability of Konka Group Co., Ltd., disclosing matters related to going concern (if applicable) and applying the going concern basis, unless the management plans to liquidate Konka Group Co., Ltd., terminate its operations or has no other realistic alternative.

The governance executives are responsible for overseeing the financial reporting process of Konka Group Co., Ltd.

**VII. Responsibilities of Certified Public Accountants for the Audit of 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 audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit 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 aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We have exercised professional judgment and maintained professional skepticism in performing our audit under the auditing standards. At the same time, we also perform the following work:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Understand the internal control related to the audit so as to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Draw conclusions on the appropriateness of the management's use of the going concern basis. Meanwhile, based on the audit evidence obtained, a conclusion is drawn as to whether there is a material uncertainty in events or circumstances that may give rise to significant doubt about the going concern ability of Konka Group Co., Ltd. If we conclude that a material uncertainty exists, we are required to, in our audit report, draw the attention of the users of statements to the related disclosures in the financial statements; if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may cause Konka Group Co., Ltd. to cease to continue as a going concern.

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

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Konka Group Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and we remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit, significant audit findings and other matters, 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our

independence, and where applicable, related safeguards.

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 this period and are therefore the key audit matters. We describe these matters in the audit report unless laws and regulations prohibit public disclosure of these matters, or in extremely rare circumstances, if it is reasonably expected that the negative consequences of communicating a matter outweigh the benefits to the public interest, we determine not to do so.

ShineWing Certified Public Accountants  
(Special General Partnership)

Certified Public Accountant of China:  
(Engagement partner)

Certified Public Accountant of China:

Beijing, China

April 27, 2026

## II. Financial Statements

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

### 1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

December 31, 2025

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	6,313,941,885.05	4,115,767,247.73
Settlement reserve		
Interbank loans granted		
Trading financial assets	202,027,000.00	286,648,129.34
Derivative financial assets		
Notes receivable	77,316,985.56	169,675,176.16
Accounts receivable	1,086,929,012.15	1,315,222,656.92
Receivables financing	155,957,556.43	63,943,324.53
Prepayments	96,105,739.60	124,748,412.59
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserve receivable		
Other receivables	942,267,792.91	989,245,120.86
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	1,662,246,630.58	2,694,648,186.93
Including: data resources		
Contract assets	1,892,306.30	2,630,508.60
Assets held for sale		
Current portion of non-current assets		
Other current assets	761,567,941.76	2,168,400,012.47
Total current assets	11,300,252,850.34	11,930,928,776.13
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term Receivables		
Long-term equity investments	2,026,038,156.99	5,921,501,427.49
Other equity instrument investments	10,213,810.20	16,114,932.00
Other non-current financial assets	1,161,781,213.03	1,802,409,887.89
Investment properties	866,051,475.13	1,650,843,239.51

Item	Ending balance	Beginning balance
Fixed assets	4,405,958,959.37	5,005,836,928.31
Construction in progress	516,337,481.93	873,042,499.04
Productive biological assets		
Oil and gas assets		
Right-of-Use Assets	130,076,544.83	178,185,679.35
Intangible assets	772,231,958.52	988,045,525.76
Including: data resources		
Development costs		
Including: data resources		
Goodwill		22,196,735.11
Long-term deferred expenses	453,962,117.69	532,181,161.63
Deferred tax assets	106,993,555.63	1,392,239,301.87
Other non-current assets	601,006,137.59	1,148,677,970.47
Total non-current assets	11,050,651,410.91	19,531,275,288.43
Total assets	22,350,904,261.25	31,462,204,064.56
Current liabilities:		
Short-term borrowings	4,575,915,552.66	5,741,171,468.26
Borrowings from the central bank		
Interbank loans obtained		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	943,817,767.91	1,150,310,856.70
Accounts payable	1,977,736,371.29	2,774,615,788.24
Advances from customers	3,426,361.65	3,481,262.87
Contract liabilities	256,506,499.39	623,555,669.97
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	223,175,513.10	243,731,849.78
Taxes payable	71,276,255.42	94,612,710.58
Other payables	6,565,100,788.16	3,502,796,381.63
Including: interest payable		
Dividends Payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		

Item	Ending balance	Beginning balance
Non-current liabilities maturing within one year	3,650,840,615.21	6,655,534,395.19
Other current liabilities	46,377,272.29	69,876,531.91
Total current liabilities	18,314,172,997.08	20,859,686,915.13
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	6,537,926,737.54	5,530,649,801.93
Bonds payable	1,596,674,876.37	2,295,193,501.05
Including: preferred shares		
Perpetual bonds		
Lease liabilities	96,858,968.75	146,561,588.52
Long-term payables	2,033,227.02	5,504,548.24
Long-term employee benefits payable	4,519,491.87	4,608,659.47
Provisions	852,722,866.97	428,433,732.19
Deferred income	408,175,795.51	393,437,007.37
Deferred tax liabilities	114,475,054.80	133,299,175.48
Other non-current liabilities	283,739,354.36	207,378,781.21
Total non-current liabilities	9,897,126,373.19	9,145,066,795.46
Total Liabilities	28,211,299,370.27	30,004,753,710.59
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments	5,000,000,000.00	
Including: preferred shares		
Perpetual bonds	5,000,000,000.00	
Capital reserves	406,579,870.80	512,840,575.73
Less: Treasury shares		
Other comprehensive income	-1,866,392.91	-9,040,290.32
Specific reserve	17,197,144.62	11,249,678.53
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General risk reserve		
Undistributed profits	-15,157,108,084.70	-2,574,708,227.90
Total equity attributable to owners of the parent company	-6,083,071,689.95	1,592,467,508.28
Non-controlling interests	222,676,580.93	-135,017,154.31
Total owners' equity	-5,860,395,109.02	1,457,450,353.97
Total liabilities and owners' equity	22,350,904,261.25	31,462,204,064.56

Legal representative: Wu  
Jianjun

Chief finance officer: Yu  
Huiliang

Head of accounting agency:  
Wang Lihu

## 2. Balance sheet of the parent company

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	4,870,422,479.05	2,310,021,016.85
Trading financial assets	202,027,000.00	286,648,129.34
Derivative financial assets		
Notes receivable		18,077,864.64
Accounts receivable	3,546,031,483.05	2,783,399,610.31
Receivables financing		
Prepayments	3,312,810,262.72	5,060,895,887.42
Other receivables	6,564,549,497.34	8,210,096,432.41
Including: Interest receivable		
Dividends receivable	394,828,312.64	397,729,468.60
Inventories	165,333,867.28	143,981,116.62
Including: data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	287,171,986.89	1,621,740,187.04
Total current assets	18,948,346,576.33	20,434,860,244.63
Non-current assets:		
Debt investments		
Other debt investments		
Long-term Receivables		
Long-term equity investments	7,947,033,374.38	9,995,056,051.55
Other equity instrument investments	10,213,810.20	10,213,810.20
Other non-current financial assets	202,032,067.00	396,353,137.96
Investment properties	586,120,252.57	873,925,486.40
Fixed assets	375,367,331.52	413,605,136.94
Construction in progress	13,474,434.20	12,762,103.76
Productive biological assets		
Oil and gas assets		
Right-of-Use Assets	347,027.65	
Intangible assets	23,160,095.54	36,845,184.32
Including: data resources		
Development costs		
Including: data resources		
Goodwill		
Long-term deferred expenses	20,782,020.29	32,966,195.77
Deferred tax assets		667,646,526.22
Other non-current assets	1,467,871.30	969,222.30

Total non-current assets	9,179,998,284.65	12,440,342,855.42
Total assets	28,128,344,860.98	32,875,203,100.05
Current liabilities:		
Short-term borrowings	1,519,153,294.44	2,312,074,875.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	25,163,192.12	94,034,764.53
Accounts payable	3,796,563,874.96	6,342,200,859.52
Advances from customers		
Contract liabilities	2,699,707,593.73	2,503,838,527.97
Employee benefits payable	37,672,994.15	27,648,867.42
Taxes payable	25,675,833.17	5,299,228.44
Other payables	7,700,994,198.52	5,638,650,473.74
Including: interest payable		
Dividends Payable		
Liabilities directly associated with assets held for sale		
Non-current liabilities maturing within one year	3,387,594,563.88	6,441,534,654.07
Other current liabilities	7,497,034.93	11,512,394.96
Total current liabilities	19,200,022,579.90	23,376,794,645.65
Non-current liabilities:		
Long-term borrowings	5,535,100,000.19	4,371,231,706.59
Bonds payable	1,596,674,876.37	2,295,193,501.05
Including: preferred shares		
Perpetual bonds		
Lease liabilities	367,441.04	
Long-term payables		
Long-term employee benefits payable		
Provisions	346,428,842.60	346,376,800.41
Deferred income	33,164,619.14	42,829,889.81
Deferred tax liabilities	42,603,809.42	34,882,051.56
Other non-current liabilities	52,346,890.08	44,189,363.15
Total non-current liabilities	7,606,686,478.84	7,134,703,312.57
Total Liabilities	26,806,709,058.74	30,511,497,958.22
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments	5,000,000,000.00	
Including: preferred shares		
Perpetual bonds	5,000,000,000.00	
Capital reserves	214,160,914.80	339,889,142.56
Less: Treasury shares		
Other comprehensive income	-1,360,579.00	-1,281,096.83
Specific reserve		

Surplus reserves	1,260,024,039.76	1,260,024,039.76
Undistributed profits	-7,559,133,981.32	-1,642,872,351.66
Total owners' equity	1,321,635,802.24	2,363,705,141.83
Total liabilities and owners' equity	28,128,344,860.98	32,875,203,100.05

### 3. Consolidated income statement

Unit: RMB

Item	Year 2025	Year 2024
I. Total revenue	9,835,474,916.53	11,114,763,969.59
Including: operating revenue	9,835,474,916.53	11,114,763,969.59
Interest income		
Premiums earned		
Handling charge and commission income		
II. Total operating costs	11,943,907,187.59	13,545,420,123.09
Including: cost of sales	9,430,717,918.20	10,861,823,991.19
Interest expense		
Service fee and commission expense		
Surrender payments		
Net claims paid		
Net change in insurance contract reserves		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	111,476,592.07	125,957,334.99
Selling expenses	647,219,068.47	774,298,036.87
Administrative expenses	564,170,838.00	651,947,833.46
R&D expense	386,105,836.96	416,405,840.34
Finance costs	804,216,933.89	714,987,086.24
Including: Interest expenses	871,624,731.68	953,199,337.05
Interest income	134,366,718.80	215,619,251.81
Add: Other income	-544,180,545.00	110,600,310.12
Return on investment ("-" for loss)	277,402,566.69	-40,606,278.44
Including: Investment income from associates and joint ventures	-379,192,413.39	-134,541,620.49
Income from the derecognition of financial assets at amortized cost	-3,484,892.68	-4,519,585.64
Exchange gains ("-" for loss)		
Net gains on exposure hedges ("-" for loss)		
Gains from fair value changes ("-" for loss)	-460,420,971.18	-363,008,154.15
Credit impairment loss ("-" for loss)	-1,520,599,233.40	-405,967,710.66
Asset impairment loss ("-" for loss)	-6,176,184,308.20	-999,416,234.21
Gains on disposal of assets ("-" for loss)	24,500,775.05	13,572,230.63
III. Operating profit ("-" for loss)	-10,507,913,987.10	-4,115,481,990.21
Add: Non-operating income	23,053,295.76	36,502,107.29
Less: Non-operating expenses	459,512,872.49	165,575,114.70
IV. Total profit ("-" for total loss)	-10,944,373,563.83	-4,244,554,997.62
Less: Income tax expense	1,293,239,956.02	69,552,329.00

V. Net profit ("-" for net loss)	-12,237,613,519.85	-4,314,107,326.62
(I) By operating continuity		
1. Net profit from continuing operations ("-" for net loss)	-12,237,613,519.85	-4,314,107,326.62
2. Net profit from discontinued operations ("-" for net loss)		
(II) By ownership		
1. Net profit attributable to owners of the parent company	-12,582,399,856.80	-3,725,557,221.78
2. Net profit attributable to non-controlling interests	344,786,336.95	-588,550,104.84
VI. Other comprehensive income (net of tax)	20,737,108.06	-2,130,878.00
Net of tax of other comprehensive income attributable to owners of the parent company	7,173,897.41	4,403,268.12
(I) Other comprehensive income not reclassified to gains/losses	-5,901,121.80	
1. Remeasurement of defined benefit plans		
2. Other comprehensive income that will not be reclassified to gains/losses under the equity method		
3. Changes in the fair value of investments in other equity instruments	-5,901,121.80	
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Items that will be reclassified to gains/losses	13,075,019.21	4,403,268.12
1. Other comprehensive income that will be reclassified to gains/losses under the equity method	1,776,376.21	1,923,432.88
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements	11,298,643.00	2,479,835.24
7. Others		
Other comprehensive income attributable to non-controlling interests (net of tax)	13,563,210.65	-6,534,146.12
VII. Total comprehensive income	-12,216,876,411.79	-4,316,238,204.62
Total comprehensive income attributable to owners of the parent company	-12,575,225,959.39	-3,721,153,953.66
Total comprehensive income attributable to non-controlling interests	358,349,547.60	-595,084,250.96
VIII. Earnings per share		
(i) Basic earnings per share	-5.2254	-1.5472
(ii) Diluted earnings per share	-5.2254	-1.5472

Legal representative: Wu Jianjun      Chief Accounting Officer: Yu Huiliang      Head of Accounting Agency: Wang Lihu

#### 4. Income statement of the parent company

Unit: RMB

Item	Year 2025	Year 2024
I. Operating revenue	1,487,823,908.56	1,908,123,924.10
Less: Cost of sales	1,446,499,439.75	1,974,494,601.29
Taxes and surcharges	15,156,638.24	16,346,162.85
Selling expenses	67,925,310.67	96,063,419.94
Administrative expenses	170,375,206.05	185,596,812.40
R&D expense	21,951,046.63	27,710,971.97
Finance costs	662,683,255.63	548,355,214.80
Including: Interest expenses	796,095,346.77	821,872,300.41
Interest income	202,015,820.38	252,748,895.39
Add: Other income	-93,932,230.64	8,811,847.96
Return on investment ("-" for loss)	594,647,384.74	31,201,053.12
Including: Investment income from associates and joint ventures	-72,737,179.87	-29,330,307.37
Income from the derecognition of financial assets at amortized cost ("-" for loss)	-226,103.98	-1,332,512.07
Net gains on exposure hedges ("-" for loss)		
Gains from fair value changes ("-" for loss)	-14,563,367.28	-166,949,370.96
Credit impairment loss ("-" for loss)	-2,953,870,112.05	-139,627,123.83
Asset impairment loss ("-" for loss)	-1,888,551,900.26	-278,537,119.21
Gains on disposal of assets ("-" for loss)	11,634,852.64	2,842,206.14
II. Operating profit ("-" for loss)	-5,241,402,361.26	-1,482,701,765.93
Add: Non-operating income	1,838,690.46	11,728,990.17
Less: Non-operating expenses	1,345,966.57	71,044,286.57
III. Profit before tax ("-" for loss)	-5,240,909,637.37	-1,542,017,062.33
Less: Income tax expense	675,368,284.08	484,375,831.98
IV. Net profit ("-" for net loss)	-5,916,277,921.45	-2,026,392,894.31
(I) Net profit from continuing operations ("-" for net loss)	-5,916,277,921.45	-2,026,392,894.31
(II) Net profit from discontinued operations ("-" for net loss)		
V. Other comprehensive income (net of tax)	-79,482.17	118,274.81
(I) Other comprehensive income not reclassified to gains/losses		
1. Remeasurement of defined benefit plans		
2. Other comprehensive income that will not be reclassified to gains/losses under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Items that will be reclassified to gains/losses	-79,482.17	118,274.81

1. Other comprehensive income that will be reclassified to gains/losses under the equity method	-79,482.17	118,274.81
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	-5,916,357,403.62	-2,026,274,619.50
VII. Earnings per share		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Statement of Cash Flows

Unit: RMB

Item	Year 2025	Year 2024
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	8,541,247,523.81	10,525,465,272.93
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 policyholders		
Interest, service fee, 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	117,771,372.96	203,389,517.86
Cash generated from other operating activities	375,127,689.39	464,756,959.63
Subtotal of cash generated from operating activities	9,034,146,586.16	11,193,611,750.42
Cash paid for purchase of goods and services	8,243,073,801.04	8,054,236,938.71
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments in cash for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, service fee, and commissions paid		
Policy dividends paid		

Cash paid to and for employees	1,381,510,575.23	1,561,187,041.71
Taxes paid	265,972,133.63	402,970,523.26
Cash used in other operating activities	754,590,197.45	1,001,328,403.75
Subtotal of cash used in operating activities	10,645,146,707.35	11,019,722,907.43
Net cash generated from/used in operating activities	-1,611,000,121.19	173,888,842.99
II. Cash flows from investing activities:		
Cash received from recovery of investments	1,408,421,673.50	441,500,809.51
Cash received from investment income	16,052,167.04	37,170,842.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	129,662,812.26	59,667,217.18
Net cash received from disposal of subsidiaries and other business units		
Cash generated from other investing activities	37,622,486.48	186,665,829.14
Subtotal of cash generated from investing activities	1,591,759,139.28	725,004,698.10
Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	291,907,848.36	620,482,495.13
Cash paid for investments	131,920,867.57	1,400,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	25,451,163.26	134,327,401.00
Subtotal of cash used in investing activities	449,279,879.19	756,209,896.13
Net cash generated from/used in investing activities	1,142,479,260.09	-31,205,198.03
III. Cash flows from financing activities:		
Capital contributions received	5,003,000,000.00	167,597,297.30
Including: Capital contributions by non-controlling interests to subsidiaries	3,000,000.00	167,597,297.30
Cash received from borrowings	12,475,924,439.29	11,581,264,358.29
Cash generated from other financing activities	5,239,756,771.19	898,936,642.13
Subtotal of cash generated from financing activities	22,718,681,210.48	12,647,798,297.72
Cash paid for repayment of borrowings	16,411,751,361.52	13,426,379,153.79
Cash payments for distribution of dividends, profit or repayment of interest	579,368,680.06	577,370,283.16
Including: Dividends and profits paid to minority shareholders by subsidiaries	926,283.41	1,204,669.38
Cash paid for other financing activities	3,024,390,098.41	1,686,969,576.16
Subtotal of cash outflows from financing activities	20,015,510,139.99	15,690,719,013.11
Net cash from financing activities	2,703,171,070.49	-3,042,920,715.39
IV. Effect of exchange rate changes on cash and cash equivalents	2,641,824.42	8,630,197.33
V. Net increase in cash and cash equivalents	2,237,292,033.81	-2,891,606,873.10
Add: Cash and cash equivalents at the beginning of the period	2,783,177,476.45	5,674,784,349.55
VI. Cash and cash equivalents at the end of the period	5,020,469,510.26	2,783,177,476.45

## 6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	Year 2025	Year 2024
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	3,375,468,923.21	6,398,186,209.22
Tax rebates	12,249,617.84	60,530,397.37
Cash generated from other operating activities	110,856,652.54	141,831,895.20
Subtotal of cash generated from operating activities	3,498,575,193.59	6,600,548,501.79
Cash paid for purchase of goods and services	4,545,537,654.60	5,971,237,961.40
Cash paid to and for employees	124,225,722.04	179,067,665.39
Taxes paid	20,546,050.48	39,982,463.72
Cash used in other operating activities	369,257,212.81	307,674,460.32
Subtotal of cash used in operating activities	5,059,566,639.93	6,497,962,550.83
Net cash generated from/used in operating activities	-1,560,991,446.34	102,585,950.96
<b>II. Cash flows from investing activities:</b>		
Cash received from recovery of investments	1,383,353,674.50	250,174,642.36
Cash received from investment income	14,638,976.67	32,599,531.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	27,317,929.79	7,077,472.58
Net cash received from disposal of subsidiaries and other business units		
Cash generated from other investing activities	1,159,341,746.08	5,599,069,603.94
Subtotal of cash generated from investing activities	2,584,652,327.04	5,888,921,250.16
Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	7,679,658.14	28,198,069.47
Cash paid for investments	132,180,867.57	770,369,387.85
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,087,593,344.00	5,493,614,221.91
Subtotal of cash used in investing activities	1,227,453,869.71	6,292,181,679.23
Net cash generated from/used in investing activities	1,357,198,457.33	-403,260,429.07
<b>III. Cash flows from financing activities:</b>		
Capital contributions received	5,000,000,000.00	
Cash received from borrowings	10,674,181,738.88	9,062,107,916.66
Cash generated from other financing activities	10,067,901,149.24	9,436,937,293.60
Subtotal of cash generated from financing activities	25,742,082,888.12	18,499,045,210.26
Cash paid for repayment of borrowings	14,237,314,671.01	10,898,013,880.45
Cash payments for distribution of dividends, profit or repayment of interest	575,823,196.24	564,145,163.75
Cash paid for other financing activities	8,084,015,832.13	9,422,438,355.78
Subtotal of cash outflows from financing activities	22,897,153,699.38	20,884,597,399.98
Net cash from financing activities	2,844,929,188.74	-2,385,552,189.72
<b>IV. Effect of exchange rate changes on cash and cash</b>	<b>1,566,083.68</b>	<b>4,656,657.45</b>

equivalents		
V. Net increase in cash and cash equivalents	2,642,702,283.41	-2,681,570,010.38
Add: Cash and cash equivalents at the beginning of the period	1,581,749,278.38	4,263,319,288.76
VI. Cash and cash equivalents at the end of the period	4,224,451,561.79	1,581,749,278.38

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

Current period amount

Unit: RMB

Item	Year 2025														
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of the previous year	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		1,797,506,898.08		2,369,668,838.10	135,017,154.31	2,234,651,683.79
Add: Adjustment for change in accounting policy															
Correction of prior period errors											-777,201,329.82		-777,201,329.82		-777,201,329.82
Others															
II. Balance at the beginning of the year	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		2,574,708,227.90		1,592,467,508.28	135,017,154.31	1,457,450,353.97
III. Change amount during the current period (use "-" for			5,000,000,000.00		106,260,704.93		7,173,897.41	5,947,466.09			12,582,399,856.80		7,675,539,198.23	357,693,735.24	7,317,845,462.99

Item	Year 2025															
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal	
	Preferred shares	Perpetual bonds	Others													
decreases)																
(I) Total comprehensive income								7,173,897.41					12,582,399,856.80	12,575,225,959.39	358,349,547.60	12,216,876,411.79
(II) Capital increase and reduction by owners														-106,260,704.93	1,790,696.08	-108,051,401.01
1. Ordinary shares contributed by owners															3,000,000.00	3,000,000.00
2. Capital contributed by holders of other equity instruments																
3. Amount of share-based payments included in owners' equity																
4. Other														-106,260,704.93	4,790,696.08	-111,051,401.01
(III) Profit distribution															-926,283.41	-926,283.41

Item	Year 2025														
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal
Preferred shares		Perpetual bonds	Others												
1. Transfer to surplus reserve															
2. Transfer to general risk reserve															
3. Distributions to owners (or shareholders)														-926,283.41	-926,283.41
4. Other															
(IV) Internal transfers within owners' equity															
1. Capital increase (or share capital) from capital reserve															
2. Capital increase (or share capital) from															

Item	Year 2025														
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal
Preferred shares		Perpetual bonds	Others												
surplus reserve															
3. Losses offset by surplus reserve															
4. Changes in defined benefit plans transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Special reserves								5,947,466.09					5,947,466.09	2,061,167.13	8,008,633.22
1. Appropriated in the current period								7,743,491.96					7,743,491.96	2,912,692.75	10,656,184.71
2. Used in the current								1,796,025.87					1,796,025.87	851,525.62	2,647,551.49

Item	Year 2025														
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
period															
(VI) Others			5,000,000,000.00										5,000,000,000.00	5,000,000,000.00	
IV. Balance at the end of the current period	2,407,945,408.00		5,000,000,000.00		406,579,870.80		-1,866,392.91	17,197,144.62	1,244,180,364.24		15,157,108,084.70		6,083,071,689.95	222,676,580.93	5,860,395,109.02

## Amount of previous period

Unit: RMB

Item	Year 2024														
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of the previous year	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
Add: Adjustment for change in accounting policy															
Correction of prior period errors											-347,232,776.81		347,232,776.81		-
Others															
II. Balance at the beginning of the year	2,407,945,408.00				526,499,506.76		-13,443,558.44	4,657,488.24	1,244,180,364.24		1,127,329,199.04		5,297,168,407.84	262,221,679.49	5,559,390,087.33
III. Change amount during the current period (use "-" for decreases)					13,658,931.03		4,403,268.12	6,592,190.29			3,702,037,426.94		3,704,700,899.56	397,238,833.80	4,101,939,733.36
(I) Total comprehensive							4,403,268.12				3,725,557,221.78		3,721,153,953.66	595,084,250.96	4,316,238,204.62

Item	Year 2024														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
ve income															
(II) Capital increase and reduction by owners					-13,658,931.03								-13,658,931.03	196,281,483.71	182,622,552.68
1. Ordinary shares contributed by owners														167,597,297.30	167,597,297.30
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Other					-13,658,931.03								-13,658,931.03	28,684,186.41	15,025,255.38
(III) Profit distribution											23,519,794.84		23,519,794.84	-1,168,043.64	22,351,751.20
1. Transfer to surplus reserve															

Item	Year 2024														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
2. Transfer to general risk reserve															
3. Distributions to owners (or shareholders)													-1,168,043.64	-1,168,043.64	
4. Other											23,519,794.84		23,519,794.84	23,519,794.84	
(IV) Internal transfers within owners' equity															
1. Capital increase (or share capital) from capital reserve															
2. Capital increase (or share capital) from surplus reserve															
3. Losses offset by surplus reserve															

Item	Year 2024													
	Equity attributable to owners of the parent company												Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserve	Undistributed profits	Others		
	Preferred shares	Perpetual bonds	Others											
4. Changes in defined benefit plans transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(V) Special reserves							6,592,190.29					6,592,190.29	2,731,977.09	9,324,167.38
1. Appropriated in the current period							7,881,927.49					7,881,927.49	3,279,715.07	11,161,642.56
2. Used in the current period							1,289,737.20					1,289,737.20	547,737.98	1,837,475.18
(VI) Others														
IV. Balance at the end of the current period	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		2,574,708,227.90	1,592,467,508.28	135,017,154.31	1,457,450,353.97

## 8. Statement of Changes in Owners' Equity of the parent company

Current period amount

Unit: RMB

Item	Year 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	2,407,945,408.00				339,889,142.56		-1,281,096.83		1,260,024,039.76	-1,199,867,554.61		2,806,709,938.88
Add: Adjustment for change in accounting policy												
Correction of prior period errors										-443,004,797.05		-443,004,797.05
Others												
II. Balance at the beginning of the year	2,407,945,408.00				339,889,142.56		-1,281,096.83		1,260,024,039.76	-1,642,872,351.66		2,363,705,141.83
III. Change amount during the current period (use "-" for decreases)			5,000,000,000.00		125,728,227.76 <sup>-</sup>		-79,482.17			-5,916,261,629.66		1,042,069,339.59 <sup>-</sup>
(I) Total comprehensive income							-79,482.17			-5,916,277,921.45		5,916,357,403.62 <sup>-</sup>
(II) Capital increase and reduction by owners			5,000,000,000.00		125,728,227.76 <sup>-</sup>							4,874,271,772.24
1. Ordinary shares contributed by												

Item	Year 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
owners												
2. Capital contributed by holders of other equity instruments			5,000,000,000.00									5,000,000,000.00
3. Amount of share-based payments included in owners' equity												
4. Other					125,728,227.76							-125,728,227.76
(III) Profit distribution										16,291.79		16,291.79
1. Transfer to surplus reserve												
2. Distribution to owners (or shareholders)												
3. Others										16,291.79		16,291.79
(IV) Internal transfers within owners' equity												
1. Capital increase (or share capital) from capital reserve												
2. Capital increase (or share capital) from surplus												

Item	Year 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
reserve												
3. Losses offset by surplus reserve												
4. Changes in defined benefit plans transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserves												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	2,407,945,408.00		5,000,000,000.00		214,160,914.80		-1,360,579.00		1,260,024,039.76	-7,559,133,981.32		1,321,635,802.24

Amount of previous period

Unit: RMB

Item	Year 2024										
	Share	Other equity instruments			Capital	Less:	Other	Specific	Surplus	Undistributed	Others

		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	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
Add: Adjustment for change in accounting policy												
Correction of prior period errors										-190,788,098.63		-190,788,098.63
Others												
II. Balance at the beginning of the year	2,407,945,408.00				341,229,750.75		-1,399,371.64		1,260,024,039.76	360,000,747.81		4,367,800,574.68
III. Change amount during the current period (use "-" for decreases)					-1,340,608.19		118,274.81			-2,002,873,099.47		-
(I) Total comprehensive income							118,274.81			-2,026,392,894.31		-
(II) Capital increase and reduction by owners					-1,340,608.19							-1,340,608.19
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Other					-1,340,608.19							-1,340,608.19

Item	Year 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
(III) Profit distribution									23,519,794.84		23,519,794.84	
1. Transfer to surplus reserve												
2. Distribution to owners (or shareholders)												
3. Others									23,519,794.84		23,519,794.84	
(IV) Internal transfers within owners' equity												
1. Capital increase (or share capital) from capital reserve												
2. Capital increase (or share capital) from surplus reserve												
3. Losses offset by surplus reserve												
4. Changes in defined benefit plans transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserves												
1. Appropriated in the												

Item	Year 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	2,407,945,408.00				339,889,142.56		-1,281,096.83		1,260,024,039.76	-1,642,872,351.66		2,363,705,141.83

## I. Company Profile

1. Konka Group Co., Ltd. (hereinafter referred to as the “Company” or 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 August 29, 1995, the Company was renamed “Konka Group Co., Ltd.” (Unified Social Credit Code: 914403006188155783), with its main business in the electronic industry. Now the headquarters is located at No. 28, No. 12 Keji South Road, Science & Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province.

### 2. Share capital

After the distribution of bonus shares, allotments, increase in share capital and issuance of new shares over the years, as of December 31, 2025, 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 is mainly engaged in consumer electronics and semiconductor businesses, conducting the production and sales of color TVs, white goods, optoelectronic displays, storage, and printed circuit boards, etc.

4. The financial statements were approved by the board of directors of the Company for disclosure on April 27, 2026.

## II. Scope of the Consolidated Financial Statements

The scope of the Group's consolidated financial statements covers 104 subsidiaries, such as Shenzhen Konka Electronics Technology Co., Ltd., Anhui Konka Electronics Co., Ltd., and Dongguan Konka Electronics Co., Ltd. Compared with the previous year, the Group lost control over its subsidiary, Kangrong Jiayuan Technology (Zhejiang) Co., Ltd., due to an equity transfer during the current year.

For details, please refer to Note VIII “Changes in the Consolidation Scope” and Note IX “Equity in Other Entities” herein.

### Checklist of Company Name and Abbreviation in this Report

No.	Company name	Abbreviation
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
2	Nantong Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
3	Chengdu Konka Electronics Co., Ltd.	Chengdu Konka Electronics

Notes to Financial Statements of Konka Group Co., Ltd.  
From January 1, 2025 to December 31, 2025  
(Amounts are expressed in RMB unless otherwise stated)

No.	Company name	Abbreviation
4	Nantong Konka Smart Technology Co., Ltd.	Nantong Kangdian
5	Shenzhen Kangcheng Technology Innovation and Development Co., Ltd.	Shenzhen Kangcheng
6	Shenzhen Xiaojia Technology Co., Ltd.	Xiaojia Technology
7	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun Intelligent
8	Liaoyang Kangshun Renewable Resources Co., Ltd.	Liaoyang Kangshun Renewable
9	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka
10	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Chuzhou Konka
11	Guangdong Xingda Hongye Electronics Co., Ltd.	Xingda Hongye
12	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
13	Suining Konka Flexible Electronic Technology Co., Ltd.	Konka Flexible Electronics
14	Suining Konka Hongye Electronics Co., Ltd.	Kangjia Hongye Electronics
15	Boluo Konka Precision Technology Co., Ltd.	Bokang Precision
16	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
17	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
18	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
19	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
20	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
21	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
22	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
23	Shenzhen Konka Investment Holding Co., Ltd.	Konka Investment
24	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Industrial Park
25	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
26	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
27	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
28	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
29	Konka Electronic Material Technology (Shenzhen) Co., Ltd.	Konka Electronic Material
30	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronics
31	Tianjin Konka Technology Co., Ltd.	Tianjin Konka
32	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
33	Suining Konka Electronic Technology Innovation Co., Ltd.	Suining Electronic Technology Innovation

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No.	Company name	Abbreviation
34	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
35	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
36	Shenzhen Konka Technology Industry Development Co., Ltd.	Development of science and technology industry
37	Sichuan Konka Smart Terminal Technology Co., Ltd.	Sichuan Konka
38	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
39	Shenzhen Konka Semiconductor Technology Co., Ltd.	Shenzhen Konka Semiconductor
40	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
41	Konka Xinying Semiconductor Technology (Shenzhen) Co., Ltd.	Xinying Semiconductor
42	Konka Xinying Semiconductor Technology (Hong Kong) Co., Ltd.	Xinying Semiconductor (Hong Kong)
43	Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
44	Konka Cross-border (Hebei) Technology Development Co., Ltd.	Konka Cross-border (Hebei)
45	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
46	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Central China
47	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
48	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
49	Anhui Konka Electronics Co., Ltd.	Anhui Konka
50	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
51	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
52	Hong Kong Konka Telecommunications Co., Ltd.	Hong Kong Konka Communications
53	Dongguan Konka Electronics Co., Ltd.	Dongguan Konka
54	Suining Konka Smart Technology Co., Ltd.	Suining Konka Intelligent
55	Chongqing Konka Optoelectronics Technology Co., Ltd.	Chongqing Optoelectronic Technology
56	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
57	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
58	Ningbo Kanghanrui Electric Appliances Co., Ltd.	Ningbo Kanghanrui Electric Appliances
59	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
60	Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Jiangxi High Transparent Substrate
61	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystal
62	Shaanxi Konka Smart Home Appliance Co., Ltd.	Shaanxi Konka Intelligent

Notes to Financial Statements of Konka Group Co., Ltd.  
From January 1, 2025 to December 31, 2025  
(Amounts are expressed in RMB unless otherwise stated)

No.	Company name	Abbreviation
63	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
64	Jiixin Technology Co., Ltd.	Jiixin Technology
65	Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.	Kangrong Jiayuan
66	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
67	Jiali International (Hong Kong) Limited	Jiali International
68	Hebei Kangjiatong Technology Co., Ltd.	Konka Communication
69	Nanjing Konka Smart Electric Co., Ltd.	Nanjing Konka Smart
70	Hainan Konka Technology Co., Ltd.	Hainan Konka Technology
71	Konka Venture Development (Shenzhen) Co., Ltd.	Konka Venture
72	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
73	Yantai Konka Healthcare Industry Startup Service Co., Ltd.	Yantai Konka
74	Guiyang Konka Startup Service Co., Ltd.	Konka Enterprise Service
75	Ji'an Konka Technology Industry Development Co., Ltd.	Ji'an Konka
76	Konka (Europe) Co., Ltd.	Konka Europe
77	Hong Kong Konka Co., Ltd.	Hong Kong Konka
78	Kangdian International Trade Co., Ltd.	Kangdian Trading
79	Konka North America LLC	Konka North America
80	Kanghao Technology Co., Ltd.	Kanghao Technology
81	Hongdian Investment Development Co., Ltd.	Kangdian Investment
82	Zhongkang Storage Technology Co., Ltd.	Zhongkang Storage Technology
83	Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.	Zhongkang Semiconductor (Shaoxing)
84	Hongjet (Hong Kong) Co., Ltd.	Kangjet
85	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
86	Anlu Konka Industry Operation Service Co., Ltd.	Anlu Konka
87	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
88	Guizhou Konka New Materials Technology Co., Ltd.	Guizhou Konka New Material Technology
89	Konka Smart Home (Shanxi) Industry Development Co., Ltd.	Shanxi Smart Home Appliance
90	Guizhou Kanggui Materials Co., Ltd.	Guizhou Kanggui Materials
91	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
92	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun

Notes to Financial Statements of Konka Group Co., Ltd.  
From January 1, 2025 to December 31, 2025  
(Amounts are expressed in RMB unless otherwise stated)

No.	Company name	Abbreviation
93	Jiangxi Konka Technology Park Operation and Management Co., Ltd.	Jiangxi Konka Technology Park
94	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
95	Zhejiang Konka Electronics Co., Ltd.	Zhejiang Konka Electronics
96	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industries
97	Xi'an Konka Intelligent Home Appliance Co., Ltd.	Xi'an Konka Intelligent
98	Xi'an Konka Network Technology Co., Ltd.	Xi'an Konka Network
99	Xi'an Kanghong Technology Industry Development Co., Ltd.	Xi'an Kanghong Technology Industry
100	Xi'an Konka Intelligent Technology Development Co., Ltd.	Xi'an Konka Intelligent Technology
101	Songyang Konka Smart Industry Operation Management Co., Ltd.	Songyang Industry Operation
102	Shenzhen Kangyan Technology Co., Ltd.	Kangyan Technology
103	Songyang Konka Intelligent Technology Development Co., Ltd.	Songyang Konka Intelligent
104	Konka North China (Tianjin) Technology Co., Ltd.	Konka North China
105	Shenzhen Konka Digital Technology Development Co., Ltd.	Digital technology

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

#### 1. Basis for the Preparation

The Group's financial statements were prepared based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance as well as its application guidelines, interpretations 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 CSRC.

#### 2. Going Concern

The consolidated net profit of Konka Group in 2025 was RMB -122.38 hundred million. As of December 31, 2025, the Group's net assets in the consolidated financial statements were RMB -58.60 hundred million, with a debt-to-asset ratio of 126.22%.

In view of the above, when assessing the Group's ability to continue as a going concern, the Board of Directors of the Group has prudently considered the Group's future strategic adjustments and business strategies, operating conditions, working capital and available sources of financing. The Group has formulated the following plans and measures to reduce the pressure on working capital and improve its financial position:

(1) On December 29, 2025, the National Development and Reform Commission and the Ministry of Finance officially issued the "Notice on the Implementation of the Policy for

Large-scale Equipment Renewal and Consumer Goods Trade-in in 2026", which provides special financial subsidies for the renewal of six major categories of home appliances and equipment. The Group will take this opportunity to accelerate the transformation and upgrading of its home appliance business to effectively promote the improvement of its operating performance.

(2) The Group will adhere to the long-term value-oriented business guideline, focus on the development of its main business, optimize asset allocation, and enhance lean management. On the one hand, with focus on the optimization and reshaping of existing businesses, the Group will comprehensively enhance the efficiency of the entire chain of R&D, production, supply, sales, and service to achieve significant loss reduction in existing businesses; on the other hand, the Group will deepen research and analysis around the "9+6" strategic emerging industries to seek innovative drivers for its high-quality development.

(3) Take active measures to revitalize various stock resources and accelerate the recovery of funds. The Group established a specific department engaged in promoting the exit and divestment of "non-core and non-advantageous" businesses and assets, and utilizing external resources to shorten the disposal and revitalization period of inefficient assets.

(4) Bank credit lines are relatively stable. The Group will continue to deepen its strategic cooperation with commercial banks, actively expand financing channels, and alleviate the pressure on working capital.

After fully considering the various measures mentioned above that the Group is implementing or plans to implement, the Board of Directors of the Group believes that it is appropriate to prepare these financial statements on a going concern basis for at least 12 months from December 31, 2025. However, future events or circumstances may result in significant uncertainty in the implementation of the above-mentioned measures, including the effectiveness of measures such as exiting non-core businesses and revitalizing existing assets. The renewal of bank credit loans and acquisition of new financing depend on the Group's communication with commercial banks. If the relevant improvement measures of the Group fail to be implemented as planned or achieve the expected results, the Company may cease to continue as a going concern, hence the uncertainty about the going-concern ability.

#### **IV. Significant Accounting Policies and Accounting Estimates**

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 the Accounting Standards for Business Enterprises, which factually, accurately and completely present the Company's and the Group's financial positions as of December 31, 2025, business results and cash flows, and other relevant information for 2025.

### 2. Fiscal period

The Group's fiscal period starts from January 1 to December 31 of 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 Company uses RMB as the recording currency. Subsidiaries of the Group determine their functional currency according to the main economic environment in which they operate. When preparing the financial statements, the Group converts them into RMB according to the method described in IV.10(2) Conversion of foreign currency financial statements.

### 5. Determination methods and selection basis for materiality threshold

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 debt provisioned receivables	Note VI.4. Accounts receivable (2)	Individual amount exceeding RMB50 million
Receivables with significant amount of bad debt provision recovered or reversed during the year	Note VI.4. Accounts receivable (3)	Individual amount exceeding RMB10 million
Write-off of significant receivables in the year	Note VI.4. Accounts receivable (4)	Individual amount exceeding RMB10 million
Significant accounts payable aged over 1 year	Note VI.26. Accounts payable	Individual amount exceeding RMB10 million
Significant receipts in advance and contractual liabilities/projected liabilities/other payables aged over 1	Note VI.28; note VI.29; note VI.39; note VI.27;	Individual amount exceeding RMB10 million

Notes to Financial Statements of Konka Group Co., Ltd.  
 From January 1, 2025 to December 31, 2025  
 (Amounts are expressed in RMB unless otherwise stated)

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
year		
Significant construction in progress projects	Note VI.16. Construction in progress (2)	Increase or decrease in a single asset during the year or a balance exceeding RMB100 million

## 6. Accounting Treatments for Business Combinations Under Common Control and Those Not Under Common Control

### (1) Business combinations under common 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 book value in the final controlling party on the combining date. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination (or the total par value of the shares issued) is used to adjust the capital reserves; in case the capital reserves are insufficient to cover the difference, the retained earnings will be adjusted.

### (2) Business combinations not under common 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 not under common control shall be measured at fair value on the acquisition date. The difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree shall be recognized as goodwill; if the combination costs are less than the fair value of the identifiable net assets acquired from the acquiree in the combination, the fair values of the identifiable assets, liabilities and contingent liabilities acquired from the combination, as well as the combination costs, shall be reviewed first. After review, if the combination costs are still less than the fair value, the difference shall be included in the current non-operating revenue of the combination.

## 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, is 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 gains/losses, other comprehensive income and total comprehensive income shall be respectively listed in the consolidated financial statement "Minority shareholders' equity, minority shareholders' net gains/losses, other comprehensive income that belongs to minority shareholders and total comprehensive income that belongs to minority shareholders".

For subsidiaries acquired through business combinations under the same control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the current combination 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.

Where the equity of an investee under common control is acquired in stages through multiple transactions, ultimately resulting in a business combination, when preparing the consolidated financial statements, adjustments are made as if the entity had existed in its current state from the time the ultimate controlling party obtained control. When preparing comparative financial statements, the relevant assets and liabilities of the acquiree are consolidated into the Group's comparative consolidated financial statements, limited to a point in time not earlier than when both the Group and the acquiree were under the control of the same ultimate controlling party. The net assets increased as a result of the combination are used to adjust the relevant items under owner's equity in the comparative financial statements. To avoid double-counting the value of the acquiree's net assets, for any long-term equity investment held by the Group before the combination is achieved, the related gains/losses, other comprehensive income, and other changes in net assets recognized from the later of the date the original equity was acquired and the date the

Company and the acquiree came under the control of the same ultimate controlling party, up to the combination date, shall be offset against the opening retained earnings and current gains/losses of the comparative reporting period, respectively.

For subsidiaries acquired through business combination under 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.

For a business combination achieved in stages, where equity interests in the acquiree are obtained through multiple transactions and ultimately result in a business combination not under common control, the previously held equity interest shall be remeasured at its fair value on the acquisition date. Any difference between the fair value and its carrying amount shall be recognized in current investment income; with respect to the previously held equity interest in the acquiree, any amounts recognized in other comprehensive income under the equity method, as well as other changes in owners' equity other than net gains/losses, other comprehensive income and profit distributions, shall be reclassified to current investment income in the period of the acquisition date. However, this excludes other comprehensive income arising from remeasurement of the net defined benefit liability or asset of the investee.

When the Group disposes of a portion of its long-term equity investment in a subsidiary without losing control, the difference in the consolidated financial statements between the proceeds from the disposal and the subsidiary's share of net assets, calculated continuously from the acquisition date or combination date, corresponding to the disposed long-term equity investment, is adjusted against capital premium or share premium. If the capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

If the Group loses control over an investee due to reasons such as the disposal of a portion of its equity investment, when preparing the consolidated financial statements, the remaining equity is remeasured at its fair value on the date of loss of control. The difference between the total of the consideration received from the disposal of equity and the fair value of the remaining equity, minus the share of the original subsidiary's net assets calculated continuously from the acquisition or combination date based on the original shareholding percentage, is recognized in investment income for the period in which control is lost, and goodwill is derecognized at the same time. Other comprehensive income and other items related to the original equity investment in the subsidiary are reclassified to investment income for the current period upon loss of control.

If the Group disposes of its equity investment in a subsidiary in stages through multiple transactions until control is lost, and if these transactions are part of a single transaction package, all transactions shall be accounted for as a single transaction of disposing of a subsidiary and losing control; however, the difference between the disposal proceeds and the share of net assets of the subsidiary corresponding to the investment disposed of for each disposal prior to the loss of control shall be recognized as other comprehensive income in the consolidated financial statements, and shall be reclassified to investment income in the period in which control is lost.

## **8. Classification of Joint Venture Arrangements and Accounting Treatments for Joint Operations**

The Group's joint arrangements include 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 from or sells to the joint operation assets that do not constitute a business, the Group only recognizes the share of the other joint operators in the gains/losses arising from the transaction.

## **9. Cash and Cash Equivalents**

Cash in the Group's statement of cash flows refers to cash on hand and unrestricted deposits. For the purpose of the statement of cash flows, cash equivalents refer to highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value with a holding period of not more than 3 months.

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

### **(1) Foreign Currency Transactions**

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 gains/losses.

## **(2) Translation of Foreign Currency Financial Statements**

When preparing the consolidated financial statements, the Group translates the financial statements of overseas operations into RMB, in which: assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date; owners' equity items, except for "undistributed profits", are translated at the spot exchange rate when the business occurs; the income and expense items in the income statement are translated at the average exchange rate of the current period (the average exchange rate of the month) on the date when the transactions occur. The conversion difference of foreign currency statements arising from the aforementioned conversion is presented in other comprehensive income item. The foreign currency cash flow is 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 is independently presented in the cash flow statement.

## **11. Financial Instruments**

### **(1) Recognition and derecognition of financial instruments**

The Group recognizes a financial asset or financial liability when it becomes a party to the contractual provisions of a financial instrument.

If the following conditions are met, a financial asset (or a part of a financial asset, or a part of a group of similar financial assets) shall be derecognized, that is, the previously recognized financial asset shall be transferred from the balance sheet: 1) the right to receive the cash flows of the financial asset expires; 2) When the financial assets are transferred, the Group has transferred almost all the risks and rewards of ownership of the financial assets; 3) When a financial asset is transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, nor retains control over the financial asset.

When the current obligation of financial liabilities (or partial financial liabilities) has been completely or partially discharged, 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 contractual 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. When there is a material alteration of contractual 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. The difference between the book value of the derecognized part and

the consideration paid is included in the current gains/losses.

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

## **(2) Classification and Measurement of Financial Assets**

At initial recognition, the Group's financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current gains/losses according to the Group's business model for managing financial assets and the contractual cash flow characteristics of financial assets. All affected related financial assets will be reclassified if and only when the Group changes its business model for managing financial assets.

The Group classifies the financial assets meeting the following conditions simultaneously as financial assets measured at amortized cost: ① The business model for managing the financial assets aims at collecting contractual cash flows. ② The contractual terms of the financial assets stipulate that the cash flows generated on specified dates solely represent payments of principal and interest based on the outstanding principal amount. These financial assets are initially measured at fair value, and relevant transaction costs are included into the initially recognized amount; subsequent measurement is carried out at amortized cost. Except for those designated as 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 gains/losses as well as gains or losses arising from derecognition shall be recorded into the current gains/losses.

The Group classifies the financial assets meeting the following conditions simultaneously as financial assets measured at fair value through other comprehensive income: ① the business model for managing this financial asset aims at both collecting contractual cash flows and selling the financial asset. ② The contractual terms of the financial assets stipulate that the cash flows generated on specified dates solely represent payments of principal and interest based on the outstanding principal amount. These financial assets are initially measured at fair value, and relevant transaction costs are included into the initially recognized amount. Except for those designated as hedge items, any other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange gains/losses, and interest on the financial asset calculated using the effective interest rate method, are included in other comprehensive income; when financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the current gains/losses.

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-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Such designation, once made, may not be revoked. The non-trading equity instrument investments designated by the Group to be measured at fair value through other comprehensive income are initially measured at fair value, and the relevant transaction costs are included in the initial recognition amount; except for dividends obtained (except for the recovery of investment costs) which are included in the current gains/losses, other relevant gains and losses (including exchange gains/losses) are included in other comprehensive income and shall not be subsequently transferred to the current gains/losses. When they are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings. Equity instrument investments measured at fair value through other comprehensive income include: Equity investments to be held in the long term as planned by the Group for strategic purpose, with no control, joint control or significant influence, and with no active market quotation.

Financial assets other than those classified as financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. The Group classifies them as financial assets measured at fair value through current gains/losses. These financial assets are initially measured at fair value, and the relevant transaction costs are directly included in the current gains/losses. Gains or losses arising from these financial assets are recorded into the current gains/losses.

The contingent consideration recognized by the Group in a business combination not under the same control which constitutes a financial asset is classified as financial assets measured at fair value through current gains/losses.

### **(3) Classification, Recognition and Measurement of Financial Liabilities**

The Group's financial liabilities are, on initial recognition, classified into financial liabilities measured at fair value through current gains/losses and other financial liabilities.

Financial liabilities measured at fair value through current gains/losses include held-for-trading financial liabilities and financial liabilities designated at initial recognition to be measured at fair value through current gains/losses. Subsequent measurement is carried out at fair value, and gains or losses arising from changes in fair value as well as dividends and interest expenses related to the financial liability are included in current gains/losses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The Group classifies financial liabilities except for the following items as financial liabilities measured at amortized cost: ① Financial liabilities measured at fair value through current gains/losses, including held-for-trading financial liabilities (including derivative instruments belonging to financial liabilities) and financial liabilities designated to be measured at fair value through current gains/losses. 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 contracts not belonging to cases of above ① or ②, and loan commitments at an 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 purchaser in a business combination not under the same control as measured at fair value and changes thereof shall be recorded into current gains/losses.

#### **(4) Impairment of financial instruments**

Based on expected credit loss, the Group recognizes impairment and provisions for losses on financial assets measured at amortized cost, debt investments measured at fair value with changes in fair value recognized in other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts.

##### **1) Measurement of expected credit loss**

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all expected cash flows to be collected, discounted by the Group using the original effective interest rate, i.e., the present value of all cash shortfalls.

Expected credit loss over the entire lifespan refers to the expected credit loss caused by all possible default events that may occur during the expected lifespan of a financial instrument. Expected credit loss in the next 12 months refers to the expected credit loss caused by a financial instrument default event that may occur within 12 months after the balance sheet date (if the expected lifespan of the financial instrument is less than 12 months, the actual expected lifespan applies), which is a part of the expected credit loss over the entire lifespan.

For accounts receivable, notes receivable, receivables financing, contract assets and other receivables arising from daily operating activities such as sales of goods and rendering of labor services, if they do not contain significant financing components, the Group adopts a simplified measurement method to measure the loss provision at the amount equivalent to the expected credit loss over the entire lifespan.

For lease receivables, receivables containing significant financing components and contract assets, the Group adopts the simplified measurement method to measure the loss provision at the amount equivalent to the expected credit loss over the entire lifespan.

For financial assets (such as debt investments, other debt investments and other receivables), loan commitments and financial guarantee contracts other than those measured with the above-mentioned simplified measurement method, the Group adopts the general method (three-stage method) to accrue the expected credit loss. On each balance sheet date, the Group assesses whether there is a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, it is in the first stage. In this case, the Group accrues the loss provision at the amount equivalent to the expected credit loss in the next 12 months, and calculates the interest income according to the book balance and the effective interest rate; if the credit risk has increased significantly since initial recognition but credit impairment has not occurred, it is in the second stage. In this case, the Group accrues the loss provision at an amount equivalent to the expected credit loss over the entire lifespan, and calculates the interest income according to the book balance and the effective interest rate; if a credit impairment occurs after initial recognition, it is in the third stage. In this case, the Group accrues the loss provision at an amount equivalent to the expected credit loss over the entire lifespan, and calculates the interest income at amortized cost and effective interest rate.

For financial instruments with low credit risk on the balance sheet date, the Group assumes that there is no significant increase in their credit risk since initial recognition. Regarding the Group's criteria for determining significant increases in credit risk and the definition of assets with credit impairment, please refer to Note XI.1(2) for disclosure.

When the Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets, the expected changes in the debtors' credit risk are inferred based on historical repayment data and in combination with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, therefore, the provision for impairment already made may not be equal to the actual amount of impairment loss in the future.

## **2) Portfolio category and determination basis of provision for impairment made by**

### **portfolio with credit risk characteristics**

The Group assesses the expected credit loss of financial instruments on an individual and portfolio basis. When assessing on a portfolio basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, and aging of receivables.

### **3) Judgment criteria for individual provision for impairment of bad debts based on individual basis**

If the credit risk characteristics of a certain customer are significantly different from those of other customers in the portfolio, or if the credit risk characteristics of that customer have changed significantly, such as amounts due from related parties; receivables that are in dispute with the counterparty or involve litigation or arbitration; receivables for which there are clear indications that the debtor is highly unlikely to be able to fulfill its repayment obligations, etc.

### **4) Write-off of provision for impairment**

When the Group no longer reasonably expects to recover all or part of the cash flows from financial asset contracts, the Group directly reduces the carrying amount of the financial asset. If the written-down financial assets are recovered later, they are included in the current gains/losses as the reversal of the impairment loss.

### **(5) Recognition and Measurement of Financial Asset Transfers**

The Group derecognizes the financial assets that meet one of the following conditions: ① the contractual right to receive the cash flow from the financial assets is terminated; ② The financial assets have been transferred, and the Group has transferred almost all the risks and rewards of ownership of the financial assets; ③ The financial assets have been transferred, and the Group has neither transferred nor retained almost all risks and rewards of ownership of the financial assets, nor has it retained control over the financial assets.

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 gains/losses.

If the partial transfer of financial assets satisfies the conditions for derecognition, the entire

book value of the transferred financial assets will be apportioned between the derecognition portion and the non-derecognition portion according to their relative fair values, and the consideration received for the transfer and the amount corresponding to the derecognition of the cumulative amount of changes in fair value originally included in other comprehensive income that should be apportioned to the derecognition part (the contractual terms of the transferred financial asset stipulate that cash flows generated on specific dates are solely payments of principal and 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 gains/losses.

#### **(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 the former, the instrument is a financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract requires the Group to use or be able to 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, or entirely or partially based on changes in variables other than the market price of the Group's own equity instruments (such as interest rates, prices of certain commodities or prices of certain financial 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, gains or losses, and gains or losses arising from redemption or refinancing, etc. in the current gains/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) Offset of 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. However, when the following conditions are met simultaneously, the net amount after mutual offset is presented in the balance sheet: (1) the Group has the legal right to offset the recognized amount, and such legal right is currently enforceable; (2) the Group plans to settle them on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

### **12. Notes Receivable**

For notes receivable, the Group shall measure the provision for loss based on the expected credit loss amount over 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 for Combination Determination
Bank acceptance bills	The acceptor shall be a bank with high credit level and low risks
Commercial acceptance bills	Classified by credit risk of acceptors (the same as accounts receivable)

### **13. Accounts receivable**

For accounts receivable and contract assets excluding significant financing composition, the Group shall measure the provision for loss according to the expected credit loss amount over the entire period of existence.

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

Except the accounts 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 for Combination Determination
Aging Combination	This portfolio is accounts receivable with aging as the credit risk feature
Related party portfolio	The accounts receivable from the other entities within the consolidation scope

#### 14. Receivables Financing

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

#### 15. Other Receivables

The Group measures the provision for losses of other receivables as below: ① for financial assets with no significant increase in credit risk since initial recognition, the Group measures the provision for loss according to the amount of expected credit loss in the next 12 months; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures the provision for loss at an amount equivalent to the expected credit loss of the financial instrument during the entire lifespan; ③ for purchased or internally generated financial assets which have undergone credit impairment, the Group measures the provision for loss at an amount equivalent to the expected credit loss over the entire lifespan. 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 for Combination Determination
Aging Combination	This portfolio consists of other receivables with aging as the credit risk feature.
Low-risk portfolio	This portfolio's credit risk characteristics are other receivables with extremely low risk, such as petty cash, security deposits, and deposits.
Related party portfolio	This portfolio consists of other receivables from entities within the Group's consolidation scope.

#### 16. Long-term Receivables

By determining whether the credit risk of long-term 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 for long-term 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 for Combination Determination
Financing Lease Combination	Uses 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 system is adopted, and inventories are valued at actual cost upon acquisition; the actual cost of inventories that have undergone requisition or dispatch is

determined using the weighted average method. Low-value consumables and packaging are amortized through the one-off charge-off method.

For merchandise inventories directly for sale, such as finished goods, goods in process, and materials for sale, their net realizable values are determined at the estimated selling prices of the inventories minus the estimated selling expenses and relevant taxes and surcharges; the net realizable value of material inventory held for production purposes is determined by subtracting the estimated costs to be incurred until completion, estimated sales expenses, and related taxes from the estimated selling price of the finished products produced. For inventories with large quantity and low unit price, the provision for inventory depreciation is made according to the inventory category; for inventories related to the product series produced and sold in the same area, with the same or similar end use or purpose, and difficult to be measured separately from other items, the provision for inventory depreciation is made on a consolidated basis.

The net realizable value refers, in the ordinary course of business, to the amount after deducting the estimated cost of completion, estimated sale expenses, 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 the purpose of inventories and the effect of events after the balance sheet date.

After recognizing the provision for inventory depreciation, if the factors which caused a write-down of inventories have disappeared, causing the net realizable value of inventories to be higher than their book value, the amount of the write-down shall be reversed within the original amount of provision for inventory depreciation. The reversed amount shall be included in the current gains/losses.

## **18. Contract Assets**

### **(1) Recognition methods and standards for 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 recognizes the right to receive payment as a contract asset.

### **(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 amount of the current provision for impairment of contract assets, the Group recognizes the difference as an impairment loss by debiting "impairment loss on assets" and crediting "provision for impairment of contract assets". On the contrary, the Group recognizes the difference as an impairment gain and makes the opposite accounting records.

If the Group actually incurs a credit loss and determines that the relevant contract assets cannot be recovered, and the write-off is approved, the "provision for impairment of contract assets" is debited and the "contract assets" is credited according to the approved write-off amount. If the write-off amount is greater than the provision for losses that has been made, the difference is debited to "losses from asset impairment".

## **19. Assets relating to contract costs**

### **(1) Method for determining the amount of assets relating to contract costs**

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

Contract performance cost refers to the cost incurred by the Group to perform a contract. If the contract performance cost does not fall within the scope of other accounting standards for business enterprises and meets the following conditions at the same time, it is recognized as an asset under contract performance cost: this cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses, costs clearly borne by the customer, as well as other costs incurred only due to this contract; this cost increases the Group's future resources to meet its performance obligations; this cost is expected to be recovered.

Contract acquisition cost refers to the incremental cost incurred by the Group to obtain the contract that is expected to be recovered. It is recognized as an asset under contract acquisition cost; if the amortization period of the asset does not exceed one year, the asset is included in the current gains/losses when the amortization 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 recoverable incremental cost (such as travel expenses incurred regardless of whether the contract is obtained, etc.), are included in the current gains/losses when they are incurred, except when clearly borne by the customer.

### **(2) Amortization of assets relating 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 gains/losses.

### **(3) Impairment of assets relating to contract costs**

When determining the impairment loss of assets related to contract costs, the Group first determines the impairment loss of other assets related to the contract recognized in accordance with other relevant accounting standards for business enterprises; if its book value is higher than the difference between the remaining consideration expected to be obtained by the Group from the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the relevant goods, the excess shall be provided for impairment and recognized as asset impairment loss.

If the impairment 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 gains/losses, 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 are mainly investments in subsidiaries and associates.

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 collectively control the arrangement.

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 statements. 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 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 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 will 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 for by the equity method, the relevant other comprehensive income accounted for 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 before the purchase date is designated as the financial assets measured at fair value through other comprehensive income, the cumulative gains or losses of the equity originally recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in retained earnings; if it is a financial asset measured at fair value through current gains/losses, the gains or losses of the equity originally included in the gains/losses from changes in fair value need 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 above long-term equity investments obtained through business combinations, long-term equity investments obtained through cash payments are recognized as investment costs based on the actual purchase price paid; for long-term

equity investments acquired by issuing equity securities, the fair value of the issued equity securities is taken as the investment cost; for long-term equity investments invested by investors, the value agreed in the investment contract or agreement shall be taken as the investment cost.

The Group calculates its investments in subsidiaries through the cost method and its investments in joint ventures and associates 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.

For the long-term equity investment whose subsequent measurement adopts the equity method, the book value of the long-term equity investment will increase or decrease accordingly with the change of the owner's equity of the investee. In recognizing the share of net gains/losses of an investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for recognizing the net profit of the investee in accordance with the Group's accounting policies and accounting periods, with the offsetting of the portion of gains/losses on internal transactions with associates and joint ventures that are attributable to the investor based on the proportion of the investor's ownership interest, and the net profit of the investee is recognized after adjustments are made to the net profit of the investee.

For the disposal of a long-term equity investment, the difference between its book value and the actual proceeds is included in the current investment income. For long-term equity investments accounted for using the equity method, the relevant other comprehensive income accounted for using the original equity method shall be accounted for on the same basis as the investee's direct disposal of relevant assets or liabilities when the equity method is terminated. The owner's equity recognized due to other changes in owner's equity of the investee other than net gains/losses, other comprehensive income and profit distribution shall be fully transferred into the current investment income when the equity method is terminated.

If common control or significant influence over an investee is lost due to the disposal of a portion of the equity investment, etc., the remaining equity interest after disposal is reclassified to be accounted for in accordance with the relevant provisions of the guidelines for the recognition and measurement of financial instruments, and the difference between the fair value of the remaining equity interest at the date of the loss of

common control or significant influence and its book value is recognized in current gains/losses. Any other comprehensive income previously recognized under the equity method for the original equity investment is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities once the equity method ceases to apply, and is carried forward proportionally. The owner's equity recognized due to other changes in owner's equity of the investee other than net gains/losses, other comprehensive income and profit distribution shall be proportionally transferred into the current investment income.

In case that the control over the investee is lost due to the disposal of part of the long-term equity investments, if the remaining equity after disposal can exercise joint control or significant influence on the investee, the accounting method is changed to the equity method. The difference between the book value of the disposed equity and the disposal consideration shall be included in the investment income, and the remaining equity is adjusted as if it were accounted for using the equity method from the time of acquisition; if the remaining equity after disposal is insufficient for exercising joint control or significant influence on the investee, accounting treatment shall be made in accordance with the relevant provisions of the recognition and measurement standards for financial instruments. The difference between the book value of the disposed 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 remaining equity on the date of loss of control is included in the current gains/losses.

If the Group's transactions of step-by-step disposal of equity to loss of control do not belong to a package deal, 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 gains/losses of loss of control.

## **21. Investment properties**

The term "investment property" refers to the real estate held for generating rent and/or capital appreciation. Investment properties include leased land use rights, land use rights held for transfer upon appreciation, and leased buildings, etc. 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 properties.

The initial measurement of the investment property shall be made at its cost. For subsequent expenses related to the investment property, if the economic benefits related to the asset are likely to flow in and the cost can be measured reliably, they are included in the cost of the investment property. Other subsequent expenses are included in the current gains/losses when incurred.

The Group adopts the cost model for the subsequent measurement of investment properties, and depreciates or amortizes them in accordance with a policy consistent with that for buildings or land use rights.

For details of impairment test method and withdrawal method of impairment provision of investment properties, please refer to Note IV. 27. "Long-term assets impairment".

The Group's investment properties adopt 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 properties shall refer to the depreciation policy for buildings under fixed assets and the amortization policy for land use rights under intangible assets.

When owner-occupied real estate or inventories are changed into investment property or investment property is changed into owner-occupied real estate, the 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. When a property is converted to an investment property measured using the cost model, the book value before conversion is taken as the entry value after conversion; when a property is converted into an investment property measured at fair value, the fair value on the conversion date is recognized as the entry value after conversion.

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 the current gains/losses 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 the straight-line method, except for fully depreciated fixed assets that continue to be used and land that is separately valued. The straight-line depreciation method (SLD) is adopted. The classified depreciation life, estimated net residual value rate and depreciation rate of the Group's fixed assets are as follows:

No.	Category	Depreciation method	Depreciation period (year)	Expected residual value rate (%)	Annual depreciation rate (%)
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 equipment	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 estimate changes are applied 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 usable 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
Housing and building	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

Notes to Financial Statements of Konka Group Co., Ltd.  
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Item	Criteria for carrying forward fixed assets
	approval, it is transferred to fixed assets.
Machinery 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, and other borrowing costs are included in the current gains/losses. The assets that meet the capitalization conditions determined by the Group include the borrowing costs of fixed assets, investment real estate and inventories that need more than one year of acquisition and construction or production activities to reach the expected serviceable or marketable status. Capitalization starts when asset expenditures have been incurred, borrowing costs have been incurred, and necessary purchasing, construction, or production activities have begun to bring the assets to their intended usable or marketable status; when the acquired and constructed, or produced assets that meet the capitalization conditions have reached the working condition for their intended use or sale, the capitalization is ceased, and the borrowing costs incurred thereafter are included in the current gains/losses. 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 each accounting period within the capitalization process, the Group recognizes the capitalization amount of borrowing costs using the following method: for specialized borrowings, the capitalization amount is based on the actual interest expenses incurred in the current period, after deducting the interest income earned from unused borrowing funds deposited in the bank or investment income earned from temporary investments; where general borrowings are used, they shall be determined by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding specialized borrowings by the capitalization rate of used general borrowings, and the capitalization rate is calculated and determined according to the weighted average interest rate of the 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**

On 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: ① initial measurement amount of the lease liabilities; ② lease payment amount paid on or before the start date of the lease term. If there is any lease incentive, the lease incentive amounts that have been enjoyed are deducted; ③ the initial direct costs incurred, i.e. the incremental costs incurred in obtaining the lease agreement; ④ the cost 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 upon in the lease terms, except for those incurred for the production of inventory.

### **(2) Subsequent Measurement**

After the commencement date of the lease term, the Group adopts the cost model to carry out subsequent 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 accrues 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 gains/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 using the straight-line method.

When determining the depreciation life of right-of-use assets, the Group follows the following principles: if it can be reasonably determined that the ownership of the leased assets will be obtained at the expiration of the lease term, the depreciation is accrued over the remaining service life of the leased assets; if it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, the depreciation is accrued over the shorter of the lease term or 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**

Intangible assets of the Group include land use rights, patented technologies, non-patented technologies, etc. They are measured at the actual cost on acquisition. Specifically, for purchased intangible assets, the actual price paid and other relevant expenses are taken as the actual cost; for intangible assets invested by investors, the value agreed in the investment contract or agreement is taken as the actual cost. However, if the value agreed in the contract or agreement is not fair, the actual cost is determined according to the fair value; for intangible assets such as patents acquired from a merger not under the same control, if they were owned by the acquired party but not recognized in its financial statements, they shall be recognized as intangible assets at fair value upon initial recognition of the acquired party's assets.

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

Intangible assets of the Group include land use rights, patented technologies, non-patented technologies, etc. They are measured at the actual cost on acquisition. Specifically, for purchased intangible assets, the actual price paid and other relevant expenses are taken as the actual cost; for intangible assets invested by investors, the value agreed in the investment contract or agreement is taken as the actual cost. However, if the value agreed in the contract or agreement is not fair, the actual cost is determined according to the fair value; for intangible assets such as patents acquired from a merger not under the same control, if they were owned by the acquired party but not recognized in its financial statements, they shall be recognized as intangible assets at fair value upon initial recognition of the acquired party's assets.

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

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 is recognized in current gains/losses when incurred. Expenditure on the development phase is capitalized when all of the following conditions are met:

The Group has assessed the technical feasibility of completing the intangible asset so that it will be available for use or sale;

The Group intends to complete the intangible asset and use or sell it;

It is probable that the intangible asset will generate future economic benefits;

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

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 current gains/losses for the 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, investment property measured using the cost model, and long-term equity investments in subsidiaries, joint ventures, and associates, the Group shall assess at the balance sheet date whether there is any indication of impairment. If such indication exists, the recoverable amount shall be estimated and an impairment test conducted. Goodwill, intangible assets with indefinite service life, and intangible assets not yet available for use shall 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 impairment test result shows that the recoverable amount of an asset is less than its book value, an impairment provision for the difference shall be made and recorded in impairment losses. The recoverable amount is the higher of the net amount of the asset's fair value less disposal costs and the present value of the asset's estimated future cash flows. The fair value of the asset is determined according to the sales agreement price in an arm's length transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's offer for the asset; if there is neither a sales agreement nor an active market for the asset, the fair value is estimated based on the best available information. Disposal costs include legal fees, related taxes, freight charges, and other direct costs incurred to bring the asset to a saleable condition. The present value of the asset's estimated future cash flows is determined by discounting the asset's estimated future cash flows during continued use and upon disposal using an appropriate discount rate. Impairment provisions for assets are calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the asset group to which the asset belongs. An asset group is the smallest combination of assets that generates cash inflows independently.

### **(2) Impairment of goodwill**

In the impairment test, the book value of goodwill presented separately in the financial statements is allocated to the asset group or groups of asset groups expected to benefit from the synergies of the business combination. If the impairment test result shows that

the recoverable amount of the asset group or groups of asset groups containing the allocated goodwill is less than its book value, the corresponding impairment loss is recognized. The amount of impairment loss is first used to reduce the book value of goodwill allocated to the asset group or groups of asset groups, and then the book value of other assets is reduced proportionately based on their respective book values within the asset group or groups of asset groups (excluding goodwill).

The methodology, parameters, and assumptions for the goodwill impairment test are detailed in Note VI.19.

Once recognized, the above impairment losses on assets shall not be reversed in subsequent accounting periods.

### **28. Long-term deferred expenses**

The Group's long-term deferred expenses include renovation costs, mold costs, and so on. These expenses are amortized evenly over the benefit period. If a long-term deferred expense item cannot generate benefits for future accounting periods, the unamortized value of the item shall be fully transferred to current gains/losses.

### **29. Contract liabilities**

Contract liabilities refer to the obligation of the Group to transfer goods to customers for consideration received or receivable from customers. Before the transfer of goods, if the customer has paid the consideration or if the Group has obtained the right to unconditionally collect the contract consideration, the contract liabilities shall be recognized based on the amount received or receivable at the earlier of the customer's actual payment date or the payment due date.

### **30. Employee compensation**

Employee compensation of the Group includes short-term compensation, post-employment benefits, termination benefits, and other long-term benefits.

Short-term compensation mainly includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance, maternity insurance, employment injury insurance, housing provident fund, labor union expenses, staff education expenses, and non-monetary benefits. During the accounting period when employees provide services, the actual short-term compensation is recognized as a liability and included in current gains/losses or the cost of related assets depending on 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 gains/losses 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 unilaterally withdraw the plan for terminating labour relations or layoff proposal, the liabilities arising from dismissal welfare shall be recognized and included in current gains/losses at the earlier of the date the related costs of dismissal welfare in connection with a restructuring are recognized or the date when the dismissal welfare cannot be withdrawn unilaterally. However, dismissal welfare not fully paid within 12 months after Reporting Period should be handled the same as other long-term employees' payrolls.

The internal employee retirement plan is treated by adopting the same principle as the above dismissal welfare. The Group would record the salary and the social security insurance fees paid and so on from the employee's service termination date to normal retirement date into current gains/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 meeting the defined contribution plan, should be accounting disposed according to the defined contribution plan, while the rest should be disposed according to the defined benefit 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 lease commencement date.

##### 1) Lease payments

Lease payment amount refers to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: ① fixed payment amount and substantially fixed payment amount, with lease incentives (if any) deducted from the relevant amount; ② The amount of variable lease payments that depend on an index or ratio, which is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ the exercise price of the purchase option when the Group reasonably determines that the purchase option will be exercised; ④ The amount needs to be paid for exercising the lease termination option when the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ The amount expected to be paid according to 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 borrowing rate will be used as the rate of discount. The incremental borrowing rate 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: ① the Group's own situation, that is, the company's solvency and credit status; ② The term of the "borrowing", i.e., the lease term; ③ the amount of "borrowed" funds, i.e. the amount of the lease liability; ④ "collateral conditions", i.e. the nature and quality of the subject assets; ⑤ economic circumstances, including the jurisdiction in which the lessee is located, pricing currency, time of contract signing, 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) Subsequent Measurement**

After the lease commencement date, the Group measures the lease liability in accordance with the following principles: ① when recognizing the interest on the lease liability, the carrying amount of the lease liability is increased; ② when the lease payment is made, the book amount of the lease liability is reduced; ③ when the lease payment changes due to revaluation or lease change, the book value of the lease liability is re-measured.

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 current gains/losses. 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 lease commencement date, 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 amount of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in current gains/losses. ① there have been changes in substantially fixed payments (in which case the original discount rate is adopted); ② there have been changes in the estimated payable amount of

the guarantee residual value (in which case, the original discount rate is adopted); ③ there have been changes in the index or ratio used to determine the lease payments (in which case the revised discount rate is adopted); ④ there have been changes in the valuation results of the purchase option (in which case the revised discount rate is adopted); ⑤ there have been changes in the evaluation results or actual exercise of the option to renew or terminate the lease (in which case, the revised discount rate is adopted).

### **32. Provisions**

When an obligation related to a contingency meets the following conditions simultaneously, it is recognized as an estimated liability: (1) the obligation is a present obligation undertaken by the Group; (2) the performance of the obligation is likely to result in an outflow of economic benefits; (3) the amount of the obligation can be reliably measured.

The provisions 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 provisions 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 provisions are 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 book value of the estimated liabilities.

### **33. Preferred shares, perpetual bonds and other financial instruments**

Preferred shares and perpetual debt classified as debt instruments shall be initially measured at their fair value less transaction costs, and subsequently measured at amortized cost using the effective interest rate method. Interest expenses or dividend distributions thereon shall be accounted for in accordance with borrowing costs. Gains or losses arising from their repurchase or redemption shall be recognized in current gains/losses.

For preferred shares and perpetual bonds classified as equity instruments, the consideration received upon issuance, net of transaction costs, is added to owners' equity. Their interest expense or dividend distributions are treated as profit distribution, and any repurchase or cancellation is treated as a change in equity.

### **34. Principles of revenue recognition and measurement methods**

#### **(1) General principles**

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.

Performance obligation refers to the Group's commitment in a contract to transfer clearly distinguishable goods to the customer. A performance obligation of the Group is deemed as an obligation to be fulfilled within a certain period of time if one of the following conditions is met; otherwise, the performance obligation is satisfied at a point in time:

- ① The customer obtains and consumes the economic benefits brought by the Group's performance at the same time as the Group performs the contract;
- ② The customer is capable of controlling the goods 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 receive payment for the performance accumulated to date throughout the 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 in time when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control over goods, the Group considers the following indications:

- ① The Group has the current right to receive the payment for the goods, that is, the customer has the current obligation to pay for the goods;
- ② The Group has transferred the legal ownership of the goods to the customer, that is, the customer already has legal ownership of the goods;
- ③ The Group has physically transferred the goods to the customer, that is, the customer has physically taken possession of the goods;
- ④ The Group has transferred the significant risks and rewards pertaining to the ownership of the goods to the customer, that is, the customer has obtained the significant risks and rewards;
- ⑤ The customer has accepted the goods or services, etc.;
- ⑥ Other signs indicating that the customer has gained control of the goods.

The Group's right to consideration in exchange for goods or services that the Group has transferred to a customer is presented as a contract asset. An impairment loss is

recognized for contract assets based on expected credit losses. The Group's unconditional right to receive consideration from a customer is presented as a receivable. The Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer is presented as a contract liability.

## **(2) Principles of revenue measurement**

1) If the contract contains two or more performance obligations, at the commencement date of the contract, the Group will allocate the transaction price to each single performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised under each single performance obligation. Revenue is measured at the transaction price of each single performance obligation.

2) The transaction price is the amount of consideration that the Company expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments collected on behalf of third parties and payments expected to be returned to customers. The transaction price recognised by the Group does not exceed the amount for which it is highly probable that cumulative revenue already recognised will not be significantly reversed when the related uncertainties are resolved. Amounts expected to be refunded to the customer are treated as a liability and not included in the transaction price.

3) Where a contract contains variable consideration, such as cash discounts and price protection included in certain contracts between the Group and its customers, the Group determines the best estimate of variable consideration using the expected value method or the most likely amount method. However, the transaction price including variable consideration is constrained to an amount that, in relation to the cumulative revenue already recognised, is highly probable not to result in a significant reversal when the related uncertainties are resolved.

4) For consideration payable to a customer, the Group deducts such consideration from the transaction price and reduces current revenue at the later of when the related revenue is recognised and when the consideration is paid (or promised to be paid) to the customer, unless the consideration payable is in exchange for other distinct goods or services obtained from the customer.

5) For sales with sales return clauses, when the customer obtains control of the relevant goods, the Group recognizes the revenue at the amount of consideration expected to be received due to the transfer of goods to the customer, and recognizes the amount expected to be refunded due to sales return as estimated liabilities; in addition, the balance of the expected book value of the returned goods at the time of transfer less the expected cost of recovering the goods (including the impairment of the value of the returned goods) is recognized as an asset, i.e. the return cost receivable. The net amount

of the above asset cost is carried forward according to the book value of the transferred goods at the time of assignment. 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 according to the payable amount that is assumed to be paid in cash by the customer when the customer obtains the right of control over goods or services. The difference between the transaction price and the promised consideration in the contract is amortized over the contract period using the effective interest method, with the discount rate being the one that discounts the nominal amount of the contract consideration to the cash selling price of the goods. 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 service-type quality assurance where a separate service is provided in addition to the assurance to the customer that the goods sold meet the established standards, the Group treats it as a single performance obligation and apportions a portion of the transaction price to the service-type quality assurance based on the relative proportions of the separate selling prices of the goods and the service-type quality assurance provided and recognizes revenue 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 a contract modification occurs between the Group and a customer: ① if the modification adds distinct construction services and the contract price increases by an amount that reflects the standalone selling price of the additional construction services, the Group accounts for the contract modification as a separate contract; ② If the contract modification does not meet the criteria in ①, and the construction services transferred before the modification date are distinct from those not yet transferred, the Group accounts for the modification as a termination of the original contract. The remaining performance obligations of the original contract and the modification are combined and treated as a new contract. ③ If the contract modification does not meet the criteria in ①, and the

construction services transferred before the modification date are not distinct from those not yet transferred, the Group accounts for the modification as part of the original contract. The effect of the modification on revenue previously recognized is recognized as an adjustment to revenue in the period in which the modification occurs.

### **(3) Specific methods**

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

#### **① Revenue Recognized at a Point in 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.

#### **② Revenue Recognized Over Time**

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

### **35. Government grants**

The government grants of the Group are divided into asset-related government grants and income-related government grants. Specifically, asset-related government grants refer to the government grants obtained by the Group for the purpose of purchasing, constructing or otherwise forming long-term assets; income-related government grants refer to those other than asset-related government 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 income-related government grants as a whole.

If the government subsidies are monetary assets, they shall be measured at the amount

actually received. For a subsidy allocated according to a fixed quota standard, or when there is conclusive evidence at the end of the year that the relevant conditions stipulated in the financial support policies can be met and the financial support funds are expected to be received, the subsidy shall be measured according to the amount receivable; if the government grants are non-monetary assets, they are measured at fair value. Where the fair value cannot be reliably obtained, the grant is measured at a nominal amount (RMB 1). Asset-related grants shall be used to offset the book value of related assets or presented as deferred income, and shall, over the life of the related asset, be included in the current gains/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 gains/losses of asset disposal.

Income-related 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 gains/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 revenue 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 current gains/losses;
- 3) Under any other circumstances, the grants will be included in current gains/losses.

### **36. Deferred tax assets and deferred 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 the carrying 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 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 is not a business combination and which affects neither accounting profit nor taxable income (or deductible losses), the corresponding deferred tax assets and deferred tax liabilities are not recognized. On the balance sheet date, the deferred tax assets and deferred 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 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.

### **37. 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 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 a lessee**

##### **1) Lease Recognition**

On the lease commencement date, the Group recognizes the right-of-use assets and lease liabilities 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 Modification

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

If there is any modification in the lease and the following conditions are met at the same time, the Group shall account for the lease modification as a separate lease: ① the lease modification expands the lease scope or extends the lease term by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope or the extended part of the lease term adjusted according to the contract situation.

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group amortizes the consideration of the contract after the modification in accordance with the relevant provisions of the lease standards and re-determines the lease term after the modification; and discounts the changed lease payments using the revised discount rate to remeasure the lease liabilities. When calculating the present value of the lease payment after the modification, the Group uses the interest rate implicit in the lease for the remaining lease period as the discount rate; if the interest rate implicit in the lease for the remaining lease term cannot be determined, the Group adopts the lessee's incremental borrowing rate on the effective date of the lease modification as the discount rate. With regard to the impact of the above-mentioned lease liability adjustment, the Group distinguishes the following situations for accounting treatment: ① If the lease modification narrows the lease scope or shortens the lease term, the lessee shall reduce the book value of the right-of-use assets accordingly, and include the relevant gains/losses of partial or complete termination of the lease in the current gains/losses. ② If other lease modifications result in the re-measurement of lease liabilities, the lessee correspondingly adjusts the book value of the right-of-use assets.

## 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 lease payments of short-term leases and low-value asset leases in the cost of relevant assets or current gains/losses on a straight-line basis over each period of the lease term.

### **(3) The Group as a 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.

If a lease falls in one or more of the following circumstances, the Group usually classifies it as a finance lease: ① the ownership of the leased asset will be transferred to the lessee at the expiration of the lease term; ② the lessee has the option to purchase the leased asset, and the purchase price is low enough compared with the fair value of the leased asset when the option is expected to be exercised, so it can be reasonably determined that the lessee will exercise the option on the lease commencement date; ③ Although the ownership of the asset will not be transferred, the lease term covers most of the service life of the leased asset; ④ On the lease commencement date, the current value of the lease receipts is almost equal to the fair value of the leased assets; ⑤ The leased asset can only be used by the lessee if no major modification is made due to its special nature. If a lease has one or more of the following signs, the Group may also classify it as a finance lease: ① If the lessee cancels the lease, the losses caused to the lessor by the cancellation of the lease are to be borne by the lessee; ② Gains or losses arising from fluctuations in the fair value of the residual value of the asset are attributable to the lessee; ③ The lessee has the ability to continue the lease to the next period at a rent far below the market level.

#### **1) Accounting Treatment for 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. When initially measuring the finance lease receivables, the Group recognizes the net investment in the lease as the entry value of the finance lease receivables.

The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts not received at the commencement date of the lease term discounted at the interest rate implicit in the lease. Lease receipts refer to the amount that the lessor shall collect from the lessee due to the transfer of the right to use the leased asset during the lease term, including: ① fixed payments and substantially fixed payments to be paid by the lessee; if there are lease incentives, the relevant amount of lease incentives shall be deducted; ② The amount of variable lease payments dependent on an

index or ratio. This amount is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ The exercise price of the call option, provided that it can be reasonably determined that the lessee will exercise the option; ④ The amount to be paid by the lessee for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; ⑤ The residual value of the guarantee provided by the lessee, the party related to the lessee, or an independent third party economically capable of fulfilling the guarantee obligation to the lessor.

#### Subsequent Measurement

The Group calculates and confirms the interest income at a fixed periodic rate in each period in the lease term. The 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 there is a change in a finance lease and the following conditions are met at the same time, the Group shall account for the change as a separate lease: ① The change expands the scope of the lease by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope adjusted according to the contract situation.

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

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

##### 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 expenses

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 current gains/losses in stages over the lease term on the same basis of recognition as rental income.

#### Depreciation

For fixed assets in assets under operating lease, the Group adopts the depreciation policy for similar assets to accrue depreciation; for other assets under operating lease, a systematic and reasonable method is adopted for amortization.

#### Variable lease payments

The variable lease payments related to operating leases obtained by the Group that are not included in the lease receipts are included in the current gains/losses when 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 lease receipts of the new lease.

### **38. Fair value measurement**

The Group measures equity instrument investments at fair value on each balance sheet date. Fair value refers to the price that can be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

For assets and liabilities measured or disclosed at fair value in the financial statements, the fair value level to which they belong is determined according to the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs refer to unadjusted quoted prices in the active market for the same assets or liabilities that can be obtained on the measurement date; level 2 inputs refer to inputs other than Level 1 inputs that are directly or indirectly observable for the relevant assets or liabilities; level 3 inputs are the unobservable inputs of related assets and liabilities.

On each balance sheet date, the Group re-evaluates the assets and liabilities continuously measured at fair value recognized in the financial statements to determine whether there is a conversion between the levels of fair value measurement.

### 39. Changes in significant accounting policies and accounting estimates

#### (1) Major changes in accounting policies

The Group has no changes in significant accounting policies during the current year.

#### (2) Major changes in accounting estimates

The Group has no significant changes in accounting estimates during the year.

### V. Taxes

#### 1. Main types of taxes and tax rates

Category of taxes	Tax basis	Tax rate
VAT	Calculated the output tax at the tax rate and paid the VAT by the amount after deducting the deductible input VAT in the current period, of which the VAT applicable to easy collection won't belong to the deductible input VAT.	1%, 3%, 5%, 6%, 9%, 13%
Urban maintenance and construction tax	The circulating tax actually paid	5%, 7% / See 2. Tax Preferences for details
Education surcharge	The circulating tax actually paid	3% / See 2. Tax Preferences for details
Local education surcharge	The circulating tax actually paid	2% / See 2. Tax Preferences for details
Enterprise income tax	Taxable income	25%/ See 2. Tax Preferences for details

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

Name of entity	Income tax rate
Electronic Technology, Anhui Konka, Anhui Tongchuang, Shaanxi Konka, Xingda Hongye, Bokang Precision, Jiangsu Konka Smart, Chengdu Konka Electronic, Chongqing Optoelectronic Technology	15%
Hong Kong Konka, Kongdian Trading, Jiali International, Kongjietong, Jiaxin Technology, Kongdian Investment, Hong Kong Communications, Zhongkang Storage Technology, Xinying Semiconductor (Hong Kong)	16.5%
Konka Europe	15%
Kanghao Technology	22.5%
Konka North America	21%
The parent company and other subsidiaries	25%

Remarks: According to the Temporary Provisions of Income Tax of Trans-boundary Tax Payment Enterprises by State Taxation Administration, 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 January 1, 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 January 1, 2008 and will be final settled uniformly by the Company at the year-end.

## 2. Tax incentives

(1) According to the announcement of the State Taxation Administration No. 12 of 2023: small low-profit enterprises 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. Resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), farm land occupation tax, education surcharge and local education surcharge shall be levied by half on small-scale VAT taxpayers, small low-profit enterprises and individually-owned businesses from January 1, 2023 to December 31, 2027. The Company's subsidiaries, Konka Entrepreneurship Service, Yibin Konka Incubator, Yibin Wisdom, Anlu Konka, Konka Tong, Zhongkang Semiconductor (Shaoxing), Shengxing Industrial, Konka Suiyong, Nantong Konka, Digital Technology, Xiaojia Technology, Shanghai Konka, Guizhou Konka New Materials, Ji'an Konka, Nanjing Konka Smart Appliance, Xi'an Konka Intelligent, Chongqing Konka Yiyun, Zhejiang Konka Electronics, Zhejiang Konka Technology Industry, Konka North China, Zhitong Technology, and Shenzhen Nianhua enjoyed the aforementioned tax incentive policies during the Reporting Period.

(2) On October 28, 2025, 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 Anhui Provincial Tax Service of the State Taxation Administration, with the certificate number GR202534004181, which is valid for three years. According to relevant tax regulations, Anhui Konka will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

(3) On October 16, 2023, Chongqing Optoelectronic Technology, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Chongqing Municipal Science and Technology Bureau, the Chongqing Municipal Finance Bureau, and the Chongqing Municipal Tax Service of the State Taxation Administration, with the certificate number GR202351100426, which is valid for three years. According to relevant tax regulations, Chongqing Optoelectronic Technology will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2023 to 2025, paying enterprise income tax at a preferential rate of 15%.

(4) On October 28, 2025, 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

Anhui Provincial Tax Service of the State Taxation Administration, with the certificate number GR202534002702, which is valid for three years. According to relevant tax regulations, Anhui Tongchuang will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

(5) On December 19, 2025, Bokang Precision, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of the State Taxation Administration, with the certificate number GR202544008694, which is valid for three years. According to relevant tax regulations, Bokang Precision will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

(6) On December 25, 2025, Electronic Technology, a subsidiary of the Company, received the Certificate of High-Tech Enterprise jointly issued by the Shenzhen Science and Technology Innovation Committee, the Shenzhen Finance Bureau, and the Shenzhen Tax Service of the State Taxation Administration, with the certificate number GR202544205959, which is valid for three years. According to relevant tax regulations, Electronic Technology will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

(7) On November 19, 2024, Xingda Hongye, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of the State Taxation Administration, with the certificate number GR202444002600, which will be valid for three years. According to relevant tax regulations, Xingda Hongye is entitled to relevant preferential tax policies for high-tech enterprises for three consecutive years from 2024 to 2026, and pays enterprise income tax at a preferential tax rate of 15%.

(8) On November 29, 2023, Shaanxi Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Shaanxi Province, the Department of Finance of Shaanxi Province, and the Shaanxi Provincial Tax Service of the State Taxation Administration, with the certificate number GR202361002167, which is valid for three years. According to relevant tax regulations, Shaanxi Konka will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2023 to 2025, paying enterprise income tax at a preferential rate of 15%.

(9) On November 6, 2023, Jiangsu Konka Smart, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Jiangsu Province, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Service of the State Taxation Administration, with the certificate number GR202332008044, which is valid for three years. According to relevant tax regulations, Jiangsu Konka Smart will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2023 to 2025, paying enterprise income tax at a preferential rate of 15%.

(10) In accordance with the Announcement on the Renewal of the Enterprise Income Tax Policy for Western Development Enterprises (Ministry of Finance, State Taxation Administration, 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 Electronics, a subsidiary of the Company, enjoys the preferential tax policy for Western Development.

(11) According to the CS [2011] No. 100 published by the Ministry of Finance and the State Taxation Administration, 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 portion of the actual VAT burden exceeding 3% shall be refunded immediately upon collection. The Company's subsidiaries, Electronic Technology and Anhui Tongchuang all enjoy this preferential policy.

## VI. Notes to major items in the consolidated financial statements

Unless otherwise noted, for the financial statement data disclosed below, "beginning of the year" refers to January 1, 2025, "end of the year" refers to December 31, 2025, "the current year" refers to the period from January 1, 2025 to December 31, 2025, and "last year" refers to the period from January 1, 2024 to December 31, 2024. The monetary unit is renminbi.

### 1. Monetary funds

Item	Ending balance	Beginning balance
Cash on hand		208.19
Bank deposits	5,169,889,627.52	2,942,927,002.53
Other monetary assets	1,144,052,257.53	1,172,840,037.01
<b>Total</b>	<b>6,313,941,885.05</b>	<b>4,115,767,247.73</b>

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Item	Ending balance	Beginning balance
Of which: Total amount of funds deposited overseas	1,131,315.16	16,326,669.23

Remarks: the ending balance of other monetary funds is mainly the balance of pledged time deposits, margin deposits and account balance on WeChat, Alipay and other platforms. For details of restricted funds, please refer to "Note VI. 23. Assets with restricted ownership or use right".

## 2. Trading financial assets

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current gains/losses	202,027,000.00	286,648,129.34
Of which: Investment in equity instruments	202,027,000.00	286,648,129.34
<b>Total</b>	<b>202,027,000.00</b>	<b>286,648,129.34</b>

## 3. Notes receivable

### (1) Presentation of notes receivable by category

Item	Ending balance	Beginning balance
Bank acceptance bills	50,977,695.45	148,019,004.66
Commercial acceptance bills	26,339,290.11	21,656,171.50
<b>Total</b>	<b>77,316,985.56</b>	<b>169,675,176.16</b>

### (2) Classified and listed by provision methods for bad debts

Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item					
Provision for bad debts by portfolio	77,865,496.73	100.00	548,511.17	0.70	77,316,985.56
Of which: Bank acceptance bills	50,977,695.45	65.47			50,977,695.45
Commercial acceptance bills	26,887,801.28	34.53	548,511.17	2.04	26,339,290.11
<b>Total</b>	<b>77,865,496.73</b>	<b>100.00</b>	<b>548,511.17</b>	<b>0.70</b>	<b>77,316,985.56</b>

(Continued)

Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	

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Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item					
Provision for bad debts by portfolio	170,126,162.18	100.00	450,986.02	0.27	169,675,176.16
Of which: Bank acceptance bills	148,019,004.66	87.01			148,019,004.66
Commercial acceptance bills	22,107,157.52	12.99	450,986.02	2.04	21,656,171.50
<b>Total</b>	<b>170,126,162.18</b>	<b>100.00</b>	<b>450,986.02</b>	<b>0.27</b>	<b>169,675,176.16</b>

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

Name	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	26,887,801.28	548,511.17	2.04
<b>Total</b>	<b>26,887,801.28</b>	<b>548,511.17</b>	<b>2.04</b>

### (3) Provision for bad debts of notes receivable made, recovered or reversed during the year

Category	Beginning balance	Change in the current year				Ending balance
		Provision	Recovered or Reversed	Written-off	Others	
Commercial acceptance bills	450,986.02	822,371.39	724,846.24			548,511.17
<b>Total</b>	<b>450,986.02</b>	<b>822,371.39</b>	<b>724,846.24</b>			<b>548,511.17</b>

### (4) Notes receivable pledged at year-end

No notes receivable were pledged at the end of the year.

### (5) Notes receivable endorsed or discounted but not yet matured as at the balance sheet date at year-end

Item	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance bills	873,146,000.21	
Commercial acceptance bills		25,720,556.07

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Item	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
<b>Total</b>	<b>873,146,000.21</b>	<b>25,720,556.07</b>

**(6) Notes receivable actually written off during the year**

No notes receivable were actually written off in the current year.

**4. Accounts receivable**

**(1) Accounts receivable aged analysis**

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	872,534,288.66	985,155,712.60
1-2 years	33,230,346.13	467,086,582.23
2-3 years	416,551,776.82	112,149,892.90
3-4 years	92,779,205.23	117,756,261.01
4-5 years	114,178,358.99	255,011,480.57
Over 5 years	1,445,571,151.66	1,217,501,924.55
<b>Total</b>	<b>2,974,845,127.49</b>	<b>3,154,661,853.86</b>

**(2) Accounts receivable classified and listed by provision methods for bad debts**

Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	1,573,873,380.74	52.91	1,537,243,420.22	97.67	36,629,960.52
Provision for bad debts by portfolio					
Of which: Aging portfolio	1,400,971,746.75	47.09	350,672,695.12	25.03	1,050,299,051.63
Subtotal of portfolio	1,400,971,746.75	47.09	350,672,695.12	25.03	1,050,299,051.63
<b>Total</b>	<b>2,974,845,127.49</b>	<b>100.00</b>	<b>1,887,916,115.34</b>	<b>63.46</b>	<b>1,086,929,012.15</b>

(Continued)

Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	1,612,578,129.18	51.12	1,530,953,048.13	94.94	81,625,081.05

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Category	Beginning balance				
	Balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by portfolio					
Of which: Aging portfolio	1,542,083,724.68	48.88	308,486,148.81	20.00	1,233,597,575.87
Subtotal of portfolio	1,542,083,724.68	48.88	308,486,148.81	20.00	1,233,597,575.87
<b>Total</b>	<b>3,154,661,853.86</b>	<b>100.00</b>	<b>1,839,439,196.94</b>	<b>58.31</b>	<b>1,315,222,656.92</b>

**1) Provision for bad debts of accounts receivable made by individual item**

Name	Beginning balance		Ending balance			Reasons for the provision
	Balance	Provision for bad debts	Balance	Provision for bad debts	Provision percentage (%)	
CEFC Shanghai International Group Limited	298,855,950.30	298,855,950.30	298,280,558.37	298,280,558.37	100.00	Not expected to be recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Loxia Group Co., Ltd.	159,702,611.45	159,702,611.45	159,702,611.45	159,702,611.45	100.00	Not expected to be recoverable
Shenzhen Yaode Technology Co., Ltd.	147,734,652.40	147,734,652.40	144,454,581.31	144,454,581.31	100.00	Not expected to be recoverable
Guang'an Ouqishi Electronic Technology Co., Ltd.	113,139,940.86	110,965,942.46	113,139,940.86	110,965,942.46	98.08	Expected to be difficult to recover
Zhongfu Tiangong Construction Group Co., Ltd.	71,289,096.65	71,289,096.65	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	65,221,300.00	65,221,300.00	100.00	Not expected to be recoverable

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Name	Beginning balance		Ending balance			
	Balance	Provision for bad debts	Balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Gome Custom (Tianjin) Home Appliance Co., Ltd.	57,021,975.73	57,021,975.73	57,021,975.73	57,021,975.73	100.00	Not expected to be recoverable
Xingda Hongye (Hong Kong) Limited	51,902,301.95	51,902,301.95	51,902,301.95	51,902,301.95	100.00	Not expected to be recoverable
Dongguan High Energy Polymer Materials Co., Ltd.	50,699,037.70	32,893,535.66	50,699,037.70	32,893,535.66	64.88	Not expected to be fully recoverable
Others	397,011,262.14	335,365,681.53	362,161,976.72	345,511,516.64	95.40	Expected to be difficult to recover
<b>Total</b>	<b>1,612,578,129.18</b>	<b>1,530,953,048.13</b>	<b>1,573,873,380.74</b>	<b>1,537,243,420.22</b>	<b>—</b>	<b>—</b>

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

Aging	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	865,171,957.96	17,649,507.97	2.04
1-2 years	18,535,526.42	1,857,259.78	10.02
2-3 years	226,009,181.96	51,281,483.38	22.69
3-4 years	32,376,527.37	21,005,890.95	64.88
4-5 years	88,929,117.03	88,929,117.03	100.00
Over 5 years	169,949,436.01	169,949,436.01	100.00
<b>Total</b>	<b>1,400,971,746.75</b>	<b>350,672,695.12</b>	<b>25.03</b>

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

Category	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	1,839,439,196.94	84,972,783.90	31,101,240.08
<b>Total</b>	<b>1,839,439,196.94</b>	<b>84,972,783.90</b>	<b>31,101,240.08</b>

(Continued)

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Category	Change in the current year		Ending balance
	Written-off	Others	
Provision for bad debts of accounts receivable		-5,394,625.42	1,887,916,115.34
<b>Total</b>		<b>-5,394,625.42</b>	<b>1,887,916,115.34</b>

Note: Among other changes for the year, there was a decrease of RMB 4,047,995.42 due to foreign exchange rate fluctuations, and a decrease of RMB 1,346,630.00 due to loss of control.

Among them, the provision for bad debts recovered or reversed in the current year with significant amounts are:

Unit	Recovered or reversed amount	Reason for reversal	Recovery method	Basis and rationality of determining the proportion of original provision for bad debts
CDM MIAMI INC	12,048,547.66	Received insurance compensation from China Export & Credit Insurance Corporation, and transferred 85% of the creditor's rights and interests to the insurance company	Insurance compensation, transfer of creditor's rights	CDM has been written off, so the full amount of the unpaid amount has been provided for
<b>Total</b>	<b>12,048,547.66</b>	<b>—</b>	<b>—</b>	<b>—</b>

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

No accounts receivable were actually written off in the current year.

#### (5) Top five accounts receivable and contract assets in the ending balance categorized by debtors

The total amount of accounts receivable with top five Ending balance categorized by debtors in the current year was RMB 1,152,138,381.74, accounting for 38.73% of the total Ending balance of accounts receivable. The total Ending balance of provision for bad debts correspondingly set aside was RMB 848,821,590.70.

### 5. Contract assets

#### (1) Details of contract assets

Item	Ending balance			Beginning balance		
	Balance	Provision for bad debts	Book value	Balance	Provision for bad debts	Book value
Warranty	2,194,100.57	301,794.27	1,892,306.30	2,867,437.14	236,928.54	2,630,508.60
<b>Total</b>	<b>2,194,100.57</b>	<b>301,794.27</b>	<b>1,892,306.30</b>	<b>2,867,437.14</b>	<b>236,928.54</b>	<b>2,630,508.60</b>

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

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Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item					
Provision for bad debts by portfolio					
Of which: Aging portfolio	2,194,100.57	100.00	301,794.27	13.75	1,892,306.30
Subtotal of portfolio	2,194,100.57	100.00	301,794.27	13.75	1,892,306.30
<b>Total</b>	<b>2,194,100.57</b>	<b>100.00</b>	<b>301,794.27</b>	<b>13.75</b>	<b>1,892,306.30</b>

(Continued)

Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item					
Provision for bad debts by portfolio					
Of which: Aging portfolio	2,867,437.14	100.00	236,928.54	8.26	2,630,508.60
Subtotal of portfolio	2,867,437.14	100.00	236,928.54	8.26	2,630,508.60
<b>Total</b>	<b>2,867,437.14</b>	<b>100.00</b>	<b>236,928.54</b>	<b>8.26</b>	<b>2,630,508.60</b>

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

Name	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	561,956.93	11,463.92	2.04
1-2 years	631,436.80	63,269.97	10.02
2-3 years	1,000,706.84	227,060.38	22.69
<b>Total</b>	<b>2,194,100.57</b>	<b>301,794.27</b>	<b>13.75</b>

(Continued)

Name	Beginning balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	631,436.80	12,881.31	2.04
1-2 years	2,236,000.34	224,047.23	10.02

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Name	Beginning balance		
	Balance	Provision for bad debts	Provision percentage (%)
<b>Total</b>	<b>2,867,437.14</b>	<b>236,928.54</b>	<b>8.26</b>

#### (4) Provision for bad debts of contract assets

Item	Beginning Balance	Change in the current year				End of the year Balance	Reason
		The current year Provision	Recovered or reversed in the current year	Charge-off/Write-off in the current year	Others Change		
Warranty	236,928.54	64,865.73				301,794.27	
<b>Total</b>	<b>236,928.54</b>	<b>64,865.73</b>				<b>301,794.27</b>	

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

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

### 6. Receivables financing

Item	Ending balance	Beginning balance
Notes receivable	155,957,556.43	63,943,324.53
<b>Total</b>	<b>155,957,556.43</b>	<b>63,943,324.53</b>

### 7. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	942,267,792.91	989,245,120.86
<b>Total</b>	<b>942,267,792.91</b>	<b>989,245,120.86</b>

#### 7.1 Other receivables

##### (1) Classified by account nature

Nature of funds	Ending book balance	Beginning book balance
Deposits, guarantees, and down payments	333,603,706.26	344,822,666.77
Amounts due from minority shareholders and related parties arising from business combinations not under common control	173,714,171.72	182,764,171.72
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Amounts due from related parties	3,691,383,944.24	2,253,362,393.92
Others	1,022,177,199.12	1,035,865,828.21

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Nature of funds	Ending book balance	Beginning book balance
<b>Total</b>	<b>5,373,278,363.34</b>	<b>3,969,214,402.62</b>

## (2) Other receivables listed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	1,467,251,543.63	394,812,584.95
1-2 years	348,839,519.04	206,901,565.92
2-3 years	204,016,070.83	110,433,169.22
3-4 years	110,032,898.45	683,019,991.91
4-5 years	670,561,586.84	771,766,144.27
Over 5 years	2,572,576,744.55	1,802,280,946.35
<b>Total</b>	<b>5,373,278,363.34</b>	<b>3,969,214,402.62</b>

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

Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	4,975,343,588.38	92.59	4,221,263,474.95	84.84	754,080,113.43
Provision for bad debts by portfolio					
Of which: Aging portfolio	174,594,933.66	3.25	155,935,224.70	89.31	18,659,708.96
Low-risk portfolio	223,339,841.30	4.16	53,811,870.78	24.09	169,527,970.52
Subtotal of portfolio	397,934,774.96	7.41	209,747,095.48	52.71	188,187,679.48
<b>Total</b>	<b>5,373,278,363.34</b>	<b>100.00</b>	<b>4,431,010,570.43</b>	<b>82.46</b>	<b>942,267,792.91</b>

(Continued)

Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	3,524,335,366.36	88.79	2,773,496,740.31	78.70	750,838,626.05
Provision for bad debts by portfolio					
Of which: Aging portfolio	204,938,477.00	5.16	168,912,851.74	82.42	36,025,625.26

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Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Low-risk portfolio	239,940,559.26	6.05	37,559,689.71	15.65	202,380,869.55
Subtotal of portfolio	444,879,036.26	11.21	206,472,541.45	46.41	238,406,494.81
<b>Total</b>	<b>3,969,214,402.62</b>	<b>100.00</b>	<b>2,979,969,281.76</b>	<b>75.08</b>	<b>989,245,120.86</b>

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

Aging	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	30,987,870.02	455,455.39	1.47
1-2 years	108,683,542.17	3,436,732.32	3.16
2-3 years	4,943,343.38	882,664.64	17.86
3-4 years	66,847,734.22	20,375,026.96	30.48
4-5 years	5,156,520.25	3,281,451.25	63.64
Over 5 years	181,315,764.92	181,315,764.92	100.00
<b>Total</b>	<b>397,934,774.96</b>	<b>209,747,095.48</b>	<b>52.71</b>

### 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 throughout the duration (without credit loss)	Expected credit loss throughout the duration (with credit impairment)	
Balance as of January 1, 2025	1,712,968.68	204,759,572.77	2,773,496,740.31	<b>2,979,969,281.76</b>
Balance as of January 1, 2025 in the current year				
-- Transfer to Stage II	-1,112,942.99	1,112,942.99		
-- Transfer to Stage III		-16,067,075.02	16,067,075.02	
-- Reversal to Stage II				
-- Reversal to Stage I				
Provision in the current year	455,455.39	39,231,080.91	1,442,626,944.96	<b>1,482,313,481.26</b>
Reversal in the current year	600,025.69	14,470,376.18	612,914.96	<b>15,683,316.83</b>

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Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (without credit loss)	Expected credit loss throughout the duration (with credit impairment)	
Charge-off in the current year				
Write-off in the current year				
Other changes		-5,274,505.38	-10,314,370.38	<b>-15,588,875.76</b>
Balance as of December 31, 2025	455,455.39	209,291,640.09	4,221,263,474.95	<b>4,431,010,570.43</b>

Remarks: 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 credit impairment after initial recognition. For other receivables with 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 reversed in the current year**

Category	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	2,979,969,281.76	1,482,313,481.26	15,683,316.83
<b>Total</b>	<b>2,979,969,281.76</b>	<b>1,482,313,481.26</b>	<b>15,683,316.83</b>

(Continued)

Category	Change in the current year		Ending balance
	Written-off	Others	
Provision for bad debts of other receivables		-15,588,875.76	4,431,010,570.43
<b>Total</b>		<b>-15,588,875.76</b>	<b>4,431,010,570.43</b>

Remarks: The amount of other changes during the year includes a decrease of RMB 15,588,875.76 resulting from foreign exchange rate movements.

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

No other receivables were actually written off in the current year.

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

The total amount of other receivables with top five ending balance categorized by debtors in the current year was RMB 3,395,479,797.88, accounting for 63.19% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB 2,975,828,359.15.

## 8. Prepayments

### (1) Age of prepayments

Item	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	43,005,753.50	44.75	101,180,248.89	81.11
1-2 years	52,405,587.00	54.53	2,820,065.05	2.26
2-3 years	122,638.58	0.13	565,293.20	0.45
Over 3 years	571,760.52	0.59	20,182,805.45	16.18
<b>Total</b>	<b>96,105,739.60</b>	<b>100.00</b>	<b>124,748,412.59</b>	<b>100.00</b>

Remarks: The amount of prepayments of the Group aged over one year at the end of the period was RMB 53,099,986.10, accounting for 55.25% of the total ending balance of prepayments, which are mainly unsettled payments.

### (2) Top five prepayments in the ending balance categorized by payees

The total amount of the top five prepayments in the year-end balance categorized by payees in the current year was RMB 83,210,809.70, accounting for 86.58% of the total year-end balance of prepayments.

## 9. Inventories

### (1) Inventories Classification

Item	Ending balance		
	Balance	Provision for impairment	Book value
Raw materials	535,044,975.99	161,547,556.59	373,497,419.40
Semi-finished products	110,173,191.36	61,564,204.04	48,608,987.32
Finished goods	1,946,864,898.54	893,886,141.81	1,052,978,756.73
Commissioned processing materials	1,248,253.88		1,248,253.88
Development costs	30,197,755.10	13,632,674.11	16,565,080.99
Development products	207,777,173.26	38,429,041.00	169,348,132.26
<b>Total</b>	<b>2,831,306,248.13</b>	<b>1,169,059,617.55</b>	<b>1,662,246,630.58</b>

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(Continued)

Item	Beginning balance		
	Balance	Provision for impairment	Book value
Raw materials	665,144,044.54	108,024,878.82	557,119,165.72
Semi-finished products	110,372,128.69	42,305,974.41	68,066,154.28
Finished goods	2,189,720,769.60	491,936,445.95	1,697,784,323.65
Commissioned processing materials	2,235,269.96	262,121.44	1,973,148.52
Development costs	26,677,475.24		26,677,475.24
Development products	346,650,809.82	3,622,890.30	343,027,919.52
<b>Total</b>	<b>3,340,800,497.85</b>	<b>646,152,310.92</b>	<b>2,694,648,186.93</b>

**(2) Provision for inventory depreciation**

Item	Beginning balance	Increase in the current year	
		Provision or reversal	Others
Raw materials	108,024,878.82	94,066,987.03	
Semi-finished products	42,305,974.41	24,271,959.05	
Finished goods	491,936,445.95	579,056,873.57	
Commissioned processing materials	262,121.44	-256,822.62	
Development costs		13,632,674.11	
Development products	3,622,890.30	38,429,041.00	
<b>Total</b>	<b>646,152,310.92</b>	<b>749,200,712.14</b>	

(Continued)

Item	Decrease in the current year		Ending balance
	Write-off	Others	
Raw materials	39,318,412.96	1,225,896.30	161,547,556.59
Semi-finished products	5,005,089.41	8,640.01	61,564,204.04
Finished goods	167,023,674.38	10,083,503.33	893,886,141.81
Commissioned processing materials		5,298.82	
Development costs			13,632,674.11
Development products	3,622,890.30		38,429,041.00
<b>Total</b>	<b>214,970,067.05</b>	<b>11,323,338.46</b>	<b>1,169,059,617.55</b>

Note: Other decreases in the current year were caused by changes in exchange rates.  
Specific basis for determining the net realizable value and reasons for reversal or write-off

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of provision for inventory depreciation and impairment provision for contract performance costs during the current year:

Item	Specific basis for provision for inventory depreciation	Reasons for write-off of provision for inventory impairment in the current year
Raw materials	The net realizable value was lower than the book value	Sold or used in the current year
Semi-finished products	The net realizable value was lower than the book value	Sold or used in the current year
Finished goods	The net realizable value was lower than the book value	Sold in the current year
Development products	The net realizable value was lower than the book value	Sold in the current year

## 10. Other current assets

Item	Ending balance	Beginning balance
Prepaid taxes, deductible input tax, and export tax refund receivable	619,195,913.75	525,546,353.28
Principal and interest of entrusted loans to associated enterprises	235,601,218.08	1,590,781,482.74
Deferred expenses	14,313,545.63	18,606,081.90
Cost of goods returned receivable	10,287,129.13	14,460,748.65
Others	434,578.55	19,005,345.90
Less: Impairment provision for other current assets	118,264,443.38	
<b>Total</b>	<b>761,567,941.76</b>	<b>2,168,400,012.47</b>

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## 11. Investments in other equity instruments

Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for designation to measure at fair value with changes included in other comprehensive income
		Increase in investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Beijing Huyu Entertainment Digital Technology Co., Ltd.	5,901,121.80				5,901,121.80				6,000,000.00	Long-term holding based on strategic purpose	
Feihong Electronics Co., Ltd.									1,300,000.00	Long-term holding based on strategic purpose	
Shenzhen Association of Enterprises with Foreign Investment									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	
Shenzhen Tianyilian Science & Technology Co., Ltd.									4,800,000.00	Long-term holding based on strategic purpose	

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for designation to measure at fair value with changes included in other comprehensive income
		Increase in investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Shanlian Information Technology Engineering Center Co., Ltd.	1,860,809.20						1,860,809.20			3,139,190.80	Long-term holding based on strategic purpose
Shenzhen Zhongcailian Technology Co., Ltd.	953,000.00						953,000.00			200,000.00	Long-term holding based on strategic purpose
Shanghai National Engineering Research Center of Digital TV Co., Ltd.	2,400,000.00						2,400,000.00				Long-term holding based on strategic purpose
Guangdong Bohua Ultra HD Innovation Center Co., Ltd.	5,000,001.00						5,000,001.00				Long-term holding based on strategic purpose
<b>Total</b>	<b>16,114,932.00</b>				<b>5,901,121.80</b>		<b>10,213,810.20</b>			<b>16,024,190.80</b>	<b>—</b>

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## 12. Long-term equity investments

### (1) Long-term equity investments

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease in investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
<b>Associates:</b>						
Kangkong Venture Capital (Shenzhen) Co., Ltd.	5,128,914.49				51,878.52	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	2,004,044.10				13,842.09	
Feidi Technology (Shenzhen) Co., Ltd.	15,120,554.12				7,208,123.71	
Shenzhen Kangyue Industrial Co., Ltd.		24,977,328.88				
Kangkai Technology Service (Chengdu) Co., Ltd.	87,650.74				-6,537.65	
Puchuang Jiakang Technology Co., Ltd.	3,560,497.42				2,736,994.29	
Shenzhen Jielunte Technology Co., Ltd.	89,059,544.64				-8,894,353.34	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	8,608,429.66				7,754.30	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	334,610,872.32				-169,719,987.28	
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.	3,527,959.96				2,057.10	
Shenzhen RF-Link Technology Co., Ltd.		85,656,027.35				
Anhui Kaikai Shijie E-commerce Co., Ltd.	365,522,727.56	118,401,234.06			-9,110,307.96	57,037.58

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Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease in investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Kunshan Kangsheng Investment Development Co., Ltd.	78,658,851.02				-5,388,016.54	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	3,467,934.60				-3,315,263.80	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		12,660,222.73				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				
Wuhan Tianyuan Group Co., Ltd.	545,842,155.57			239,447,355.00		
Chuzhou Konka Technology Industry Development Co., Ltd.	31,309,842.61				-7,016,776.39	
Chuzhou Kangjin Health Industry Development Co., Ltd.	195,156,840.19				-32,283,182.56	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.	106,686,557.81				-37,886,034.26	
Chuzhou Kangxin Health Industry Development Co., Ltd.	178,678,863.47				-1,841,318.73	
Dongguan Guankang Yuhong Investment Co., Ltd.	482,685,139.04				-25,665,481.43	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Econ Technology Co., Ltd.	847,418,693.43	347,737,910.02			-5,557,305.38	
Dongguan Kangjia New Materials Technology Co., Ltd.	6,231,919.24				-1,323,182.99	
Chongqing Ypfun Technology Co., Ltd.	2,148,608,242.28	91,766,541.43	200,000,000.00			

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Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease in investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Yantai Kangyun Industrial Development Co., Ltd.	60,639,840.23				-60,639,840.23	
E3 (Hainan) Technology Co., Ltd.	11,378,307.99	14,000,000.00		14,803,698.26		
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,896,518.07				-3,447,912.19	
Shenzhen Konka E-display Intelligent Technology Co., Ltd.	93,484,210.07				3,564,368.70	-136,519.75
Chongqing Yuanlv Benpao Real Estate Co., Ltd.		25,740,000.00				
Shenzhen Kangpeng Digital Technology Co., Ltd.	1,310,766.92				-330,466.61	
Yantai Kangtang Construction Development Co., Ltd.	1,268,280.88				-144,860.18	
Dongguan Kangzhahui Electronics Co., Ltd.	18,648,646.28				-5,142,877.00	
Beijing Kangjia Jingyuan Technology Co., Ltd.	687,957.04				-66,429.68	
Chongqing Liangshan Enterprise Management Co., Ltd.	229,695.25				80,612.23	
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	1,041,325.74				9,567.70	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.		245,911.63				
Guangdong Kangyuan Semiconductor Co., Ltd.	7,360,542.07				-1,359,249.83	
Chongqing Kangyiqing Technology Co., Ltd.	635,826.26				-490,401.87	
Zhejiang Kangying Semiconductor Technology Co., Ltd.	16,838,151.45				13,432,626.55	1,855,858.38

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Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease in investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Zhisheng Hong Kong Co., Ltd.	1,594,091.44				7,878.01	
Chongqing Kangjian Photoelectric Technology Co., Ltd.	3,277,417.20				-3,277,417.20	
Anhui Kangta Supply Chain Management Co., Ltd.	16,781,006.43				-232,448.87	
Wuhan Kangtang Information Technology Co., Ltd.	15,853,661.78				-14,876,432.16	
Sichuan Chengrui Real Estate Co., Ltd.	23,989,768.27				-1,632,580.79	
Jiakang Industrial Development (Wuhan) Co., Ltd.	38,684,412.72				-817,183.89	
Hefei Kangxinwei Storage Technology Co., Ltd.	90,223,618.55				-6,163,287.96	
Xi'an Kangan Intelligent Storage Technology Co., Ltd.	5,766,552.98			6,000,000.00	233,447.02	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	53,934,595.60					
Konka Huanjia Environmental Protection Technology Co., Ltd.		91,800,000.00				
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.			1,000,000.00		2,643.86	
<b>Total</b>	<b>5,921,501,427.49</b>	<b>1,027,544,645.45</b>	<b>201,000,000.00</b>	<b>260,251,053.26</b>	<b>-379,277,342.69</b>	<b>1,776,376.21</b>

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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
<b>Associates:</b>						
Kangkong Venture Capital (Shenzhen) Co., Ltd.					5,180,793.01	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					2,017,886.19	
Feidi Technology (Shenzhen) Co., Ltd.		913,190.37			21,415,487.46	
Shenzhen Kangyue Industrial Co., Ltd.						24,977,328.88
Kangkai Technology Service (Chengdu) Co., Ltd.					81,113.09	
Puchuang Jiakang Technology Co., Ltd.					6,297,491.71	
Shenzhen Jielunte Technology Co., Ltd.					80,165,191.30	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					8,616,183.96	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)					164,890,885.04	
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.					3,530,017.06	
Shenzhen RF-Link Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.			329,481,474.22		26,987,982.96	447,882,708.28
Kunshan Kangsheng Investment Development Co., Ltd.					73,270,834.48	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.					152,670.80	

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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						12,660,222.73
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Group Co., Ltd.		8,618,395.70		-297,776,404.87		
Chuzhou Konka Technology Industry Development Co., Ltd.			24,293,066.22			24,293,066.22
Chuzhou Kangjin Health Industry Development Co., Ltd.					162,873,657.63	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.			68,800,523.55			68,800,523.55
Chuzhou Kangxin Health Industry Development Co., Ltd.			176,837,544.74			176,837,544.74
Dongguan Guankang Yuhong Investment Co., Ltd.			457,019,657.61			457,019,657.61
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Econ Technology Co., Ltd.			123,382,687.03		718,478,701.02	471,120,597.05
Dongguan Kangjia New Materials Technology Co., Ltd.			4,908,736.25			4,908,736.25
Chongqing Ypfun Technology Co., Ltd.	301,193.49		1,876,737,405.93	2,174,869.26	474,346,899.10	1,968,503,947.36
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.				3,425,390.27		14,000,000.00
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					2,448,605.88	
Shenzhen Konka E-display Intelligent Technology Co., Ltd.				309,651.05	97,221,710.07	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						25,740,000.00

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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
Shenzhen Kangpeng Digital Technology Co., Ltd.					980,300.31	
Yantai Kangtang Construction Development Co., Ltd.					1,123,420.70	
Dongguan Kangzhihui Electronics Co., Ltd.				-21,516.38	13,484,252.90	
Beijing Kangjia Jingyuan Technology Co., Ltd.					621,527.36	
Chongqing Liangshan Enterprise Management Co., Ltd.					310,307.48	
Shenzhen Kangxi Technology Innovation Development Co., Ltd.					1,050,893.44	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.						245,911.63
Guangdong Kangyuan Semiconductor Co., Ltd.					6,001,292.24	
Chongqing Kangyiqing Technology Co., Ltd.					145,424.39	
Zhejiang Kangying Semiconductor Technology Co., Ltd.					32,126,636.38	
Zhisheng Hong Kong Co., Ltd.					1,601,969.45	
Chongqing Kangjian Photoelectric Technology Co., Ltd.						
Anhui Kangta Supply Chain Management Co., Ltd.					16,548,557.56	
Wuhan Kangtang Information Technology Co., Ltd.					977,229.62	
Sichuan Chengrui Real Estate Co., Ltd.			22,357,187.48			22,357,187.48
Jiakang Industrial Development (Wuhan) Co., Ltd.			37,867,228.83			37,867,228.83
Hefei Kangxinwei Storage Technology Co., Ltd.	17,959,051.24				102,019,381.83	
Xi'an Kangan Intelligent Storage Technology Co., Ltd.						
Sichuan Hongxinchen Real Estate Development Co., Ltd.			53,934,595.60			53,934,595.60

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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
Konka Huanjia Environmental Protection Technology Co., Ltd.						91,800,000.00
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.				68,208.71	1,070,852.57	-
<b>Total</b>	<b>18,260,244.73</b>	<b>9,531,586.07</b>	<b>3,175,620,107.46</b>	<b>-291,819,801.96</b>	<b>2,026,038,156.99</b>	<b>4,203,164,752.91</b>

Note: Other changes in the current year were caused by the conversion of long-term equity investments accounted for by the equity method in Wuhan Tianyuan Group Co., Ltd. to financial assets, the deregistration of E3 (Hainan) Technology Co., Ltd., and unrealized profits from downstream transactions.

## (2) Impairment test for long-term equity investments

1) The recoverable amount is determined at the net amount of the fair value minus the disposal expenses

Item	Book value	Recoverable amount	Impairment Amount
Yifang	2,351,084,305.03	474,346,899.10	1,876,737,405.93
Guan Kang Yuhong	457,019,657.61		457,019,657.61
Chuzhou Kangxin	176,837,544.74		176,837,544.74
<b>Total</b>	<b>2,984,941,507.38</b>	<b>474,346,899.10</b>	<b>2,510,594,608.28</b>

(Continued)

Item	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
Yifang	Fair value is recognized by the income approach; disposal expenses shall be charged in accordance with the business fee standards of the property rights exchange.	Fair value, disposal costs	Disposal expenses: in accordance with the property rights transfer fee standards of Shanghai United Assets and Equity Exchange Co., Ltd.
Guan Kang Yuhong	Asset-based approach	Fair value	The fair value of the asset is estimated on the basis of the best available information
Chuzhou Kangxin	Asset-based approach	Fair value	The fair value of the asset is estimated on the basis of the best available information
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>

2) The recoverable amount is determined based on the present value of the estimated future cash flows

Item	Book value	Recoverable amount	Impairment Amount
Kaikai Shijie	356,469,457.18	26,987,982.96	329,481,474.22
Yikang Technology Co., Ltd.	841,861,388.05	718,478,701.02	123,382,687.03
<b>Total</b>	<b>1,198,330,845.23</b>	<b>745,466,683.98</b>	<b>452,864,161.25</b>

(Continued)

Item	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
Kaikai Shijie	2026 to 2030 (followed by a stabilization period)	After-tax discount rate 7.44%; calculated based on projected revenue, costs, expenses, etc.	After-tax discount rate 7.44%; calculated based on projected revenue, costs, expenses, etc.	The above key indicators are determined based on historical experience and forecasts of market development

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Item	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
Yikang Technology Co., Ltd.	2026 to 2043 (followed by a stabilization period)	The growth rate for the forecast period is 0%, the profit margin of the construction business in the forecast period is 15%, and the return on capital is 6.5%	The stable period growth rate is 0%, the profit margin is 15%, and the pre-tax discount rate is 9.40%	The revenue growth rate in the stabilization period is 0.00%, and the profit margin and discount rate are consistent with the last year of the forecast period
<b>Total</b>	—	—	—	—

### 13. Other non-current financial assets

Item	Ending balance	Beginning balance
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	119,414,203.99	230,264,035.04
China Asset Management - Jiayi Overseas Designated Plan	200,732,067.00	200,732,067.00
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	178,532,220.44	197,621,072.79
Yibin OCT Sanjiang Properties Co., Ltd.	175,054,364.03	174,599,313.55
Chongqing Kangxin Equity Investment Fund Partnership (Limited Partnership)	145,591,716.60	144,028,481.56
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	135,763,664.30	139,166,271.83
Daye Trust - Huilibao No. 19		100,000,000.00
CCB Trust - Caidie No. 6 Property Rights Trust Plan	300,000.00	66,080,293.70
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	58,967,986.53	59,264,288.31
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)		58,296,141.16
Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)		28,540,777.26
Tianjin Huacheng Property Development Co., Ltd.	1,000,000.00	1,000,000.00
Shenzhen Kanghuijia Technology Co., Ltd.	1,033.45	1,033.45
<b>Subtotal of equity investments</b>	<b>1,015,357,256.34</b>	<b>1,399,593,775.65</b>
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	120,874,956.69	120,874,956.69
Nanjing Kangfeng Dejia Asset Management Partnership (Limited Partnership)		100,000,000.00
Shenzhen Zitang No. 1 Enterprise Consulting Management Partnership (Limited Partnership)		99,000,000.00
Shenzhen Beihu Technology Partnership (Limited Partnership)	15,000,000.00	59,735,232.88
Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)	7,520,520.00	14,685,194.12

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Item	Ending balance	Beginning balance
Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)	3,028,480.00	8,520,728.55
<b>Subtotal of debt investments</b>	<b>146,423,956.69</b>	<b>402,816,112.24</b>
<b>Total</b>	<b>1,161,781,213.03</b>	<b>1,802,409,887.89</b>

## 14. Investment properties

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

Item	Houses and buildings	Land use right	Total
I. Original Book Value			
1. Beginning Balance	1,715,988,662.48	172,115,175.84	1,888,103,838.32
2. Increase in the Current Year	12,236,594.06	249,409.16	12,486,003.22
(1) Purchase	1,225,721.11	249,409.16	1,475,130.27
(2) Transfer-in of inventories\fixed assets\construction in progress\intangible assets	11,010,872.95		11,010,872.95
3. Decrease in the Current Year	40,928,563.62	75,154,029.62	116,082,593.24
(1) Disposal	39,320,464.65		39,320,464.65
(2) Other transfer-out	1,608,098.97	75,154,029.62	76,762,128.59
4. Ending Balance	1,687,296,692.92	97,210,555.38	1,784,507,248.30
II. Accumulated depreciation and accumulated amortization			
1. Beginning Balance	212,582,498.12	24,678,100.69	237,260,598.81
2. Increase in the Current Year	53,859,884.41	2,861,554.41	56,721,438.82
(1) Provision or amortization	53,859,884.41	2,861,554.41	56,721,438.82
3. Decrease in the Current Year	18,325,185.92	844,000.32	19,169,186.24
(1) Disposal	4,399,911.15		4,399,911.15
(2) Other transfer-out	13,925,274.77	844,000.32	14,769,275.09
4. Ending Balance	248,117,196.61	26,695,654.78	274,812,851.39
III. Provision for Impairment			
1. Beginning Balance			
2. Increase in the Current Year	602,125,392.90	41,517,528.88	643,642,921.78
(1) Provision	602,125,392.90	41,517,528.88	643,642,921.78
3. Decrease in the Current Year			
(1) Disposal			
(2) Other transfer-out			
4. Ending Balance	602,125,392.90	41,517,528.88	643,642,921.78

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Item	Houses and buildings	Land use right	Total
IV. Book value			
1. Ending book value	837,054,103.41	28,997,371.72	866,051,475.13
2. Book value at the beginning of the year	1,503,406,164.36	147,437,075.15	1,650,843,239.51

Note: The other assets transferred in the decreases amount from investment properties in the current period was reclassified according to the purpose of holding and transferred into fixed assets.

## (2) Impairment test of investment properties measured at cost

In 2025, the Group conducted impairment tests on the investment properties of its headquarters, Xi'an Kanghong, Yibin Konka Industrial Park, Suining Konka Industrial Park, etc.. The recoverable amount was determined as the higher of fair value less costs of disposal and the present value of estimated future cash flows. A total asset impairment loss of RMB 643,642,921.78 was recognized.

1) The recoverable amount is determined at the net amount of the fair value minus the disposal expenses

Item	Book value	Recoverable amount	Impairment Amount
Xi'an Kanghong	100,206,506.24	88,833,134.00	11,373,372.24
<b>Total</b>	<b>100,206,506.24</b>	<b>88,833,134.00</b>	<b>11,373,372.24</b>

(Continued)

Item	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
Xi'an Kanghong	Comparable unit price of investment property to be appraised = Price of comparable instance after establishing comparison benchmark × Trading correction coefficient × Trading time adjustment coefficient × Location adjustment coefficient × Physical condition adjustment coefficient × Equity adjustment coefficient	Comparable instance price, trading correction coefficient, location adjustment coefficient, etc.	The comparable instance price is defined through inquiry records.
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>

2) The recoverable amount is determined based on the present value of the estimated future cash flows

Item	Book value	Recoverable amount	Impairment Amount
Guangming Technology	540,352,724.57	320,593,149.91	219,759,574.66

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Item	Book value	Recoverable amount	Impairment Amount
Center			
Yibin Konka Industrial Park	105,369,207.16	70,346,651.37	35,022,555.79
Suining Konka Industrial Park	238,797,042.25	77,853,042.25	160,944,000.00
<b>Total</b>	<b>884,518,973.98</b>	<b>468,792,843.53</b>	<b>415,726,130.45</b>

(Continued)

Item	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
Guangming Technology Center	2026 to 2043 (followed by a stabilization period)	Rent increase (decrease) rate of 2%; vacancy rate.	Rent increase (decrease) rate of 2%; vacancy rate.	Based on forecasts of market trends.
Yibin Konka Industrial Park	2026 to 2068 (followed by a stabilization period)	Annual total income from real estate; annual total expenses; discount rate; useful life.	Annual total income from real estate; annual total expenses; discount rate; useful life.	The real estate value is determined based on the market price of similar real estate transactions on the valuation base date, the location and physical condition of the real estate to be valued, and the development trend of the real estate market in the area.
Suining Konka Industrial Park	2026 to 2035 (followed by a stabilization period)	Rent increase (decrease) rate; vacancy rate.	Rent increase (decrease) rate; vacancy rate.	Refer to the leasing market conditions and historical operational data of the project in the region.
<b>Total</b>	—	—	—	—

### (3) Investment properties measured by fair value

The Group had no investment properties measured at fair value.

### (4) Investment properties converted and measured at fair value in the current year

There was no conversion of investment property measured at fair value in the current year.

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**(5) Investment properties for which property right certificates have not yet been issued**

Item	Book value	Reason for incomplete property rights certificate
Suining Konka Electronic Product Standard Factory Project	64,185,293.61	The project has not yet completed the completion registration
Houses and buildings of Xi'an Kanghong	88,833,134.00	In progress
Yantai Kangjin's properties and buildings	19,180,060.44	In progress

**(6) Investment properties with restricted ownership or use right**

Item	Book value	Reason for restriction
Guangming Technology Center	320,593,149.91	Mortgaged for loan
Houses and buildings of Xi'an Kanghong	88,833,134.00	Mortgaged for loan
Properties and buildings of Shaanxi Konka Intelligent	35,900,372.54	Mortgaged for loan
<b>Total</b>	<b>445,326,656.45</b>	

**15. Fixed assets**

Item	Ending balance	Beginning balance
Fixed assets	4,405,958,959.37	5,005,836,928.31
Liquidation of fixed assets		
<b>Total</b>	<b>4,405,958,959.37</b>	<b>5,005,836,928.31</b>

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**(1) Fixed assets**

Item	Properties and Buildings	Machinery Equipment	Electronic Equipment	Transportation equipment	Other equipment	Total
I. Original Book Value						
1. Beginning Balance	3,961,200,953.13	3,483,070,002.32	293,459,158.90	52,749,559.59	191,290,520.96	7,981,770,194.90
2. Increase in the Current Year	83,720,909.97	152,827,832.87	8,201,922.73	978,033.36	2,689,438.82	248,418,137.75
(1) Purchase	5,419,166.63	59,698,021.58	7,518,709.54	978,033.36	2,643,088.24	76,257,019.35
(2) Transfer-in of construction in progress	3,415,007.15	90,314,292.77	656,040.70		16,646.02	94,401,986.64
(3) Increase in business combination						
(4) Other increase	74,886,736.19	2,815,518.52	27,172.49		29,704.56	77,759,131.76
3. Decrease in the Current Year	28,877,649.03	150,089,536.69	7,625,549.27	5,262,438.25	5,006,499.64	196,861,672.88
(1) Disposal or write-off	20,018,497.00	142,382,023.11	7,522,156.72	5,262,094.31	3,442,760.66	178,627,531.80
(2) Decrease for loss of control					1,537,858.92	1,537,858.92
(3) Other decreases	8,859,152.03	7,707,513.58	103,392.55	343.94	25,880.06	16,696,282.16
4. Ending Balance	4,016,044,214.07	3,485,808,298.50	294,035,532.36	48,465,154.70	188,973,460.14	8,033,326,659.77
II. Accumulated Depreciation						
1. Beginning Balance	798,169,871.19	1,638,817,015.47	211,617,889.35	41,521,906.29	133,797,222.94	2,823,923,905.24
2. Increase in the Current Year	127,570,622.20	233,980,199.22	24,631,683.84	2,490,034.69	12,837,212.21	401,509,752.16
(1) Provision	113,645,347.43	233,980,199.22	24,631,683.84	2,429,168.38	12,837,212.21	387,523,611.08
(2) Other increase	13,925,274.77			60,866.31		13,986,141.08

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Item	Properties and Buildings	Machinery Equipment	Electronic Equipment	Transportation equipment	Other equipment	Total
3. Decrease in the Current Year	11,354,398.09	117,211,383.36	6,659,070.08	4,554,463.34	3,371,962.88	143,151,277.75
(1) Disposal or write-off	11,349,847.93	116,602,091.32	6,634,514.23	4,554,153.80	2,923,696.83	142,064,304.11
(2) Decrease for loss of control					390,776.95	390,776.95
(3) Other decreases	4,550.16	609,292.04	24,555.85	309.54	57,489.10	696,196.69
4. Ending Balance	914,386,095.30	1,755,585,831.33	229,590,503.11	39,457,477.64	143,262,472.27	3,082,282,379.65
III. Provision for Impairment						
1. Beginning Balance	24,030,941.23	121,076,848.24	847,936.84	832,646.14	5,220,988.90	152,009,361.35
2. Increase in the Current Year	148,077,476.05	246,408,788.21	2,643,277.81	1,127,523.75	6,518,543.55	404,775,609.37
(1) Provision	148,077,476.05	246,408,788.21	2,643,277.81	1,127,523.75	6,518,543.55	404,775,609.37
(2) Other increase						
3. Decrease in the Current Year		11,486,338.13	51,233.10	20,675.15	141,403.59	11,699,649.97
(1) Disposal or write-off		11,486,338.13	51,233.10	20,675.15	141,403.59	11,699,649.97
(2) Decrease for loss of control						
(3) Other decreases						
4. Ending Balance	172,108,417.28	355,999,298.32	3,439,981.55	1,939,494.74	11,598,128.86	545,085,320.75
IV. Book value						
1. Ending book value	2,929,549,701.49	1,374,223,168.85	61,005,047.70	7,068,182.32	34,112,859.01	4,405,958,959.37
2. Book value at the beginning of the year	3,139,000,140.71	1,723,176,138.61	80,993,332.71	10,395,007.16	52,272,309.12	5,005,836,928.31

Note ①: The decrease in properties and buildings, and machinery and equipment due to disposal or write-off this year was mainly attributable to the disposal and auction of some outdated equipment of Frestec Refrigeration after Frestec Smart Home was put into operation, and the disposal of some idle equipment by Anhui Konka. ②: The decrease in properties and buildings due to other reasons this year was attributable to the transfer to investment properties.

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## (2) Temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Machinery Equipment	977,416,205.13	630,494,531.01	301,239,093.89	45,682,580.23
Housing and building	364,676,775.60	220,860,420.94	106,439,814.25	37,376,540.41
Electronic Equipment	8,054,959.87	7,154,053.85	387,915.49	512,990.53
Transportation equipment	3,663,604.17	3,385,905.95	85,993.19	191,705.03
Other equipment	15,124,041.99	13,436,100.85	1,539,050.28	148,890.86
<b>Total</b>	<b>1,368,935,586.76</b>	<b>875,331,012.60</b>	<b>409,691,867.10</b>	<b>83,912,707.06</b>

## (3) Fixed assets leased out through operating leases

Item	Ending book value
Housing and building	166,315,497.45
Machinery Equipment	10,853,396.97
Electronic Equipment	139,076.29
Transportation equipment	312.63
Other equipment	198,247.64
<b>Total</b>	<b>177,506,530.98</b>

## (4) Fixed assets without certificate of title

Item	Book value	Reason for incomplete property rights certificate
Fenggang Konka Smart TV Project	404,194,048.10	In progress
Anhui Konka properties and buildings	162,429,987.67	In progress
Standard electronic product plant in Suining	140,289,781.57	The project has not yet completed the completion registration
Yikang Building property	31,087,304.59	In progress
Frestec Smart Home properties and buildings	404,194,048.10	In progress

## (5) Impairment test of fixed assets

In 2025, impairment tests were conducted on the fixed assets of the Group's headquarters, Jiangxi Konka, Dongguan Konka, etc.. The recoverable amounts were determined based on the net amounts of fair value less costs of disposal, and a total asset impairment loss of RMB 404,775,609.37 was recognized.

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Item	Book value	Recoverable amount	Impairment Amount
Properties and buildings of the Group's headquarters	128,113,966.02	86,868,433.00	41,245,533.02
Equipment of Dongguan Konka	29,162,230.62	1,179,269.91	27,982,960.71
Jiangxi Konka	379,736,152.62	80,311,836.13	299,424,316.49
<b>Total</b>	<b>537,012,349.26</b>	<b>168,359,539.04</b>	<b>368,652,810.22</b>

(Continued)

Item	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
Properties and buildings of the Group's headquarters	Market value = Market price of comparable instances × Transaction condition correction coefficient × Transaction date adjustment coefficient × Real estate condition adjustment coefficient	Market price of comparable instances, correction coefficient	Representative transaction examples from similar real estate transacted in recent periods are selected as comparable instances for the evaluated real estate.
Equipment of Dongguan Konka	Fair value = Recovery unit price × Equipment quantity; disposal cost = Intermediary service fee	Recovery unit price, equipment quantity, intermediary service fee	1. The recovery unit price is determined by the net proceeds from the disposal of waste materials (demolition and transportation costs are borne by the recycling unit); 2. The equipment quantity is determined through on-site inventory counts; 3. The intermediary service fee mainly includes evaluation fees and the intermediary fees of the trading platform.
Jiangxi Konka assets	<p>① Residual value/Fair value of assets = Weight of recyclable materials with recycling value in assets to be dismantled (reasonable loss deducted) × Market unit price of the corresponding materials;</p> <p>② Relocatable equipment = Asset acquisition cost × Comprehensive condition rate - Relocation dismantling expenses - Dismantling loss;</p> <p>③ Non-relocatable equipment = Market value of the physical assets in the equipment to be dismantled after being disassembled into components - Equipment disassembly cost</p> <p>④ Fair value of land use rights = evaluated unit price × land area; evaluated unit price = (Adjusted unit price of Case 1 + Adjusted unit price of Case 2 + Adjusted unit price of Case N) ÷ N</p>	Weight of recyclable materials, asset acquisition cost, adjusted unit price, comprehensive condition rate	The texture or weight of the recyclable materials with recycling value in the assets to be dismantled was estimated or calculated mainly based on the corresponding materials provided by the Company and the on-site survey results; the asset acquisition cost was mainly determined through direct inquiry to dealers or manufacturers, or with reference to merchants' price lists, price information published on relevant professional websites, as well as possible price fluctuations; while collecting comparable transaction cases, a number of recent comparable transaction cases with similar uses and similar locations to the evaluated land use rights were compared with the evaluated land use rights. Following the corrections for factors such as transaction details, transaction date, and real estate

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Item	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
			condition, the corrected adjusted price was acquired.
<b>Total</b>	—	—	—

**(6) Fixed assets with restricted ownership or use right**

Item	Ending book value	Reason for restriction
Anhui Konka properties and buildings	571,493,720.58	Mortgaged for loan
Properties and buildings of Shaanxi Konka Intelligent	357,369,651.51	Mortgaged for loan
Buildings and machinery and equipment of Frestec Smart Home	231,338,364.12	Mortgaged for loan
Buildings of Chongqing Konka	147,489,012.28	Mortgaged for loan
Housing and buildings of Anhui Tongchuang	130,401,949.70	Mortgage for invoicing
Housing and buildings of Frestec Refrigeration	69,933,241.57	Mortgaged for loan
Buildings of Konka Group	49,376,036.91	Mortgaged for loan
Buildings of Jiangsu Konka Intelligent	30,159,089.35	Mortgaged for loan
Housing and buildings of XingDa HongYe	24,149,230.30	Mortgaged for loan
Machinery and equipment of Xinfeng Microcrystalline	6,300,273.41	As collateral for finance lease
Housing and buildings of Jiangxi Konka	1,627,384.41	Original shareholder guarantee mortgage
Machinery and equipment of Bokang Precision	86,548.67	Litigation involved
<b>Total</b>	<b>1,619,724,502.81</b>	

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## 16. Construction in progress

### (1) Construction in progress situation

Item	Ending balance			Beginning balance		
	Balance	Provision for impairment	Book value	Balance	Provision for impairment	Book value
Jiangxi High-permeability Crystallisation Kiln	246,576,748.57	245,645,748.57	931,000.00	246,576,748.57	56,387,538.57	190,189,210.00
Construction of Suining Electronic Industrial Park Workshops	159,521,528.40	79,545,109.40	79,976,419.00	177,739,108.43		177,739,108.43
Suining Konka Hongye Plant Decoration Project	119,870,565.87		119,870,565.87	84,574,481.80		84,574,481.80
Production Line Renovation Project of Jiangxi Konka	77,761,891.85	71,639,231.85	6,122,660.00	85,354,578.78	17,688,178.78	67,666,400.00
Construction and Decoration Project of Phase I of Dongguan Konka Science and Technology Industrial Park	41,073,754.17		41,073,754.17	53,096,645.21		53,096,645.21
Other projects	352,832,974.12	84,469,891.23	268,363,082.89	333,576,197.93	33,799,544.33	299,776,653.60
<b>Total</b>	<b>997,637,462.98</b>	<b>481,299,981.05</b>	<b>516,337,481.93</b>	<b>980,917,760.72</b>	<b>107,875,261.68</b>	<b>873,042,499.04</b>

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

Name	Beginning balance	Increase in the current year	Decrease in the current year		Ending balance
			Transfer to fixed assets	Other decreases	
Construction of Suining Electronic Industrial Park Workshops	177,739,108.43	440,698.68		18,658,278.71	159,521,528.40
Suining Konka Hongye Plant Decoration Project	84,574,481.80	35,296,084.07			119,870,565.87
<b>Total</b>	<b>262,313,590.23</b>	<b>35,736,782.75</b>		<b>18,658,278.71</b>	<b>279,392,094.27</b>

(Continued)

Name	Budget	Proportion of the project accumulative input in budget (%)	Engineering Progress	Accumulated amount of interest capitalization	Including: Amount of interest capitalized in the current year	Capitalization rate of the interests in the current year (%)	Source of funds
Construction of Suining Electronic Industrial Park Workshops	76,342.22	95.00	95.00				own funds
Suining Konka Hongye Plant Decoration Project	13,774.10	87.00	87.00				self-owned funds and bank loans
<b>Total</b>	<b>90,116.32</b>						

Note: Other decreases in the current year are mainly due to the adjustment of construction in progress costs based on settlement.

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

Category	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for provision
Jiangxi High-permeability Crystallisation Kiln Project	56,387,538.57	189,258,210.00		245,645,748.57	Work has been suspended and there are no future development plans
Jiangxi High Transparent Substrate	33,795,466.66	17,760,843.60	44,563.08	51,511,747.18	Work has been

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Category	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for provision
Production Line Project					suspended and there are no future development plans
Jiangxi Konka Production Line Renovation Project	17,688,178.78	55,820,730.44	1,869,677.37	71,639,231.85	Work has been suspended and there are no future development plans
Suining Konka Flexible FPC Plant Equipment Installation		32,860,823.52		32,860,823.52	Work has been suspended and there are no future development plans
Construction of Suining Electronic Industrial Park Workshops		79,545,109.40		79,545,109.40	Not yet ready for use
Other projects	4,077.67	93,242.86		97,320.53	Work has been suspended and there are no future development plans
<b>Total</b>	<b>107,875,261.68</b>	<b>375,338,959.82</b>	<b>1,914,240.45</b>	<b>481,299,981.05</b>	—

#### (4) Impairment test of construction in progress

1) The recoverable amount is determined at the net amount of the fair value minus the disposal expenses

Item	Book value	Recoverable amount	Impairment Amount	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
Jiangxi High-permeability Crystallisation Kiln Project	190,189,210.00	931,000.00	189,258,210.00	Recoverable amount = replacement costs × (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) × 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	Book value	Recoverable amount	Impairment Amount	Determination method of fair value and disposal costs	Key parameters	Basis for determining key parameters
Jiangxi High Transparent Substrate Production Line Project	28,330,153.60	10,569,310.00	17,760,843.60	Recoverable amount = replacement costs × (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) × 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Jiangxi Konka Production Line Renovation Project	61,943,390.44	6,122,660.00	55,820,730.44	Recoverable amount = replacement costs × (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) × 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Suining Konka Flexible FPC Plant Equipment Installation	77,448,423.52	44,587,600.00	32,860,823.52	Recoverable amount = replacement cost × realisation coefficient - disposal expenses	Realisation coefficient	Realisation coefficient = influence coefficient of property right integrity × influence coefficient of social demand and current policy × influence coefficient of equipment type × influence coefficient of proposed disposal method × influence coefficient of disposal time limit
Other projects	434,289.76	341,046.90	93,242.86	Recoverable amount = replacement costs × (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) × 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
<b>Total</b>	<b>358,345,467.32</b>	<b>62,551,616.90</b>	<b>295,793,850.42</b>	<b>—</b>	<b>—</b>	<b>—</b>

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2) The recoverable amount is determined based on the present value of the estimated future cash flows

Item	Book value	Recoverable amount	Impairment Amount	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
Construction of Suining Electronic Industrial Park Workshops	159,521,528.40	79,976,419.00	79,545,109.40	From June 1, 2026 to May 17, 2070	After-tax Discount Rate	After-tax Discount Rate	The discount rate adopts the weighted average cost of capital (WACC), which is the expected total return on investment and the weighted average of the expected return on equity and the after-tax return on debt. This valuation estimates the expected return on investment of the enterprise where the construction in progress and related land use rights are located by selecting comparable companies for analysis and calculation.
<b>Total</b>	<b>159,521,528.40</b>	<b>79,976,419.00</b>	<b>79,545,109.40</b>	—	—	—	—

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## 17. Right-of-use assets

### Right-of-Use Assets

Item	Properties and Buildings	Machinery Equipment	Electronic Equipment	Total
I. Original Book Value				
1. Beginning Balance	283,992,075.23	428,197.71	329,550.15	284,749,823.09
2. Increase in the Current Year	12,583,212.22	2,878,728.21	367,441.04	15,829,381.47
(1) Leased-in	12,583,212.22	2,878,728.21	367,441.04	15,829,381.47
(2) Others				
3. Decrease in the Current Year	26,963,263.68			26,963,263.68
(1) Decrease for Loss of Controlling Right	13,614,794.47			13,614,794.47
(2) Others	13,348,469.21			13,348,469.21
4. Ending Balance	269,612,023.77	3,306,925.92	696,991.19	273,615,940.88
II. Accumulated Depreciation				
1. Beginning Balance	106,211,054.04	171,279.11	181,810.59	106,564,143.74
2. Increase in the Current Year	50,550,632.05	674,823.81	94,062.82	51,319,518.68
(1) Provision	50,550,632.05	674,823.81	94,062.82	51,319,518.68
(2) Others				
3. Decrease in the Current Year	14,344,266.37			14,344,266.37
(1) Decrease for Loss of Controlling Right	4,524,918.34			4,524,918.34
(2) Others	9,819,348.03			9,819,348.03
4. Ending Balance	142,417,419.72	846,102.92	275,873.41	143,539,396.05
III. Provision for Impairment				
1. Beginning Balance				
2. Increase in the Current Year				
(1) Provision				
3. Decrease in the Current Year				
(1) Disposal				
4. Ending Balance				
IV. Book value				

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<b>Item</b>	<b>Properties and Buildings</b>	<b>Machinery Equipment</b>	<b>Electronic Equipment</b>	<b>Total</b>
1. Ending book value	127,194,604.05	2,460,823.00	421,117.78	130,076,544.83
2. Book value at the beginning of the year	177,781,021.19	256,918.60	147,739.56	178,185,679.35

Remarks: The other decreases in original value and accumulated depreciation are mainly due to the termination of leases.

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## 18. Intangible assets

### (1) List of intangible assets

Item	Land use right	Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Total
I. Original Book Value						
1. Beginning Balance	817,198,544.35	72,197,456.33	112,424,969.79	192,998,879.51	161,769,606.35	1,356,589,456.33
2. Increase in the Current Year	1,072,899.29				10,298,099.42	11,370,998.71
(1) Purchase					6,044,338.78	6,044,338.78
(2) Transfer-in of construction in progress					4,228,288.94	4,228,288.94
(3) Other reasons	1,072,899.29				25,471.70	1,098,370.99
3. Decrease in the Current Year	6,976,554.62		4,144,403.75	25,471.70	771,835.35	11,918,265.42
(1) Disposal or write-off	6,976,554.62		4,144,403.75		771,835.35	11,892,793.72
(2) Decrease for loss of control						
(3) Other reasons				25,471.70		25,471.70
4. Ending Balance	811,294,889.02	72,197,456.33	108,280,566.04	192,973,407.81	171,295,870.42	1,356,042,189.62
II. Accumulated amortization						
1. Beginning Balance	108,080,921.57	23,419,142.45	67,302,648.17	22,265,157.50	101,732,539.26	322,800,408.95
2. Increase in the Current Year	16,861,440.77	4,163,515.94	43,200.00	10,747,059.76	20,103,235.16	51,918,451.63
(1) Provision	16,861,333.57	4,163,515.94	43,200.00	10,747,059.76	20,103,235.16	51,918,344.43
(2) Others	107.20					107.20

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Item	Land use right	Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Total
3. Decrease in the Current Year	1,130,460.24		1,243,321.14		615,384.62	2,989,166.00
(1) Disposal or write-off	1,130,460.24		1,243,321.14		615,384.62	2,989,166.00
4. Ending Balance	123,811,902.10	27,582,658.39	66,102,527.03	33,012,217.26	121,220,389.80	371,729,694.58
III. Provision for Impairment						
1. Beginning Balance		564,705.88	44,943,521.62		235,294.12	45,743,521.62
2. Increase in the Current Year	13,304,591.99			155,930,200.00	3,305.52	169,238,097.51
(1) Provision	13,304,591.99			155,930,200.00	3,305.52	169,238,097.51
3. Decrease in the Current Year			2,901,082.61			2,901,082.61
(1) Disposal or write-off			2,901,082.61			2,901,082.61
4. Ending Balance	13,304,591.99	564,705.88	42,042,439.01	155,930,200.00	238,599.64	212,080,536.52
IV. Book value						
1. Ending book value	674,178,394.93	44,050,092.06	135,600.00	4,030,990.55	49,836,880.98	772,231,958.52
2. Book value at the beginning of the year	709,117,622.78	48,213,608.00	178,800.00	170,733,722.01	59,801,772.97	988,045,525.76

Note 1: The impairment of intangible assets during the Reporting Period was due to the provision for impairment of the land use right of Suining Konka Industrial Park and the franchise right of Yibin Kangrun.

Note 2: The decrease in land use rights due to disposal or retirement this year was mainly attributable to the sale of the land use right for the third floor of Block A, Jingyuan Building by the Group's headquarters.

## (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) Impairment test of intangible assets

In 2025, impairment tests were conducted on the intangible assets of Suining Konka Industrial Park, Yibin Kangrun Medical, etc.. Their recoverable amounts were determined based on the present value of estimated future cash flows, and a total asset impairment loss of RMB 169,238,097.51 was recognized.

Item	Book value	Recoverable amount	Impairment Amount
Land use right of the FPC plant at Suining Konka Industrial Park	5,429,547.08	2,523,060.30	2,906,486.78
Land use right of the sewage treatment plant at Suining Konka Industrial Park	16,978,563.97	9,438,484.97	7,540,079.00
Franchise right of Yibin Kangrun Medical	160,349,282.90	4,419,066.57	155,930,200.00
<b>Total</b>	<b>182,757,393.95</b>	<b>16,380,611.84</b>	<b>166,376,765.78</b>

(Continued)

Item	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
Land use right of the FPC plant at Suining Konka Industrial Park	From 2026 to 2070 (expiring on January 12, 2070)	Pre-tax discount rate: 5.95%; calculated based on projected revenue, costs, expenses, etc.	1. The unit price of rent in the stabilization period remains constant based on the estimated growth rate in the growth period; 2. The vacancy rate in the stabilization period is based on the forecast; 3. Relevant administrative expenses remain constant with reference to the Company's overall budget management.	1. The estimated growth rate of rent during the growth period based on the industry survey and the lease contracts signed by the principal and the evaluated entity for self-operated industrial parks; 2. The appraisers' comprehensive analysis and determination of the lease vacancy rate in the stabilization period based on the investigation and understanding of the leasing and actual use of similar properties within the area of the evaluated target; and 3. The principal and the evaluated entity's comprehensive budget management data and other materials.
Land use right of the sewage treatment plant at Suining Konka Industrial Park	From 2026 to 2070 (expiring on May 17, 2070)	Pre-tax discount rate: 8.61%; calculated based on projected revenue, costs, expenses, etc.	1. The PCB industrial sewage treatment plant with the capacity of daily average of 3,000 cubic meters of sewage from the self-owned park and external parks; 2. Assumption that the Pollutant Discharge Permit obtained for Section I of Phase II of the PCB Base Industrial Wastewater Treatment Plant (Konka	1. Pollutant Discharge Permit; 2. The Entrusted Operation Contract signed by the property rights holder and the operating unit for Section I of Phase II of the PCB Base Industrial Wastewater Treatment Plant (Konka Industrial Sewage Plant).

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Item	Years of Forecast Period	Key parameters for the forecast period	Key Parameters in Stabilization Phase	Basis for Determination of Key Parameters in the Stabilization Period
			Industrial Sewage Plant) held by the property rights holder will be renewed upon expiration, without other factors preventing such renewal; 3. Assumption that the Entrusted Operation Contract signed by the property rights holder and the operating unit for Section I of Phase II of the PCB Base Industrial Wastewater Treatment Plant (Konka Industrial Sewage Plant) will continue to sign subsequent annual entrusted operation service matters according to the original contract at the end of the agreed operation period.	
Franchise right of Yibin Kangrun Medical	From 2026 to 2040 (expiring on October 31, 2040)	Pre-tax discount rate: 6.87%; calculated based on projected revenue, costs, expenses, etc.	Pre-tax discount rate: 6.87%; calculated based on projected revenue, costs, expenses, etc.	The Concession Agreement for the Centralized Treatment Project of Medical Wastes in Gao County, Yibin City, the Circular of Yibin Development and Reform Commission, Yibin Health Commission and Yibin Ecology and Environment Bureau on Defining the Charging Standards for Medical Waste Disposal, the Circular of Yibin Development and Reform Commission, Yibin Health Commission and Yibin Ecology and Environment Bureau on Continuing to Extend the Trial Period of the Charging Standards for Medical Waste Disposal (YFDRF [2026] No. 20), and the Medium- and Long-Term Plan for Population Development in Yibin City.
<b>Total</b>	—	—	—	—

**(4) Significant intangible assets**

Item	Ending book value	Remaining amortization period (year)
Land use right of Dongguan Konka	177,693,814.67	43.67
Land use right of Shaanxi Konka Intelligent	109,657,495.91	45.58
Land use right of Frestec Smart Home	86,406,223.51	44.75

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Item	Ending book value	Remaining amortization period (year)
<b>Total</b>	<b>373,757,534.09</b>	—

### (5) Intangible assets with restricted ownership or use right

Item	Ending book value	Reason for restriction
Land use right of Dongguan Konka	177,693,814.67	Mortgaged for loan
Land use right of Shaanxi Konka Intelligent	109,657,495.91	Mortgaged for loan
Land use right of Frestec Refrigeration	59,941,753.88	Mortgaged for loan
Land use right of Anhui Konka	51,473,396.00	Mortgaged for loan
Land use right of Chongqing Konka	42,632,871.92	Mortgaged for loan
Land use right of Anhui Tongchuang	16,477,106.80	Mortgaged for loan
Land use right of Jiangsu Konka Intelligent	12,805,114.62	Mortgaged for loan
Land use right of Xingda Hongye	12,176,062.85	Mortgaged for loan
Land use right of Konka Group in Guangming	3,506,913.18	Mortgaged for loan
<b>Total</b>	<b>486,364,529.83</b>	

## 19. Goodwill

### (1) Original book value of goodwill

Investee	Beginning balance	Increase in the current year		Decrease in the current year		Ending 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
<b>Total</b>	<b>384,268,615.26</b>					<b>384,268,615.26</b>

### (2) Provision for impairment of goodwill

Investee	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Provision	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
Xingda Hongye	21,959,947.14	22,196,735.11				44,156,682.25
<b>Total</b>	<b>362,071,880.15</b>	<b>22,196,735.11</b>				<b>384,268,615.26</b>

### (3) Relevant information on the asset group or portfolio of asset groups of the

**goodwill belongs to**

Name	Composition and basis of the asset group or combination of asset groups	Whether consistent with previous years
Xingda Hongye asset group	It consists of all operating tangible assets and recognizable intangible assets related to goodwill from the corresponding subsidiary's main business as reflected in its balance sheet (excluding working capital and non-operating assets), based on whether the main cash inflows generated by the asset group are independent from those generated by other assets or asset groups.	Yes

**(4) Specific determination method of recoverable amount**

The Company's management performed an impairment test of goodwill at the end of the year and recognized Xingda Hongye as a whole as a single asset group, which is consistent with prior years.

Future cash flows are determined based on the financial budget for 2026 to 2030 approved by management, and a discount rate of 11.81% is used. The cash flows of Xingda Hongye for periods over 5 years are calculated based on a growth rate of 0%. The Company engaged an appraisal institution, Shenzhen Pengxin Asset Appraisal Land and Real Estate Appraisal Co., Ltd., to evaluate the asset group of Xingda Hongye containing goodwill using the income approach, and took the present value of the estimated future cash flows of the assets in the asset group as its recoverable amount. On April 23, 2026, it issued 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. (PXZPBZ [2026] No. S0276), with December 31, 2025 as the valuation reference date. The present value of the asset group of Xingda Hongye on the valuation reference date was RMB 1,61,140,000. The book value of the asset group adjusted by fair value (including overall goodwill) was RMB 205,988,400, of which the book value of goodwill (including minority shareholders) was RMB 43,523,000. The recoverable amount of the asset group is less than the book value of the asset group including goodwill. Therefore, a goodwill impairment of RMB 22.1967 million was recognized in the current period based on the shareholding ratio in Xingda Hongye.

**20. Long-term deferred expenses**

Item	Beginning balance	Increase in the current year	Amortization in the current year	Other decreases in the current year	Ending balance
Decoration expenses	296,854,146.58	6,755,139.70	60,262,379.95	1,145,902.08	242,201,004.25
Shop expense	30,536,411.17	29,463,550.58	43,464,650.78		16,535,310.97

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Item	Beginning balance	Increase in the current year	Amortization in the current year	Other decreases in the current year	Ending balance
Others	204,790,603.88	66,031,329.47	72,234,790.80	3,361,340.08	195,225,802.47
<b>Total</b>	<b>532,181,161.63</b>	<b>102,250,019.75</b>	<b>175,961,821.53</b>	<b>4,507,242.16</b>	<b>453,962,117.69</b>

## 21. Deferred tax assets and deferred tax liabilities

### (1) Deferred tax assets without offset

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deductible losses	115,441,836.02	24,185,449.41	4,072,599,866.74	821,192,030.16
Provision for asset impairment	33,348,876.81	7,518,088.66	1,711,958,350.44	383,396,704.79
Deferred income	126,029,904.75	26,299,979.55	165,698,149.55	36,951,815.16
Accrued expenses	79,260.20	19,815.05	154,175,886.01	30,405,673.44
Unrealized internal transaction profits	23,159,179.99	5,789,795.00	21,418,121.43	5,354,530.36
Lease liabilities	128,733,917.69	31,923,273.77	190,036,774.82	46,680,049.35
Others	47,323,319.31	11,257,154.20	303,824,133.13	68,258,498.61
<b>Total</b>	<b>474,116,294.77</b>	<b>106,993,555.63</b>	<b>6,619,711,282.12</b>	<b>1,392,239,301.87</b>

### (2) Deferred tax liabilities without offset

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Asset revaluation appreciation from a business combination not under common control	131,234,455.38	28,976,378.21	148,603,098.25	32,684,086.93
Prepaid interest	16,906,513.97	4,226,628.50	21,809,373.23	5,452,343.31
Accelerated depreciation of fixed assets			2,198,376.27	443,840.17
Financial assets measured at fair value through current gains/losses	165,075,229.25	41,268,807.31	164,553,726.22	41,138,431.56
Right-of-Use Assets	125,148,918.49	31,020,361.63	177,009,862.45	43,672,811.85
Others	53,694,103.36	8,982,879.15	57,798,900.95	9,907,661.66
<b>Total</b>	<b>492,059,220.45</b>	<b>114,475,054.80</b>	<b>571,973,337.37</b>	<b>133,299,175.48</b>

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### (3) Details of unconfirmed deferred tax assets

Item	Ending balance	Beginning balance
Deductible losses	10,631,764,118.90	5,076,924,357.43
Deductible temporary differences	14,733,642,383.21	4,057,061,699.25
<b>Total</b>	<b>25,365,406,502.11</b>	<b>9,133,986,056.68</b>

### (4) Deductible losses from unrecognized deferred tax assets will be expired in the following years

Year	Ending balance	Beginning balance	Remarks
2025		252,950,466.34	
2026	403,268,956.95	313,956,730.12	
2027	1,334,876,912.27	307,074,252.94	
2028	980,877,535.65	710,259,863.04	
2029	1,311,131,269.35	1,491,466,390.36	
2030 and beyond	6,601,609,444.68	2,001,216,654.63	
<b>Total</b>	<b>10,631,764,118.90</b>	<b>5,076,924,357.43</b>	—

## 22. Other non-current assets

Item	Ending balance		
	Balance	Provision for impairment	Book value
Prepayment for land purchase	1,029,457,502.92	517,841,855.90	511,615,647.02
Prepayment for construction, equipment and other long-term assets	89,390,490.57		89,390,490.57
<b>Total</b>	<b>1,118,847,993.49</b>	<b>517,841,855.90</b>	<b>601,006,137.59</b>

(Continued)

Item	Beginning balance		
	Balance	Provision for impairment	Book value
Prepayment for land purchase	1,029,457,502.92		1,029,457,502.92
Prepayment for construction, equipment and other long-term assets	119,220,467.55		119,220,467.55
<b>Total</b>	<b>1,148,677,970.47</b>		<b>1,148,677,970.47</b>

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### 23. Assets with restricted ownership or use rights

Item	End of the year			
	Balance	Book value	Type of restriction	Restriction details
Monetary funds	1,293,472,374.79	1,293,472,374.79	Margin, time deposits, etc.	Among them, RMB 525,901,180.93 is margin deposits which are pledged for borrowings or issuing bank acceptance bills; RMB 612,670,635.63 represents time deposits that are not available for early withdrawal and are pledged as collateral for borrowings; RMB 154,900,558.23 is restricted for other reasons.
Accounts receivable	1,479,824.68	1,448,244.31	Pledge	Pledge loan
Inventories	213,889,093.11	161,827,378.00	Mortgage	Mortgaged for loan
Investment properties	789,216,793.66	445,326,656.45	Mortgage	Mortgaged for loan
Fixed assets	2,159,388,777.59	1,619,724,502.81	Mortgage	Mortgage for finance lease, mortgage loans, and former shareholder guarantee
Intangible assets	567,108,433.14	486,364,529.83	Mortgage	Mortgaged for loan
<b>Total</b>	<b>5,024,555,296.97</b>	<b>4,008,163,686.19</b>	<b>—</b>	<b>—</b>

(Continued)

Item	Beginning			
	Balance	Book value	Type of restriction	Restriction details
Monetary funds	1,332,589,771.28	1,332,589,771.28	Time deposits, margins, etc.	Among them, RMB 556,608,881.87 is margin deposits which are pledged for borrowings or issuing bank acceptance bills; RMB 567,478,893.23 represents time deposits that are not available for early withdrawal and are pledged as collateral for borrowings; RMB 208,501,996.18 is restricted for other reasons.
Accounts receivable	1,837,337.71	1,798,852.71	Pledge	Pledge loan
Notes receivable	15,900,000.00	15,900,000.00	Pledge	Pledged for the issuance of bank acceptance bills
Inventories	383,413,182.26	379,790,291.96	Mortgage	Mortgaged for loan
Investment properties	790,608,780.11	712,454,010.27	Mortgage	Mortgaged for loan
Fixed assets	1,832,372,199.20	1,551,889,522.63	Mortgage	Mortgage for finance lease, mortgage loans, and former shareholder

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Item	Beginning			
	Balance	Book value	Type of restriction	Restriction details
				guarantee
Intangible assets	664,764,256.55	587,351,084.33	Mortgage	Mortgage for finance lease and mortgage loans
<b>Total</b>	<b>5,021,485,527.11</b>	<b>4,581,773,533.18</b>	—	—

## 24. Short-term borrowings

### (1) Classification of short-term borrowings

Type of borrowings	Ending balance	Beginning balance
Credit loan	3,736,619,333.91	4,709,049,751.78
Guaranteed loan	449,087,810.41	629,950,527.05
Mortgaged for loan	390,208,408.34	402,171,189.43
<b>Total</b>	<b>4,575,915,552.66</b>	<b>5,741,171,468.26</b>

### (2) Outstanding short-term borrowings overdue

There were no outstanding short-term borrowings overdue at the end of the current year.

## 25. Notes payable

Type of note	Ending balance	Beginning balance
Bank acceptance bills	653,949,070.29	850,916,858.18
Commercial acceptance bills	289,868,697.62	299,393,998.52
<b>Total</b>	<b>943,817,767.91</b>	<b>1,150,310,856.70</b>

Note: There were no notes payable that were due but unpaid at the end of the current year.

## 26. Accounts payable

### (1) Presentation of accounts payable

Item	Ending balance	Beginning balance
Within 1 year	1,392,600,370.15	2,295,798,887.75
1 to 2 years	252,209,408.86	194,600,008.24
2 to 3 years	130,867,724.12	101,677,548.46
Over 3 years	202,058,868.16	182,539,343.79
<b>Total</b>	<b>1,977,736,371.29</b>	<b>2,774,615,788.24</b>

### (2) Significant accounts payable aging more than one year or overdue

Unit	Ending balance	Reason for Non-repayment or Carry-over
Company A	111,159,114.76	Pending Settlement
Company B	77,027,260.07	Final payment for the project not yet settled

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Unit	Ending balance	Reason for Non-repayment or Carry-over
Company C	42,192,153.10	Final payment for the project not yet settled
Company D	34,189,624.82	Pending Settlement
Company E	30,327,400.00	In Litigation
Company F	30,159,458.13	Pending Settlement
Company G	25,779,987.00	Pending Settlement
Company H	10,600,000.00	Pending Settlement
<b>Total</b>	<b>361,434,997.88</b>	

**(3) Whether there are any overdue payments to small and medium-sized enterprises (applicable to SZSE)**

Number of Overdue Contracts	325
Amount of Overdue Contracts	703,656,073.35
Overdue and Unpaid Amount	253,541,028.01

**27. Other payables**

Item	Ending balance	Beginning balance
Interest Payable		
Dividends Payable		
Other payables	6,565,100,788.16	3,502,796,381.63
<b>Total</b>	<b>6,565,100,788.16</b>	<b>3,502,796,381.63</b>

**(1) Other payables presented based on the nature of the funds**

Nature of funds	Ending balance	Beginning balance
Expenses Payable	792,764,274.26	775,131,170.51
Security Deposit, Down Payment, and Deposit	272,858,608.90	283,501,144.00
Trading Funds	1,163,502,426.04	489,457,474.93
Advance Payment	3,860,617.67	7,758,315.35
Related Party Borrowing	2,395,873,661.72	221,405,227.76
Equity Payable	1,870,346,451.75	1,615,155,483.71
Others	65,894,747.82	110,387,565.37
<b>Total</b>	<b>6,565,100,788.16</b>	<b>3,502,796,381.63</b>

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## (2) Significant other payables with an age of more than one year or overdue

Unit	Ending balance	Reason for Non-repayment or Carry-over
Company I	1,469,134,969.86	Equity repurchase amount and interest arising from the Ypfun IPO VAM agreement
Company J	235,788,807.29	Accrue patent fees
Company K	66,082,529.10	Pending Settlement
Company L	65,077,215.48	Unsettled construction payments
Company M	30,000,000.00	Performance bond
Company N	20,301,936.47	Pending Settlement
Company O	18,000,000.00	Pending Settlement
Company P	15,646,109.30	Unsettled rent
Company Q	14,925,006.90	Compensation for installment payments
Company R	14,279,584.10	Compensation for installment payments
Company S	13,618,181.08	Payment conditions not met
Company T	12,780,275.13	Pending Settlement
<b>Total</b>	<b>1,975,634,614.71</b>	-

## 28. Advances from customers

Category	Ending balance	Beginning balance
Rent	3,426,361.65	3,481,262.87
<b>Total</b>	<b>3,426,361.65</b>	<b>3,481,262.87</b>

## 29. Contract liabilities

### (1) Contract liabilities

Item	Ending balance	Beginning balance
Sales advances received	256,506,499.39	623,555,669.97
<b>Total</b>	<b>256,506,499.39</b>	<b>623,555,669.97</b>

Remarks: Contract liabilities over one year are detailed in "VI.41.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 current year.

### (3) Significant changes in book value in the current year

The significant decrease in the balance of contract liabilities compared with the end of the previous year was mainly due to the fact that the advance payments for pre-sale

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properties of Nantong Konghai and the payment for goods early collected by Hongkong Konka met the revenue recognition conditions in the current period and were carried forward to operating revenue.

### 30. Employee benefits payable

#### (1) Categories of employee benefits payable

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Short-term remuneration	237,237,008.22	1,228,905,430.20	1,253,392,987.78	212,749,450.64
Post-employment benefits - defined contribution plans	1,032,772.61	119,675,904.48	119,573,826.35	1,134,850.74
Dismissal benefits	5,462,068.95	19,267,545.40	15,438,402.63	9,291,211.72
<b>Total</b>	<b>243,731,849.78</b>	<b>1,367,848,880.08</b>	<b>1,388,405,216.76</b>	<b>223,175,513.10</b>

#### (2) Short-term remuneration

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Salaries, bonuses, allowances and subsidies	230,731,246.88	1,073,263,791.23	1,097,064,848.08	206,930,190.03
Employee welfare expenses	3,334,946.15	47,356,378.18	48,119,491.70	2,571,832.63
Social insurance premiums	533,555.71	50,622,958.45	50,622,051.59	534,462.57
Including: medical insurance premiums	387,627.84	44,641,995.31	44,634,078.56	395,544.59
Work injury insurance premiums	77,640.15	4,453,636.93	4,459,752.19	71,524.89
Maternity insurance premiums	68,287.72	1,527,326.21	1,528,220.84	67,393.09
Housing fund	507,627.65	44,148,060.73	44,107,422.86	548,265.52
Labour union fees and employee education fees	1,563,130.18	11,097,538.02	10,571,609.08	2,089,059.12
Others	566,501.65	2,416,703.59	2,907,564.47	75,640.77
<b>Total</b>	<b>237,237,008.22</b>	<b>1,228,905,430.20</b>	<b>1,253,392,987.78</b>	<b>212,749,450.64</b>

#### (3) Defined contribution plans

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Basic pension insurance	904,488.43	115,008,760.46	114,840,773.11	1,072,475.78
Unemployment insurance premiums	128,284.18	4,667,144.02	4,733,053.24	62,374.96
<b>Total</b>	<b>1,032,772.61</b>	<b>119,675,904.48</b>	<b>119,573,826.35</b>	<b>1,134,850.74</b>

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### 31. Taxes payable

Item	Ending balance	Beginning balance
VAT	41,389,783.89	18,304,436.27
Property tax	7,873,067.23	11,724,042.19
Stamp duty	5,189,868.71	8,598,131.85
Land value increment tax	4,541,408.65	643,627.96
Land use tax	2,955,305.79	3,640,999.21
Enterprise income tax	2,902,794.24	46,039,928.61
Personal income tax	2,404,290.78	2,590,216.18
Tariff	1,544,659.31	1,584,862.54
City construction and maintenance tax	1,090,729.63	455,815.56
Education fees and local education surcharge	804,441.46	384,461.10
Others	579,905.73	646,189.11
<b>Total</b>	<b>71,276,255.42</b>	<b>94,612,710.58</b>

### 32. Non-current liabilities maturing within one year

Item	Ending balance	Beginning balance
Bonds payable due within one year	1,997,255,226.21	2,510,473,199.20
Long-term borrowings due within one year	1,610,967,861.49	4,099,941,220.89
Lease liabilities due within one year	42,617,527.51	44,667,151.05
Long-term payables due within one year		452,824.05
<b>Total</b>	<b>1,997,255,226.21</b>	<b>2,510,473,199.20</b>

### 33. Other current liabilities

Item	Ending balance	Beginning balance
Input tax to be carried forward	9,709,568.79	39,793,570.78
Refunds payable	10,947,147.43	17,262,340.52
Accounts payable paid by endorsement of outstanding notes at the end of the reporting period	25,720,556.07	12,820,620.61
<b>Total</b>	<b>46,377,272.29</b>	<b>69,876,531.91</b>

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### 34. Long-term borrowings

Type of borrowings	Ending balance	Beginning balance
Guaranteed loan	1,255,126,167.17	3,426,786,189.06
Credit loan	5,466,646,895.34	2,407,276,815.65
Entrusted borrowings		2,125,382,964.61
Mortgaged for loan	1,044,296,964.74	1,271,960,335.66
Pledge loan	382,824,571.78	399,184,717.84
Less: Amount due within one year (see Note VI.32)	1,610,967,861.49	4,099,941,220.89
<b>Total</b>	<b>6,537,926,737.54</b>	<b>5,530,649,801.93</b>

### 35. Bonds payable

#### (1) Categories of bonds payable

Item	Ending balance	Beginning balance
Corporate bonds	3,593,930,102.58	4,805,666,700.25
Less: Bonds payable due within one year (see Note VI.32)	1,997,255,226.21	2,510,473,199.20
<b>Total</b>	<b>1,596,674,876.37</b>	<b>2,295,193,501.05</b>

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**(2) Changes in bonds payable**

Bond name	Total par value	Par value Interest rate	Issue Date	Bond maturity	Issue amount	Beginning balance	Issuance in the current year	Accrue interest by par value	Amortization of premium/discount	Repayment in the current year	Ending balance	Whether Default
22 Konka 01 (note ①)	1,200,000,000.00	3.23%	2022/7/14	3 years	1,195,800,000.00	1,218,719,622.62		19,380,000.00	660,377.36	1,238,759,999.98		No
22 Konka 03 (note ②)	600,000,000.00	3.30%	2022/9/8	3 years	597,900,000.00	606,159,748.49		13,200,000.00	440,251.57	619,800,000.06		No
22 Konka 05 (note ③)	600,000,000.00	3.50%	2022/10/18	3 years	597,900,000.00	604,754,717.04		15,750,000.00	495,282.92	620,999,999.96		No
24 Konka 01 (note ④)	1,500,000,000.00	4.00%	2024/1/29	3 years	1,495,200,000.00	1,552,452,830.14		60,000,000.00	1,509,434.00	60,000,000.00	1,553,962,264.14	No
24 Konka 02 (note ⑤)	400,000,000.00	4.00%	2024/3/18	3 years	398,720,000.00	411,742,557.65		15,999,999.96	402,515.72	16,000,000.00	412,145,073.33	No
24 Konka 03 (Note ⑥)	400,000,000.00	4.03%	2024/3/18	3 years	398,720,000.00	411,837,224.31		16,119,999.96	402,515.72	16,120,000.00	412,239,739.99	No
25 Konka 01 (Note ⑦)	410,000,000.00	3.50%	2025/6/23	3 years	408,688,000.00		408,688,000.00	7,493,888.87	374,930.84		416,556,819.71	No
25 Konka 03 (Note ⑧)	790,000,000.00	2.80%	2025/7/4	3 years	787,472,000.00		787,472,000.00	10,937,111.09	617,094.32		799,026,205.41	No
<b>Total</b>	<b>5,900,000,000.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,880,400,000.00</b>	<b>4,805,666,700.25</b>	<b>1,196,160,000.00</b>	<b>158,880,999.88</b>	<b>4,902,402.45</b>	<b>2,571,680,000.00</b>	<b>3,593,930,102.58</b>	<b>—</b>

Note ①: On July 14, 2022, the Company issued RMB1.2 billion of public placement corporate bonds with a duration of three years, an annual interest rate of 3.23%, and a maturity date of July 14, 2025.

Note ②: On September 8, 2022, the Company issued RMB600 million of private placement corporate bonds with a duration of three years, an annual interest rate of 3.30%, and a maturity date of September 8, 2025.

Note ③: On October 18, 2022, the Company issued RMB600 million of private placement corporate bonds with a duration of three years, an annual interest rate of 3.50%, and a maturity date of October 18, 2025.

Note ④: On January 29, 2024, the Company issued RMB 1.5 billion of private placement corporate bonds with a duration of three years (with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year), an annual interest rate of 4.00%, and a maturity date of January 29, 2027.

Note ⑤: On March 18, 2024, the Company issued RMB 400 million of private placement corporate bonds with a duration of three years (with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year), an annual interest rate of 4.00%, and a maturity date of March 18, 2027.

Note ⑥: On March 18, 2024, the Company issued RMB400 million of private placement corporate bonds with a duration of three years, an annual interest rate of 4.03%, and a maturity date of March 18, 2027.

Note ⑦: On June 23, 2025, the Company issued RMB 410 million of private placement corporate bonds with a duration of three years (with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year), an annual interest rate of 3.50%, and a maturity date of June 23, 2028.

Note ⑧: On July 4, 2025, the Company issued RMB 790 million of private placement corporate bonds with a duration of three years (with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year), an annual interest rate of 2.80%, and a maturity date of July 4, 2028.

Note ⑨: China Resources Inc. provides a full, unconditional, and irrevocable joint and several liability guarantee for the due payment of these public and private placement corporate bonds.

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### 36. Lease liabilities

Item	Ending balance	Beginning balance
Lease liabilities	139,476,496.26	191,228,739.57
Less: Lease liabilities due within one year (see Note VI.32)	42,617,527.51	44,667,151.05
<b>Total</b>	<b>96,858,968.75</b>	<b>146,561,588.52</b>

### 37. Long-term payables

Item	Ending balance	Beginning balance
Payable finance lease payments	2,113,713.86	6,314,362.65
Less: Unrecognized financing expenses	80,486.84	356,990.36
Amount above due within one year (see Note VI.32)		452,824.05
<b>Total</b>	<b>2,033,227.02</b>	<b>5,504,548.24</b>

### 38. Long-term employee benefits payable

Item	Ending balance	Beginning balance
Post-employment benefits - net liabilities of defined benefit plans	4,519,491.87	4,608,659.47
<b>Total</b>	<b>4,519,491.87</b>	<b>4,608,659.47</b>

### 39. Provisions

Item	Ending balance	Beginning balance	Reason for formation
Performance compensation, or contingent consideration	346,222,251.09	346,222,251.09	
Product quality assurance	57,824,544.20	80,603,137.10	After-sales services for household appliances
Pending litigation	446,591,769.85	206,591.51	
Disposal expenses	2,084,301.83	1,401,752.49	
<b>Total</b>	<b>852,722,866.97</b>	<b>428,433,732.19</b>	<b>—</b>

### 40. Deferred income

#### (1) Categories of deferred income

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for formation
Government grants	393,437,007.37	72,028,772.87	57,289,984.73	408,175,795.51	Related to assets/income
<b>Total</b>	<b>393,437,007.37</b>	<b>72,028,772.87</b>	<b>57,289,984.73</b>	<b>408,175,795.51</b>	<b>—</b>

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## (2) Government subsidy items

Government Grant Projects	Beginning Balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount recognized as other income in the current year	Amount of cost offset in the current year	Others Change	End of the year Balance	Related to assets/income
Plant construction subsidy for Yibin Konka Industrial Park	101,225,904.13			2,319,532.32			98,906,371.81	Related to assets
Medical waste centralized treatment project in Gaoxian County, Yibin City	27,430,784.61	5,000,000.00		1,730,503.55			30,700,281.06	Related to assets
Rewards and subsidies for Special Project for Supporting the Development of Advanced Manufacturing and Modern Service Industry of Henan Frestec Smart Home	31,510,328.22			2,458,697.27			29,051,630.95	Related to assets
Shenzhen Industrial Investment Project Support Program for Konka Group Headquarters	6,787,857.01	16,180,000.00		521,936.40			22,445,920.61	Related to assets
Industrial support funds for Suining Konka Industrial Park	19,776,548.54			239,936.88			19,536,611.66	Related to assets
Industrial rewards and subsidies of Henan Frestec Smart Home	19,734,932.95			481,353.47			19,253,579.48	Related to assets
Shaanxi Konka Smart's equipment renewal supported by ultra-long-term special treasury bonds		19,060,000.00					19,060,000.00	Related to assets
Returned payments for land by Chongqing Konka	17,541,818.31			392,727.24			17,149,091.07	Related to assets

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<b>Government Grant Projects</b>	<b>Beginning Balance</b>	<b>Subsidies increased in the current year</b>	<b>Amount recognized as non-operating revenue in the current year</b>	<b>Amount recognized as other income in the current year</b>	<b>Amount of cost offset in the current year</b>	<b>Others Change</b>	<b>End of the year Balance</b>	<b>Related to assets/income</b>
Plant decoration subsidy for Yibin Konka Science and Technology Industrial Park	8,635,292.92	3,000,000.00		1,863,457.86			9,771,835.06	Related to assets
Other government subsidies related to assets/income	160,793,540.68	28,788,772.87		27,193,011.11	17,400.00	-20,071,428.63	142,300,473.81	Related to assets/income
<b>Total</b>	<b>393,437,007.37</b>	<b>72,028,772.87</b>		<b>37,201,156.10</b>	<b>17,400.00</b>	<b>-20,071,428.63</b>	<b>408,175,795.51</b>	

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#### 41. Other non-current liabilities

Item	Ending balance	Beginning balance
Contract liabilities over one year	283,739,354.36	207,378,781.21
<b>Total</b>	<b>283,739,354.36</b>	<b>207,378,781.21</b>

#### 42. Share capital

Item	Beginning balance	Increase/decrease (+/-) in the current year					Ending balance
		New issues	Bonus shares	Capital reserves converted into share capital	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00

#### 43. Other equity instruments

Outstanding financial instruments	Beginning		Increase in the current year	
	Quantity	Book value	Quantity	Book value
Perpetual bonds			5,000,000,000.00	5,000,000,000.00
<b>Total</b>			<b>5,000,000,000.00</b>	<b>5,000,000,000.00</b>

(Continued)

Outstanding financial instruments	Decrease in the current year		End of the year	
	Quantity	Book value	Quantity	Book value
Perpetual bonds			5,000,000,000.00	5,000,000,000.00
<b>Total</b>			<b>5,000,000,000.00</b>	<b>5,000,000,000.00</b>

Note: On December 16, 2025, the Company issued perpetual bonds to its controlling shareholder, Panshi Runchuang (Shenzhen) Information Management Co., Ltd. According to the relevant contract, the aforementioned perpetual bonds have no definite maturity date, and the Company has the right to defer interest payments. At the same time, the Company has the sole discretion to redeem the perpetual bonds and has no contractual obligation to deliver cash or other financial assets. Therefore, they are recognized as other equity instruments.

#### 44. Capital reserves

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Other capital reserves	512,840,575.73	19,768,716.32	126,029,421.25	406,579,870.80
<b>Total</b>	<b>512,840,575.73</b>	<b>19,768,716.32</b>	<b>126,029,421.25</b>	<b>406,579,870.80</b>

Note: The reasons for the increase and decrease in capital reserves - other capital reserves for the current year are as follows:

- ① The conversion of the originally listed long-term equity investment (Wuhan Tianyuan Group Co., Ltd.) to financial assets held for trading resulted in a decrease in other capital reserves of RMB 126,029,421.25 due to the change in accounting method;
- ② The equity incentives of the associate Chongqing Ypfun Technology Co., Ltd. resulted in an increase in other capital reserves of RMB 301,193.49;
- ③ The deregistration of the associate E3info (Hainan) Technology Co., Ltd. resulted in an increase of RMB 1,508,471.59 in other capital reserves;
- ④ The capital increase and share expansion of the associate Hefei Kangxinwei Storage Technology Co., Ltd. by introducing strategic investors resulted in an increase of RMB 17,959,051.24 in other capital reserves.

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#### 45. Other comprehensive income

Item	Beginning Balance	Amount incurred in the current year						End of the year Balance
		Amount incurred before income tax	Less: Amount recognized as other comprehensive income in the previous period and transferred to gains/losses in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to gains/losses	-6,398,878.20	-5,901,121.80				-5,901,121.80		-12,300,000.00
Including: Changes in fair value of other equity instrument investments	-6,398,878.20	-5,901,121.80				-5,901,121.80		-12,300,000.00
II. Other comprehensive income reclassified to gains/losses	-2,641,412.12	26,638,229.86				13,075,019.21	13,563,210.65	10,433,607.09
Including: Other comprehensive income that can be transferred to gains/losses under the equity method	-2,192,546.02	1,776,376.21				1,776,376.21		-416,169.81

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Item	Beginning Balance	Amount incurred in the current year						End of the year Balance
		Amount incurred before income tax	Less: Amount recognized as other comprehensive income in the previous period and transferred to gains/losses in the Reporting Period	Less: Amount recognized 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	
Translation differences of foreign currency financial statements	-448,866.10	24,861,853.65				11,298,643.00	13,563,210.65	10,849,776.90
<b>Total of other comprehensive income</b>	<b>-9,040,290.32</b>	<b>20,737,108.06</b>				<b>7,173,897.41</b>	<b>13,563,210.65</b>	<b>-1,866,392.91</b>

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#### 46. Specific reserve

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Safety production fund	11,249,678.53	7,743,491.96	1,796,025.87	17,197,144.62
<b>Total</b>	<b>11,249,678.53</b>	<b>7,743,491.96</b>	<b>1,796,025.87</b>	<b>17,197,144.62</b>

#### 47. Surplus reserves

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Statutory surplus reserve	1,005,961,774.19			1,005,961,774.19
Discretionary surplus reserve	238,218,590.05			238,218,590.05
<b>Total</b>	<b>1,244,180,364.24</b>			<b>1,244,180,364.24</b>

#### 48. Retained earnings

Item	The current year	Last year
Undistributed profit at the end of last year before adjustment	-1,797,506,898.08	1,474,561,975.85
Adjustment to total undistributed profits at the beginning of the year (+ for increase and - for decrease)	-777,201,329.82	-347,232,776.81
Including: retroactive adjustment to the Accounting Standards for Business Enterprises and relevant new regulations		
Change in accounting policies		
Correction of significant prior period errors	-777,201,329.82	-347,232,776.81
Changes in the scope of consolidation under common control		
Adjusted undistributed profit at the beginning of the year	<b>-2,574,708,227.90</b>	<b>1,127,329,199.04</b>
Add: Net profit attributable to owners of the parent company in the current year	-12,582,399,856.80	-3,725,557,221.78
Others		23,519,794.84
Loss offset by surplus reserves		
Capital reserves used to offset losses		
Less: Appropriation of statutory surplus reserve		
Appropriation of discretionary surplus reserve		
Appropriation to general risk reserves		
Ordinary share dividends payable		
Ordinary share dividends transferred to capital stock		
<b>Ending balance of the current year</b>	<b>-15,157,108,084.70</b>	<b>-2,574,708,227.90</b>

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## 49. Operating revenue and cost of sales

### (1) Operating revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal activity	9,222,377,316.60	8,993,917,477.41	10,417,600,703.11	10,306,208,764.64
Other	613,097,599.93	436,800,440.79	697,163,266.48	555,615,226.55
<b>Total</b>	<b>9,835,474,916.53</b>	<b>9,430,717,918.20</b>	<b>11,114,763,969.59</b>	<b>10,861,823,991.19</b>

### (2) Information on the breakdown of operating revenue and cost of sales

Category of contracts	Amount incurred in the current year		Amount incurred last year	
	Operating Revenue	Cost of sales	Operating Revenue	Cost of sales
Business type				
Including: Colour TV business	4,192,163,402.41	4,280,594,033.28	5,027,758,205.02	5,238,743,506.77
White goods business	3,815,259,215.10	3,605,987,282.66	4,127,243,310.93	3,837,066,870.14
PCB business	529,852,068.40	484,651,274.02	480,868,974.92	428,530,129.53
Semiconductor and memory chip business	162,222,125.34	176,738,680.35	170,202,408.61	256,853,882.82
Other	1,135,978,105.28	882,746,647.89	1,308,691,070.11	1,100,629,601.93
<b>Total</b>	<b>9,835,474,916.53</b>	<b>9,430,717,918.20</b>	<b>11,114,763,969.59</b>	<b>10,861,823,991.19</b>
Classified by operating region				
Of which: Domestic	6,753,418,875.25	6,471,030,228.87	7,903,700,862.49	7,725,612,592.83
Overseas	3,082,056,041.28	2,959,687,689.33	3,211,063,107.10	3,136,211,398.36
<b>Total</b>	<b>9,835,474,916.53</b>	<b>9,430,717,918.20</b>	<b>11,114,763,969.59</b>	<b>10,861,823,991.19</b>

### (3) Information in relation to the transaction price apportioned to the residual contract performance obligation

At the end of the current year, the revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fully performed is RMB 474,728,784.63, of which RMB 439,643,788.42 is expected to be recognized as revenue in 2026, RMB 25,750,507.96 is expected to be recognized in 2027, and RMB 9,334,488.25 is expected to be recognized in 2028 and later years.

## 50. Taxes and surcharges

Item	Amount incurred in the current year	Amount incurred last year
Property tax	45,555,795.92	46,155,747.46
Stamp duty	28,182,133.01	39,993,676.00

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Item	Amount incurred in the current year	Amount incurred last year
Land use tax	17,603,998.17	19,447,128.15
Land value increment tax	8,090,412.22	4,601,595.90
Urban maintenance and construction tax	6,194,307.57	8,067,589.84
Education surcharge	2,873,255.31	3,697,149.73
Local education surcharge	1,920,673.28	2,464,766.48
Water conservancy fund	786,979.37	925,768.34
Others	269,037.22	603,913.09
<b>Total</b>	<b>111,476,592.07</b>	<b>125,957,334.99</b>

### 51. Selling expenses

Item	Amount incurred in the current year	Amount incurred last year
Employee compensation	306,011,654.51	346,592,018.83
Promotional activities expenses	90,063,910.51	142,882,509.25
Advertising expenses	76,765,634.35	107,677,304.60
Logistics expenses	55,201,268.85	69,134,847.32
Agency commissions	26,086,639.29	5,470,657.32
Travel expenses	17,341,756.89	21,923,991.20
Market service fees	16,481,201.63	10,848,646.14
Insurance expenses	10,323,067.04	10,893,622.99
Depreciation of fixed assets	9,996,730.17	5,636,281.47
Others	38,947,205.23	53,238,157.75
<b>Total</b>	<b>647,219,068.47</b>	<b>774,298,036.87</b>

### 52. Administrative expenses

Item	Amount incurred in the current year	Amount incurred last year
Employee compensation	276,527,007.66	314,459,207.37
Depreciation expenses	198,768,764.61	215,615,082.76
Intermediary fees	23,695,009.51	37,100,613.46
Water and electricity expenses	12,935,695.59	12,036,310.67
Travel expenses	4,568,062.61	7,023,438.59
Loss on scrapping of inventories	1,841,100.79	3,905,406.48
Others	45,835,197.23	61,807,774.13
<b>Total</b>	<b>564,170,838.00</b>	<b>651,947,833.46</b>

### 53. R&D expense

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Item	Amount incurred in the current year	Amount incurred last year
Salary	200,826,276.67	226,287,518.69
Depreciation and amortization expenses	116,768,922.25	105,315,963.39
New product trial production expense	17,187,524.66	18,169,936.41
Material expense	6,034,945.14	3,315,736.07
Patent fee	2,156,329.48	20,011,198.25
Testing expense	1,599,584.39	3,046,117.93
Others	41,532,254.37	40,259,369.60
<b>Total</b>	<b>386,105,836.96</b>	<b>416,405,840.34</b>

#### 54. Finance costs

Item	Amount incurred in the current year	Amount incurred last year
Interest expense	871,624,731.68	953,199,337.05
Less: Interest income	134,366,718.80	215,619,251.81
Add: Exchange loss	45,235,956.80	-51,329,032.40
Other expenses	21,722,964.21	28,736,033.40
<b>Total</b>	<b>804,216,933.89</b>	<b>714,987,086.24</b>

#### 55. Other income

Sources of other income	Amount incurred in the current year	Amount incurred last year
Transfer of deferred income	37,201,156.10	42,154,230.53
Tax rebates on software	14,455,781.19	4,681,629.92
Support funds	9,435,900.00	14,923,388.00
Rewards and subsidies	9,107,772.06	34,231,995.98
Subsidies for L/C exports	2,876,243.00	1,250,714.67
Tax and fee reductions	2,423,581.02	10,191,356.70
Post subsidies	1,585,184.87	1,895,971.87
Others	-621,266,163.24	1,271,022.45
<b>Total</b>	<b>-544,180,545.00</b>	<b>110,600,310.12</b>

#### 56. Income from changes in fair value

Sources of gains from changes in the fair value	Amount incurred in the current year	Amount incurred last year
Financial assets measured at fair value through current gains/losses	-460,420,971.18	-267,484,270.45
Estimated contingent consideration		-95,523,883.70

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Sources of gains from changes in the fair value	Amount incurred in the current year	Amount incurred last year
<b>Total</b>	<b>-460,420,971.18</b>	<b>-363,008,154.15</b>

### 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	-379,192,413.39	-134,541,620.49
Return on investment arising from the disposal of long-term equity investments	-60,235.73	101,946,531.33
Investment income from financial assets held for trading during the holding period	420,553.86	4,240,444.62
Investment income from disposal of financial assets measured at fair value with changes included in current gains/losses	-1,807,577.63	-26,511,417.25
Interest income from debt investments during the holding period	5,860,451.37	19,239,106.21
Income from the derecognition of financial assets at amortized cost	-3,484,892.68	-4,519,585.64
Gains from debt restructuring		-459,737.22
Conversion of long-term equity investments accounted for by the equity method to financial assets	655,666,680.89	
Gains from remeasurement of residual equity at fair value after losing control		
Others		
<b>Total</b>	<b>277,402,566.69</b>	<b>-40,606,278.44</b>

### 58. Credit impairment loss

Item	Amount incurred in the current year	Amount incurred last year
Bad debt loss of notes receivable	-97,525.15	-130,021.70
Bad debt loss of accounts receivable	-53,871,543.82	-125,736,732.85
Bad debt loss of other accounts receivable	-1,466,630,164.43	-280,100,956.11
<b>Total</b>	<b>-1,520,599,233.40</b>	<b>-405,967,710.66</b>

### 59. Asset impairment loss

Item	Amount incurred in the current year	Amount incurred last year
Impairment loss of long-term equity investments	-3,175,620,107.46	-516,085,087.12
Inventory depreciation loss and contract fulfillment cost impairment loss	-749,200,712.14	-445,305,312.35
Provision for impairment of investment property	-643,642,921.78	
Provision for impairment of other non-current assets	-517,841,855.90	

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Item	Amount incurred in the current year	Amount incurred last year
Impairment loss of construction in progress	-375,338,959.82	-17,000,002.50
Impairment loss on fixed assets	-404,775,609.37	-20,834,518.11
Impairment loss on intangible assets	-169,238,097.51	
Provision for impairment of other current assets	-118,264,443.38	
Provision for goodwill impairment	-22,196,735.11	
Contract asset impairment loss	-64,865.73	-191,314.13
<b>Total</b>	<b>-6,176,184,308.20</b>	<b>-999,416,234.21</b>

### 60. Gains from disposal of assets

Item	The current year Amount	Last year Amount
Gains on disposal of non-current assets	24,500,775.05	13,572,230.63
Including: gains on disposal of non-current assets not classified as held for sale	24,500,775.05	13,572,230.63
Including: gains on disposal of fixed assets	23,893,960.39	12,323,105.39
Gains on disposal of intangible assets		660,377.36
Gains/losses on disposal of right-of-use assets	606,814.66	537,251.48
Others		51,496.40
<b>Total</b>	<b>24,500,775.05</b>	<b>13,572,230.63</b>

### 61. Non-operating revenue

Item	Amount incurred in the current year	Amount incurred last year	Amount recorded into the non-recurring gains/losses of the current year
Income from compensation, fines and liquidated damages	9,290,317.11	19,309,630.18	9,290,317.11
Write-off of current accounts	8,682,318.14	12,321,231.59	8,682,318.14
Non-current assets damage and retirement gains	271,611.84	7,381.77	271,611.84
Others	4,809,048.67	4,863,863.75	4,809,048.67
<b>Total</b>	<b>23,053,295.76</b>	<b>36,502,107.29</b>	<b>23,053,295.76</b>

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## 62. Non-operating expenses

Item	Amount of the current year	Amount of last year	Amount recorded into the non-recurring gains/losses of the current year
Estimated guarantee losses	396,756,575.84		396,756,575.84
Compensation expenses	11,997,239.95	5,087,299.42	11,997,239.95
Losses on damage and scrapping of non-current assets	2,942,707.01	14,433,649.96	2,942,707.01
Performance compensation		69,755,761.30	
Others	47,816,349.69	76,298,404.02	47,816,349.69
<b>Total</b>	<b>459,512,872.49</b>	<b>165,575,114.70</b>	<b>459,512,872.49</b>

## 63. Income tax expense

### (1) Income tax expense

Item	Amount incurred in the current year	Amount incurred last year
Income tax expenses in the current year	26,859,038.83	86,944,638.50
Deferred income tax expenses	1,266,380,917.19	-17,392,309.50
<b>Total</b>	<b>1,293,239,956.02</b>	<b>69,552,329.00</b>

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

Item	Amount incurred in the current year
Total consolidated profit in the current year	-10,944,373,563.83
Income tax expenses calculated at legal/applicable tax rate	-2,736,093,390.96
Impact of different tax rates applied by subsidiaries	318,300,135.41
Impact of adjustment of prior period income tax	-20,610.95
Impact of non-taxable income	9,977,787.88
Impact of non-deductible costs, expenses, and losses	4,052,515.16
Impact of using deductible losses on the deferred tax assets not recognized previously	
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognized in the current year	3,728,909,448.52
Changes in the opening balance of deferred tax assets/liabilities due to adjustment of tax rate	
Others	-31,885,929.04
Income tax expense	1,293,239,956.02

## 64. Other comprehensive income

For details, please refer to Note VI.45 "Other comprehensive income" of these notes.

## 65. Items in the cash flow statement

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## (1) Cash related to operating activities

### 1) Cash received from other operating activities

Item	Amount incurred in the current year	Amount incurred last year
Intercompany payments	104,928,846.18	99,175,088.89
Income from government grants	104,405,766.26	91,084,949.55
Deposits and security deposits received	87,452,563.95	123,926,037.77
Interest income from bank deposits	24,204,831.04	66,117,530.26
Compensation and penalty income	7,937,687.17	20,552,157.49
Others	46,197,994.79	63,901,195.67
<b>Total</b>	<b>375,127,689.39</b>	<b>464,756,959.63</b>

### 2) Cash paid for other operating activities

Item	Amount incurred in the current year	Amount incurred last year
Cash expenses	473,451,116.19	803,310,338.17
Deposit and margin	204,978,244.69	120,837,849.81
Bank service charges	2,746,666.56	4,474,661.97
Payments made on behalf	28,616.88	397,101.66
Others	73,385,553.13	72,308,452.14
<b>Total</b>	<b>754,590,197.45</b>	<b>1,001,328,403.75</b>

## (2) Cash related to investing activities

### 1) Cash received from other investing activities

Item	Amount incurred in the current year	Amount incurred last year
Recovery of interfund lending	6,615,000.00	10,535,206.45
Others	31,007,486.48	176,130,622.69
<b>Total</b>	<b>37,622,486.48</b>	<b>186,665,829.14</b>

### 2) Cash paid for other investing activities

Item	Amount incurred in the current year	Amount incurred last year
Payment of interfund lending		100,000,000.00
Cash paid for disposal of subsidiaries	3,969,969.81	
Others	21,481,193.45	34,327,401.00
<b>Total</b>	<b>25,451,163.26</b>	<b>134,327,401.00</b>

## (3) Cash related to financing activities

### 1) Cash received from other financing activities

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Item	Amount incurred in the current year	Amount incurred last year
Receipt of interfund lending	3,174,680,000.00	
Recovery of pledged margin deposits	2,064,913,851.73	898,936,642.13
Others	162,919.46	
<b>Total</b>	<b>5,239,756,771.19</b>	<b>898,936,642.13</b>

## 2) Cash paid for other financing activities

Item	Amount incurred in the current year	Amount incurred last year
Margin deposits for pledge	1,934,866,839.47	1,608,682,236.20
Repayment of interfund lending	1,023,259,856.14	18,099,962.83
Cash paid for leases	43,948,994.20	29,886,200.09
Financing expenses	18,890,693.71	26,001,127.56
Others	3,423,714.89	4,300,049.48
<b>Total</b>	<b>3,024,390,098.41</b>	<b>1,686,969,576.16</b>

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### 3) Changes in liabilities arising from financing activities

Item	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Non-current liabilities maturing within one year	6,655,534,395.19		3,633,511,824.98	6,613,744,304.62	24,461,300.34	3,650,840,615.21
Short-term borrowings	5,741,171,468.26	5,863,443,113.20	176,137,247.72	7,204,836,276.52		4,575,915,552.66
Long-term borrowings	5,530,649,801.93	5,416,321,326.09	295,276,722.54	3,140,954,568.38	1,563,366,544.64	6,537,926,737.54
Bonds payable	2,295,193,501.05	1,196,160,000.00	163,806,043.84	61,229,442.31	1,997,255,226.21	1,596,674,876.37
Lease liabilities	146,561,588.52		19,596,281.76	5,852,280.02	63,446,621.51	96,858,968.75
Long-term payables	5,504,548.24		729,327.57	3,965,960.17	234,688.62	2,033,227.02
<b>Total</b>	<b>20,374,615,303.19</b>	<b>12,475,924,439.29</b>	<b>4,289,057,448.41</b>	<b>17,030,582,832.02</b>	<b>3,648,764,381.32</b>	<b>16,460,249,977.55</b>

#### (4) Notes to cash flows expressed in net amount

No cash flows were presented on a net basis in the current year.

#### (5) Significant activities and financial impacts that do not involve current cash receipts and payments, but affect the financial position of the enterprise or may affect the cash flows in the future

Item	Amount incurred in the current year
Payment for materials made by endorsement of notes receivable	1,556,029,208.45
Acquisition of long-term assets by endorsement of notes receivable	84,064,414.22
Other payments made by endorsement of notes receivable	177,588,227.57
<b>Total</b>	<b>1,817,681,850.24</b>

### 66. Supplementary data on the cash flow statement

#### (1) Supplementary information to the statement of cash flows

Item	Amount of the current year	Amount of last year
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>	—	—
Net Profit	-12,237,613,519.85	-4,314,107,326.62
Add: Provision for asset impairment	6,176,184,308.20	999,416,234.21
Credit impairment loss	1,520,599,233.40	405,967,710.66
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	444,245,049.90	460,489,835.67
Depreciation of right-of-use assets	51,319,518.68	55,180,501.65
Amortization of intangible assets	51,918,344.43	53,255,782.40
Amortization of long-term prepaid expenses	175,961,821.53	140,922,010.97
Losses on disposal of fixed assets, intangible assets and other long-lived assets ("-" indicates income)	-24,500,775.05	-13,572,230.63
Losses on scrap of fixed assets ("-" indicates income)	2,671,095.17	14,426,268.19
Losses on changes in fair value ("-" indicates income)	460,420,971.18	363,008,154.15
Finance costs ("-" indicates income)	806,202,443.42	884,664,729.30
Investment loss ("-" indicates income)	-277,402,566.69	40,606,278.44
Decrease in deferred tax assets ("-" indicates increase)	1,285,245,746.24	34,334,680.29
Increase in deferred income tax liabilities ("-" indicates decrease)	-18,824,120.68	-51,726,989.79
Decrease in inventories ("-" indicates increase)	289,318,178.99	-123,830,950.55

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Item	Amount of the current year	Amount of last year
Decrease in accounts receivable generated from operating activities ("-" indicates increase)	87,769,220.84	574,731,714.03
Increase in accounts payable used in operating activities ("-" indicates decrease)	-367,599,629.08	692,276,671.15
Others	-36,915,441.82	-42,154,230.53
Net cash generated from/used in operating activities	-1,611,000,121.19	173,888,842.99
<b>2. Significant investment and financing activities not involving cash:</b>		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Balance of cash at the end of the year	5,020,469,510.26	2,783,177,476.45
Less: Beginning balance of cash	2,783,177,476.45	5,674,784,349.55
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	2,237,292,033.81	-2,891,606,873.10

## (2) Supplier financing arrangements

### ① Terms and conditions of supplier finance arrangements

The Group entered into agreements with banks and financial institutions, under which qualified suppliers approved by the Group can assign their eligible accounts receivable from the Group to the banks. The Group fulfills its unconditional payment obligation when the payables become due.

### ② Balance Sheet Presentation Items and Related Information (Unit: RMB 10,000)

Line items	Ending balance
Accounts payable	75.35
Of which: Amount received by suppliers	75.35
<b>Total</b>	<b>75.35</b>

### ③ Maturity date ranges of payments

Line items	Ending
Liabilities under the arrangements	360-365 days after the date of issuance
Comparable accounts payable not under the arrangements	-

### ④ Changes in the current period not involving cash receipts and payments

The changes in the Company's aforementioned financial liabilities were not affected by business combinations or exchange rate fluctuations.

**(3) Net cash paid for the acquisition of subsidiaries in the current year**

There was no net cash paid for the acquisition of subsidiaries in the current year.

**(4) Net cash received from the disposal of subsidiaries in the current year**

There was no net cash received from disposal of subsidiaries in the current year.

**(5) Breakdowns of cash and cash equivalents**

Item	Ending balance	Beginning balance
Cash	5,020,469,510.26	2,783,177,476.45
Including: Cash on hand		208.19
Bank deposits available for payment at any time	5,015,971,489.92	2,779,974,224.23
Other monetary funds available for payment at any time	4,498,020.34	3,203,044.03
Balance of cash and cash equivalents at the end of the year	5,020,469,510.26	2,783,177,476.45

**(6) Limited use but still presented as cash and cash equivalents**

Item	Amount of the current year	Amount of last year	Reasons for classifying the funds as cash and cash equivalents
Project loan proceeds	19,476,498.98	38,316,138.97	The proceeds can be used at any time to make payments, and such payments can only be made for projects
Project pre-sale funds	17,245,802.22	24,054,347.29	The proceeds can be used at any time to make payments, and such payments can only be made for projects
<b>Total</b>	<b>36,722,301.20</b>	<b>62,370,486.26</b>	—

**(7) Monetary funds not classified as cash and cash equivalents**

Item	Amount of the current year	Amount of last year	Reasons for not classifying the funds as cash and cash equivalents
Time deposits	612,670,635.63	567,478,893.23	Pledged as collateral for borrowings
Deposit margin	525,901,180.93	556,608,881.87	Pledged for borrowings or deposit for issuance of bank acceptance bills
Frozen funds	154,900,558.23	208,501,996.18	Not readily available for payment
<b>Total</b>	<b>1,293,472,374.79</b>	<b>1,332,589,771.28</b>	—

**67. 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.

**68. Foreign currency monetary items**

**(1) Foreign currency monetary items**

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Item	Year-end foreign currency balance	Exchange rate	Year-end balance denominated in RMB
Monetary funds	—	—	
Including: USD	27,663,141.48	7.02880	194,438,688.83
EUR	1,354,479.22	8.25498	11,181,198.87
EGP	7,680,868.79	0.14729	1,131,315.16
GBP	1.32	9.46484	12.49
HKD	1,983,191.10	0.90322	1,791,257.87
CAD	6.96	5.13345	35.73
PLN	1,990,983.02	1.95511	3,892,590.81
Accounts receivable	—	—	
Including: USD	87,163,632.40	7.02880	612,655,739.41
EUR	90,388.77	8.25498	746,157.49
EGP		0.14729	
HKD	1,077,432.71	0.90322	973,158.77
AUD	49,764.00	4.70569	234,173.96
Other receivables	—	—	
Including: USD	110,851,224.81	7.02880	779,151,088.94
EGP	108,000.00	0.14729	15,907.32
HKD	760,190.76	0.90322	686,619.50
JPY	21,400,000.00	0.04494	961,805.88
Accounts payable	—	—	
Including: USD	5,589,778.90	7.02880	39,289,437.93
EUR	42,072.24	8.25498	347,305.50
EGP	30,620,358.59	0.14729	4,510,072.62
HKD	14,248.91	0.90322	12,869.90
Other payables	—	—	
Including: USD	3,108,148.44	7.02880	21,846,553.76
EUR	103,562.95	8.25498	854,910.08
EGP	498,014.80	0.14729	73,352.60
HKD	14,616,606.82	0.90322	13,202,011.61

## (2) Overseas operating entities

The significant overseas entities include Konka Trading, Hong Kong Konka, Zhongkang Storage, Kangjet, Jiali International, and Xinying Semiconductor (Hong Kong). The main

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overseas operating place is Hong Kong. The Company's recording currency is HKD since the main currency in circulation in Hong Kong is HKD.

## VII. R&D expendit

Item	Amount incurred in the current year	Amount incurred last year
Salary	200,826,276.67	226,287,518.69
Depreciation and amortization expenses	116,768,922.25	105,315,963.39
New product trial production expense	2,156,329.48	20,011,198.25
Material expense	17,187,524.66	18,169,936.41
Patent fee	1,599,584.39	3,046,117.93
Testing expense	6,034,945.14	3,315,736.07
Others	41,532,254.37	40,259,369.60
<b>Total</b>	<b>386,105,836.96</b>	<b>416,405,840.34</b>
Including: Expensed R&D expenditure	386,105,836.96	416,405,840.34
Capitalized R&D expenditure		

## VIII. Changes in the scope of consolidation

### 1. Business combinations not under common control

The Company had no combinations of businesses not under common control in the current period.

### 2. Business combinations under common control

The Company had no business combinations under common control in the current period.

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### 3. Disposal of subsidiaries

#### (1) Transactions or events resulting in loss of control over subsidiaries during the year

Subsidiaries Name	Disposal consideration at the point of loss of control	Disposal ratio at the point of loss of control	Disposal method at the point of loss of control	Point of loss of control	Basis for determining the point of loss of control	The difference between the disposal proceeds and the carrying amount of the share of net assets of the subsidiary attributable to the disposed investment at the consolidated financial statements level	Proportion of remaining equity on the date of loss of control	Book value of the remaining equity at the consolidated financial statement level on the date of loss of control	Fair value of the remaining equity at the consolidated financial statement level on the date of loss of control	Gain or loss arising from remeasuring the remaining equity at fair value	Method and main assumptions for determining the fair value of the remaining equity at the consolidated financial statement level on the date of loss of control	Amount of other comprehensive income related to the original equity investment in the subsidiary transferred to investment gains/losses or retained earnings
Kangrong Jiayuan	4,221,401.00	41.00	Transfer	2025/5/9	All rights and obligations related to the target equity have been transferred	212,859.38	10.00	977,693.08	1,029,610.00	51,916.92	Appraised price	-

**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 deregistered or reduced in the current year**

No subsidiaries were deregistered in the current year.

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## IX. Equity in other entities

### 1. Interest in subsidiary

#### (1) Compositions of the Group

No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
1	Konka Venture	Guangdong, Shenzhen	Guangdong, Shenzhen	Enterprise management consulting, incubation management, housing leasing, etc.	51		Establishment or investment
2	Yantai Konka	Yantai, Shandong	Yantai, Shandong	Other professional consulting and investigation		51	Establishment or investment
3	Konka Enterprise Service	Guiyang, Guizhou	Guiyang, Guizhou	Enterprise management consulting		51	Establishment or investment
4	Yibin Konka Incubator	Sichuan, Yibin	Sichuan, Yibin	Commercial services		51	Establishment or investment
5	Anhui Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	78		Establishment or investment
6	Kangzhi Trade	Chuzhou, Anhui	Chuzhou, Anhui	Wholesale		78	Establishment or investment
7	Konka Electronic Material	Guangdong, Shenzhen	Guangdong, Shenzhen	Other science and technology promotion services	100		Establishment or investment
8	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
9	Jiali International	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment
10	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing	75	25	Establishment or investment
11	Suining Konka Intelligent	Suining, Sichuan	Suining, Sichuan	Wholesale		100	Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
12	Konka Europe	Germany, Frankfurt	Germany, Frankfurt	International trade	100		Establishment or investment
13	Telecommunication Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing	75	25	Establishment or investment
14	Hong Kong Konka Communications	Hong Kong, China	Hong Kong, China	Commerce		100	Establishment or investment
15	Development of science and technology industry	Guangdong, Shenzhen	Guangdong, Shenzhen	Commerce	100		Establishment or investment
16	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing		100	Establishment or investment
17	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Manufacturing		100	Establishment or investment
18	Anhui Tongchuang	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	100		Establishment or investment
19	Anhui Electrical Appliance	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		51	Establishment or investment
20	Frestec Refrigeration	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business Combinations Not Under Common Control
21	Frestec Smart Home	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Establishment or investment
22	Frestec Electrical Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business Combinations Not Under Common Control
23	Frestec Household	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
	Appliances						Combinations Not Under Common Control
24	Jiangsu Konka Smart	Changzhou, Jiangsu	Changzhou, Jiangsu	Manufacturing		51	Establishment or investment
25	Konka Communication	Hebei, Shijiazhuang	Hebei, Shijiazhuang	Trade and services	100		Establishment or investment
26	Pengrun Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
27	Jiaxin Technology	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment
28	Beijing Konka Electronics	Hebei, Langfang	Hebei, Langfang	Home appliance sales	100		Establishment or investment
29	Tianjin Konka	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service industry		100	Establishment or investment
30	Konka Circuit	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing	100		Establishment or investment
31	Bokang Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing		100	Establishment or investment
32	Hong Kong Konka	Hong Kong, China	Hong Kong, China	International trade	100		Establishment or investment
33	Kangdian Investment	Hong Kong, China	Hong Kong, China	Investment holding		100	Establishment or investment
34	Zhongkang Storage Technology	Hong Kong, China	Hong Kong, China	International trade		51	Establishment or investment
35	Zhongkang Semiconductor	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Trade and services		51	Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
	(Shaoxing)						
36	Kangjet	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment
37	Kangdian Trading	Hong Kong, China	Hong Kong, China	International trade		100	Establishment or investment
38	Kanghao Technology	Cairo, Egypt	Cairo, Egypt	International trade		67	Establishment or investment
39	Konka North America	USA, California	USA, California	International trade		100	Establishment or investment
40	Konka Investment	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services	100		Establishment or investment
41	Yibin Konka Industrial Park	Sichuan, Yibin	Sichuan, Yibin	Industrial park development, construction and operation management		100	Establishment or investment
42	Konka Capital	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services		100	Establishment or investment
43	Konka Suiyong	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
44	Shengxing Industrial	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
45	Zhitong Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		51	Establishment or investment
46	Electronics Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing	100		Establishment or investment
47	Shenzhen Kangcheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
48	Xiaojia Technology	Guangdong,	Guangdong,	Retail trade		100	Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
		Shenzhen	Shenzhen				investment
49	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Trade and services		100	Establishment or investment
50	Chengdu Electronics Konka	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing		100	Establishment or investment
51	Xingda Hongye	Guangdong, Zhongshan	Guangdong, Zhongshan	Manufacturing		51	Business Combinations Not Under Common Control
52	Liaoyang Intelligent Kangshun	Liaoning, Liaoyang	Liaoning, Liaoyang	Wholesale		100	Establishment or investment
53	Liaoyang Renewable Kangshun	Liaoning, Liaoyang	Liaoning, Liaoyang	Comprehensive utilization of renewable resources		100	Establishment or investment
54	Nanjing Konka	Nanjing, Jiangsu	Nanjing, Jiangsu	Wholesale		100	Establishment or investment
55	Shanghai Konka	Shanghai	Shanghai	Real estate industry	100		Establishment or investment
56	Yantai Kangjin	Yantai, Shandong	Yantai, Shandong	Real estate industry		62.8	Establishment or investment
57	Jiangxi Konka	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing	51		Business Combinations Not Under Common Control
58	Xinfeng Microcrystal	Nanchang, Jiangxi	Nanchang, Jiangxi	Manufacturing and processing		51	Business Combinations Not Under Common Control

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
59	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
60	Shenzhen Konka Semiconductor	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductor	100		Establishment or investment
61	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment
62	Ji'an Konka	Ji'an, Jiangxi	Ji'an, Jiangxi	Commercial services	51		Establishment or investment
63	Suining Konka Industrial Park	Suining, Sichuan	Suining, Sichuan	Industrial park development, construction and operation management	100		Establishment or investment
64	Suining Electronic Technology Innovation	Suining, Sichuan	Suining, Sichuan	Commercial services	100		Establishment or investment
65	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
66	Chongqing Optoelectronic Technology	Chongqing	Chongqing	Research and experimental development	70	5	Establishment or investment
67	Xinying Semiconductor	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
68	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
69	Nanjing Konka Smart	Nanjing, Jiangsu	Nanjing, Jiangsu	Science and technology promotion and application services	51		Establishment or investment
70	Ningbo Kanghanrui Electric Appliances	Ningbo, Zhejiang	Ningbo, Zhejiang	Electrical machinery and equipment manufacturing	60		Establishment or investment
71	Suining Jiarun Property	Suining, Sichuan	Suining, Sichuan	Real estate industry	100		Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
72	Yibin Kangrun	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services	67		Establishment or investment
73	Hainan Konka Technology	Haikou, Hainan	Haikou, Hainan	Commercial services	100		Establishment or investment
74	Jiangxi High Transparent Substrate	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing		51	Business Combinations Not Under Common Control
75	Nantong Kangdian	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
76	Chuzhou Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		94.9	Establishment or investment
77	Konka Flexible Electronics	Suining, Sichuan	Suining, Sichuan	Manufacturing		97.5	Establishment or investment
78	Kangjia Hongye Electronics	Suining, Sichuan	Suining, Sichuan	Manufacturing		95.05	Establishment or investment
79	Xinying Semiconductor (Hong Kong)	Hong Kong, China	Hong Kong, China	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
80	Konka Cross-border (Hebei)	Handan, Hebei	Handan, Hebei	Wholesale	100		Establishment or investment
81	Konka Central China	Changsha, Hunan	Changsha, Hunan	Commercial services	100		Establishment or investment
82	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
83	Shaanxi Konka Intelligent	Xi'an, Shaanxi	Xi'an, Shaanxi	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
84	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
85	Anlu Konka	Anlu, Hubei	Anlu, Hubei	Software and information technology services		100	Establishment or investment
86	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
87	Guizhou Konka New Material Technology	Qiannan Prefecture, Guizhou	Qiannan Prefecture, Guizhou	Manufacturing and processing		51	Establishment or investment
88	Shanxi Smart Home Appliance	Jincheng, Shanxi	Jincheng, Shanxi	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
89	Guizhou Kanggui Materials	Qiannan Prefecture, Guizhou	Qiannan Prefecture, Guizhou	Manufacturing and processing	70		Establishment or investment
90	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate industry	51		Establishment or investment
91	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate industry	80		Establishment or investment
92	Jiangxi Konka Technology Park	Shangrao, Jiangxi	Shangrao, Jiangxi	Commercial services	100		Establishment or investment
93	Shangrao Konka Electronic Technology Innovation	Shangrao, Jiangxi	Shangrao, Jiangxi	Research and experimental development	100		Establishment or investment
94	Zhejiang Konka Electronics	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Research and experimental development	100		Establishment or investment
95	Zhejiang Konka Technology Industries	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Commercial services	51	49	Establishment or investment

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No.	Name of subsidiary	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Acquisition method
					Direct	Indirect	
96	Xi'an Konka Intelligent	Xi'an, Shaanxi	Xi'an, Shaanxi	Wholesale		51	Establishment or investment
97	Xi'an Konka Network	Xi'an, Shaanxi	Xi'an, Shaanxi	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
98	Xi'an Kanghong Technology Industry	Xi'an, Shaanxi	Xi'an, Shaanxi	Commercial services	40	60	Establishment or investment
99	Xi'an Konka Intelligent Technology	Xi'an, Shaanxi	Xi'an, Shaanxi	Retail trade	100		Establishment or investment
100	Songyang Industry Operation	Lishui, Zhejiang	Lishui, Zhejiang	Software and information technology services		51	Establishment or investment
101	Kangyan Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
102	Songyang Konka Intelligent	Lishui, Zhejiang	Lishui, Zhejiang	Wholesale	100		Establishment or investment
103	Konka North China	Tianjin	Tianjin	Electrical machinery and equipment manufacturing	100		Establishment or investment
104	Digital technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment

## (2) Significant non-wholly-owned subsidiaries

Name of subsidiary	Shareholding of minority shareholders	Gains/losses attributable to minority shareholders in the current year	Dividends declared to be distributed to minority shareholders in the current year	Ending balance of minority shareholders' equities
Shaanxi Konka Intelligent	49.00%	-20,016,441.66		162,406,593.64

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### (3) Key financial information of significant non-wholly-owned subsidiaries

Name of subsidiary	Ending balance					
	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities
Shaanxi Konka Intelligent	726,253,447.73	547,389,728.20	1,273,643,175.93	643,226,943.87	298,974,204.21	942,201,148.08

(Continued)

Name of subsidiary	Beginning balance					
	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities
Shaanxi Konka Intelligent	523,431,034.77	560,221,880.91	1,083,652,915.68	423,606,123.36	288,250,518.71	711,856,642.07

(Continued)

Name of subsidiary	Amount incurred in the current year				Amount incurred last year			
	Operating Revenue	Net Profit	Total comprehensive income	Cash flows from operating activities	Operating Revenue	Net Profit	Total comprehensive income	Cash flows from operating activities
Shaanxi Konka Intelligent	307,282,044.08	- 40,849,880.93	-40,849,880.93	26,721,619.02	260,200,550.68	-24,414,126.47	-24,414,126.47	42,019,883.38

## 2. Equity in joint ventures or associates

### (1) Significant joint ventures or associates

Name of Joint Ventures or Associates	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Accounting Method for Investment in Joint Ventures or Associates
				Direct	Indirect	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	Investment Management		49.95	Equity Method
Shenzhen Jielunte Technology Co., Ltd.	Shenzhen	Shenzhen	Professional Equipment		42.79	Equity Method

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Name of Joint Ventures or Associates	Main Place of Business	Place of Registration	Nature of Business	Shareholding Percentage (%)		Accounting Method for Investment in Joint Ventures or Associates
				Direct	Indirect	
			Manufacturing			

## (2) Key financial information of significant associates

Item	Year-End Balance / Amount Incurred in Current Year		Beginning-of-Year Balance / Amount Incurred in Previous Year	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Current Assets	350,138,667.41	219,896,979.76	679,918,421.73	299,214,528.27
Including: Cash and Cash Equivalents	18,775,457.35	16,787,261.84	9,020,859.89	16,394,140.52
Non-Current Assets		381,156,956.39		385,578,306.45
Total Assets	350,138,667.41	601,053,936.15	679,918,421.73	684,792,834.72
Current Liabilities	20,026,785.45	280,946,973.50	10,026,785.45	310,050,065.52
Non-Current Liabilities		140,456,865.19		172,196,132.11
Total Liabilities	20,026,785.45	421,403,838.69	10,026,785.45	482,246,197.63
Total Net Assets	330,111,881.96	179,650,097.46	669,891,636.28	202,546,637.09
Including: Minority Interests		4,215,206.30		6,414,476.36
Equity Attributable to Shareholders of the Parent Company	330,111,881.96	175,434,891.16	669,891,636.28	196,132,160.73
Share of Net Assets Calculated Based on the Shareholding	164,890,885.04	75,068,589.93	334,610,872.32	83,924,951.58
Adjustments				
-- Goodwill				

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Item	Year-End Balance / Amount Incurred in Current Year		Beginning-of-Year Balance / Amount Incurred in Previous Year	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
-- Unrealized Profit on Internal Transactions				
-- Others				
Book value of equity investments in associated enterprises	164,890,885.04	80,165,191.30	334,610,872.32	89,059,544.64
Fair value of equity investments in associates with publicly quoted prices				
Operating Revenue		350,072,893.86		453,598,821.35
Finance costs	-46,291.23	10,056,355.95	-124,906.64	5,643,459.99
Income tax expense		4,961,196.48		6,482,111.17
Net Profit	-339,771,443.55	-22,867,630.96	3,192,911.59	-15,630,059.79
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	-339,771,443.55	-22,867,630.96	3,192,911.59	-15,630,059.79
Dividend received from associates in the current year				

### (3) Summarized financial insignificant of unimportant joint ventures and associates

Item	Amount incurred at the end of the year/in the current year	Amount incurred at the beginning of the year/in last year
<b>Associates</b>	—	—
Total book value of investments	1,780,982,080.65	4,304,690,436.53
The total of following items according to the shareholding proportions	—	—
--Net profit	-130,602,308.23	-127,981,842.74
--Other comprehensive income	1,707,518.13	-115,491.69
--Total comprehensive income	-128,894,790.10	-128,097,334.43

## X. Government grants

### 1. Liability items involving government grants

Account title	Beginning balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount transferred to other income in the current year
Deferred income	393,437,007.37	72,028,772.87		37,201,156.10

(Continued)

Account title	Other changes in the current year	Ending balance	Related to assets/income
Deferred income	-20,088,828.63	408,175,795.51	Related to assets/income

### 2. Government grants recognized as current gains/losses

Account title	Amount incurred in the current year	Amount incurred last year
Other income	-547,216,758.04	99,292,763.50
Finance costs	287,168.96	10,040,000.00

Remarks: Konka Hongye Electronics received a loan interest subsidy of RMB 287,168.96 in the current year, which directly offset the interest expenses in the current finance costs.

## XI. Risks related to financial instruments

The Group's main financial instruments include borrowings, accounts receivable, accounts payable, trading financial assets, equity instrument investments, 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 risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risk on the Group's operating performance, and maximize the interests of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Group's risk management is determining and analyzing the various risks faced by the Group, setting up the bottom line of risk and conducting appropriate risk management, and timely supervising various risks in a reliable way and controlling the risk within the range of limit.

### (1) Market risk

#### 1) 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 Benelux International Limited, 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 December 31, 2025, 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	December 31, 2025	December 31, 2024
Monetary funds	27,663,141.48	47,765,558.32
Accounts receivable	87,163,632.40	86,994,147.59
Other receivables	110,851,224.81	108,431,901.40
Accounts payable	5,589,778.90	5,367,446.58
Other payables	3,108,148.44	3,708,173.01

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 December 31, 2025, the balance of such short-term borrowings was RMB 4,575,915,552.66.

## **(2) Credit risk**

As of December 31, 2025, 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 book amount of the financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects its risk exposure, but it is not the maximum risk exposure, and its maximum risk exposure will change with the change of fair value in the future.

In order to reduce credit risk, the Group has set up a dedicated department 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 fulfill its financial obligations on the due date. The Group manages liquidity risk by 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 lines 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 December 31, 2025:

Item	Within one year	One to two years	Two to five years	Over five years	Total
<b>Financial assets</b>					
Monetary funds	6,313,941,885.05				6,313,941,885.05
Trading financial assets	202,027,000.00				202,027,000.00
Notes receivable	77,316,985.56				77,316,985.56
Accounts receivable	1,086,929,012.15				1,086,929,012.15
Other receivables	942,267,792.91				942,267,792.91
Other current assets	235,601,218.08				235,601,218.08
<b>Financial liabilities</b>					
Short-term borrowings	4,575,915,552.66				4,575,915,552.66
Notes payable	943,817,767.91				943,817,767.91
Accounts payable	1,977,736,371.29				1,977,736,371.29
Other payables	6,565,100,788.16				6,565,100,788.16
Employee benefits payable	223,175,513.10				223,175,513.10
Non-current liabilities maturing within one year	3,650,840,615.21				3,650,840,615.21
Long-term borrowings		320,500,000.19	5,565,093,239.69	652,333,497.66	6,537,926,737.54
Bonds payable		396,674,876.37	1,200,000,000.00		1,596,674,876.37
Long-term payables		2,033,227.02			2,033,227.02

## 2. Sensitivity analysis

The Group adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on current gains/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 gains/losses and equity after tax is as follows:

Item	Exchange rate fluctuations	Year 2025		Year 2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	12,279,535.69	8,479,654.71	13,038,269.46	9,355,341.19
USD	Depreciation of 1% against RMB	- 12,279,535.69	-8,479,654.71	-13,038,269.46	-9,355,341.19

### (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 gains/losses and equity after tax is as follows:

Item	Interest rate fluctuations	Year 2025		Year 2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at	increase by	-17,310,240.92	-16,968,636.09	-21,670,117.43	-21,331,876.38

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Item	Interest rate fluctuations	Year 2025		Year 2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
floating interest rates	0.5%				
Borrowings at floating interest rates	reduce by 0.5%	17,310,240.92	16,968,636.09	21,670,117.43	21,331,876.38

## XII. Disclosure of fair value

### 1. Ending 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
<b>I. Continuous fair value measurement</b>	—	—	—	—
(I) Trading financial assets	202,027,000.00			202,027,000.00
1. Financial assets measured at fair value through current profit or loss	202,027,000.00			202,027,000.00
(II) Receivables financing		155,957,556.43		155,957,556.43
(III) Other debt investments				
(IV) Other equity instrument investments			10,213,810.20	10,213,810.20
(V) Investment properties				
(VI) Other non-current financial assets			1,161,781,213.03	1,161,781,213.03
<b>Total assets continuously measured at fair value</b>	<b>202,027,000.00</b>	<b>155,957,556.43</b>	<b>1,171,995,023.23</b>	<b>1,529,979,579.66</b>
<b>Total liabilities continuously measured at fair value</b>				
<b>II. Non-continuous fair value measurement</b>	—	—	—	—
<b>Total assets not continuously measured at fair value</b>				
<b>Total liabilities not continuously measured at fair value</b>				

### 2. Basis for determining the market price of projects continuously and non-continuously measured at Level-1 fair value

The Level-1 input is an unadjusted quoted price in an active market for the same assets or liabilities available on the measurement date.

**3. Qualitative and quantitative data on valuation techniques and important parameters adopted for projects continuously and non-continuously measured at Level-2 fair value**

Level-2 input value is the directly or indirectly observable input value of the relevant assets or liabilities except for the Level-1 input value.

**4. Qualitative and quantitative data on valuation techniques and important parameters adopted for projects continuously and non-continuously measured at Level-3 fair value**

The Level-3 inputs are the unobservable inputs of related assets or liabilities.

**5. For items continuously measured at fair value, if there is a conversion between levels in the current year, the reasons for the conversion and the policy for determining the conversion time point**

For the Group's items continuously measured at fair value, there was no conversion between levels in the current year.

**6. Changes in valuation techniques in the current year and reasons for such changes**

For the items measured at fair value of the Group, there were no changes in valuation techniques in the current year.

**XIII. Related parties and related party transactions**

**1. Related party relationships**

**(1) Parent company of the Company**

Name of the parent company	Place of Registration	Nature of Business	Registered capital	Shareholding percentage of the parent company in the Company (%)	Voting right percentage of the parent company in the Company (%)
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	Shenzhen	Consulting services and enterprise management	RMB 11.71 billion	29.999997	29.999997

On April 29, 2025, the Company received a notice from its former controlling shareholder, Overseas Chinese Town Group Co., Ltd.: To advance the professional integration among central state-owned enterprises and optimize resource allocation, Overseas Chinese Town Group and its persons acting in concert (including Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd. and Jialong Investment Co., Ltd., wholly-owned subsidiaries of Overseas Chinese Town Group) respectively signed the Unconditional

Share Transfer Agreement in Respect of Konka Group Co., Ltd. with Panshi Runchuang and Hema Co., Ltd. It was planned to gratuitously transfer all shares of the Company held by Overseas Chinese Town Group and its persons acting in concert to Panshi Runchuang and Hema Co., Ltd., wholly-owned subsidiaries under China Resources. As of July 2025, the gratuitous share transfer has been fully completed. The controlling shareholder of the Company has been changed to Panshi Runchuang, the actual controller of the Company is China Resources Co., Ltd., and the ultimate actual controller is the State-owned Assets Supervision and Administration Commission of the State Council.

## (2) Subsidiaries of the Company

Please refer to Note IX.1.(1) Subsidiaries for the information of subsidiaries.

## (3) Associates of the Company

For details of the Company's important joint ventures or associates, please refer to Note IX.2.(1) Important joint ventures or associates.

Joint ventures and associates involved in the related-party transactions with the Company in the current year, or leading to balance due to the related-party transactions they had with the Company in previous periods:

Name of associates	Relationship with the Company
Kangkong Venture Capital (Shenzhen) Co., Ltd.	Associate
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	Associate
Feidi Technology (Shenzhen) Co., Ltd.	Associate
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	Associate
Kangkai Technology Service (Chengdu) Co., Ltd.	Associate
Puchuang Jiakang Technology Co., Ltd.	Associate
Shenzhen Jielunte Technology Co., Ltd.	Associate
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associate
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.	Associate
Shenzhen RF-Link Technology Co., Ltd.	Associate
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associate
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	Associate
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Associate
Shenzhen Zhongkang Beidou Technology Co., Ltd.	Associate
Shenzhen Yaode Technology Co., Ltd.	Associate

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<b>Name of associates</b>	<b>Relationship with the Company</b>
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.	Associate
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associate
Dongguan Guankang Yuhong Investment Co., Ltd.	Associate
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	Associate
Yantai Kangyun Industrial Development Co., Ltd.	Associate
E3 (Hainan) Technology Co., Ltd.	Associate
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Associate
Shenzhen Konka E-display Intelligent Technology Co., Ltd.	Associate
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	Associate
Shenzhen Kangpeng Digital Technology Co., Ltd.	Associate
Yantai Kangtang Construction Development Co., Ltd.	Associate
Dongguan Kangzhahui Electronics Co., Ltd.	Associate
Beijing Kangjia Jingyuan Technology Co., Ltd.	Associate
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	Associate
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associate
Guangdong Kangyuan Semiconductor Co., Ltd.	Associate
Chongqing Kangjian Photoelectric Technology Co., Ltd.	Associate
Anhui Kangta Supply Chain Management Co., Ltd.	Associate
Wuhan Kangtang Information Technology Co., Ltd.	Associate
Sichuan Chengrui Real Estate Co., Ltd.	Associate
Hefei Kangxinwei Storage Technology Co., Ltd.	Associate
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Associate
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Associate
Yantai Kangyue Investment Co., Ltd.	Associate
Yikang Technology Co., Ltd.	Associate
Dongguan Kangjia New Material Technology Co., Ltd.	Associate
Zhejiang Kangying Semiconductor Technology Co., Ltd.	Associate
Kangshengjia Smart Energy (Zhejiang) Co., Ltd.	Associate
Konka Huanjia Environmental Protection Technology Co., Ltd.	Associate

**(4) Other related parties**

<b>Name of other related parties</b>	<b>Relationship with the Company</b>
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary

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Name of other related parties	Relationship with the Company
Hande Group Co., Ltd.	Minority shareholder of subsidiary
Jiangsu Han Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
HOHO ELECTRICAL & FURNITURE CO	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Guizhou Jiading Mining Management Investment Co., Ltd.	Minority shareholder of subsidiary
Beijing Xuri Shengxing Technology Co., Ltd.	Minority shareholder of subsidiary
Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.)	Minority shareholder of subsidiary
Chuzhou State-owned Assets Operation Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Group Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Electronics Technology Co., Ltd.	Minority shareholder of subsidiary
Liang Ruiling	Minority shareholder of subsidiary
Shenzhen Qianhai Datang Technology Co., Ltd.	Minority shareholder of subsidiary
Dai Yaojin	Minority shareholder of subsidiary
Dai Rongxing	Close family member of minority shareholder
Jiangxi Meiji Enterprise Co., Ltd.	Companies controlled by the ultimate controller of minority shareholders of subsidiaries

## 2. Related party transactions

### (1) Related party transactions on purchase and sales of goods, rendering and receipt of services

#### 1) Purchasing goods/receiving services

Related party	Content of related-party transactions	Amount incurred in the current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	75,994,082.55	167,386,472.57
Overseas Chinese Town Holdings Company and its subsidiaries and associates	Purchase of goods and services	32,064,372.01	78,142,076.88
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Purchase of goods	27,838,757.55	78,398,311.31
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	26,040,783.50	21,852,844.87
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Purchase of goods and services	12,627,402.13	10,375,886.32
Jiangsu Han Electric Appliance Co., Ltd.	Purchase of goods	9,111,898.95	26,521,440.81

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Dongguan Kangjia New Materials Technology Co., Ltd.	Purchase of goods	2,505,565.46	7,136,584.98
China Resources (Holdings) Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	1,187,745.05	-
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Purchase of services	576,004.87	4,419,586.21
Dongguan Kangzhihui Electronics Co., Ltd.	Purchase of goods	489,548.36	1,443,620.08
Other related parties	Purchase of services	1,034,604.39	11,159,587.52
Puchuang Jiakang Technology Co., Ltd.	Purchase of goods	-	37,713,014.15
HOHO Electrical & Furniture Co.	Purchase of services	-	25,101.76
<b>Total</b>		<b>189,470,764.82</b>	<b>444,574,527.46</b>

## 2) Sales of goods/provision of labor services

Related party	Content of related-party transactions	Amount incurred in the current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and provision of labour services	420,399,121.77	448,249,572.71
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and provision of labour services	99,364,894.12	48,253,101.99
Overseas Chinese Town Holdings Company and its subsidiaries and associates	Sales of goods and provision of labour services	25,706,408.18	66,416,176.82
Zhejiang Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labour services	12,675,393.09	3,618,418.09
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Sales of goods and provision of labour services	8,959,810.73	56,756,074.23
Dongguan Kangzhihui Electronics Co., Ltd.	Sales of goods	1,796,261.27	5,182,683.36
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labour services	897,808.28	21,105,047.32
Subtotal of other related parties	Sales of goods and provision of labour services	8,888,878.85	15,427,419.47
<b>Total</b>		<b>578,688,576.29</b>	<b>665,008,493.99</b>

## (2) Related party leases

### 1) Rental status

Lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the previous year
Overseas Chinese Town Holdings Company and its subsidiaries and associates	Commercial residences and office buildings	39,311,093.50	24,830,127.03

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Lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the previous year
China Resources (Holdings) Co., Ltd. and its subsidiaries and associates	Commercial residences and office buildings	735,420.44	
Other related parties	Commercial residences and office buildings	9,012,892.25	16,830,914.58
<b>Total</b>		<b>49,059,406.19</b>	<b>41,661,041.61</b>

## 2) Lease situation

Name of lessor	Type of leased assets	Lease expenses recognized in the current year	Lease expenses recognized in the previous year
Overseas Chinese Town Holdings Company and its subsidiaries	Commercial residences and office buildings	31,275,354.32	34,642,360.06
Dongguan Guankang Yuhong Investment Co., Ltd.	Industrial plant	3,555,102.86	12,091,006.44
<b>Total</b>		<b>34,830,457.18</b>	<b>46,733,366.50</b>

## (3) Related party guarantees

### 1) As the guarantor

Name of the guaranteed party	Contracted guarantee amount (10,000 RMB)	Actual guarantee amount (10,000 RMB)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Bokang Precision	1,000.00	1,000.00	CNY	2025/4/29	2026/4/17	No
Konka Circuit	10,000.00		CNY	2023/7/19	2027/1/31	No
Anhui Tongchuang	2,000.00	2,000.00	CNY	2025/2/25	2026/2/24	No
Anhui Tongchuang	5,000.00		CNY	2025/2/24	2026/2/23	No
Anhui Tongchuang	4,000.00	1,500.00	CNY	2025/4/21	2026/4/21	No
Konka Xinyun Semiconductor	12,100.00	8,225.35	CNY	2024/11/26	2025/8/1	No
Konka Xinyun Semiconductor	8,277.66	1,712.50	CNY	2021/7/12	2022/7/11	No
Chongqing Konka	38,000.00	12,042.10	CNY	2022/12/13	2037/12/13	No
Electronics Technology	50,000.00	20,000.00	CNY	2024/12/3	2025/7/25	No
Dongguan Konka	80,000.00	32,841.61	CNY	2021/6/23	2031/5/7	No
Sichuan Konka	4,000.00	3,400.00	CNY	2023/5/23	2026/4/26	No
Yibin Smart	980.00	980.00	CNY	2025/5/19	2028/5/18	No
Xi'an Kanghong Technology Industry	30,000.00	4,000.00	CNY	2023/5/26	2032/12/31	No
Kangjia Hongye Electronics	19,010.00	13,845.01	CNY	2024/1/24	2038/11/7	No

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Name of the guaranteed party	Contracted guarantee amount (10,000 RMB)	Actual guarantee amount (10,000 RMB)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Ningbo Kanghanrui Electric Appliances	6,000.00	574.74	CNY	2025/5/9	2026/8/9	No
Ningbo Kanghanrui Electric Appliances	6,000.00	2,400.00	CNY	2025/7/13	2026/7/12	No
Anhui Konka	10,215.95	4,751.23	CNY	2021/8/10	2031/7/15	No
Anhui Konka	7,000.00	1,000.00	CNY	2021/10/29	2026/10/26	No
Anhui Konka	7,000.00	1,000.00	CNY	2022/10/24	2026/10/26	No
Anhui Konka	5,000.00	3,860.90	CNY	2023/6/25	2028/6/24	No
Anhui Konka	4,000.00	4,000.00	CNY	2025/3/6	2026/3/6	No
Econ Technology Co., Ltd.	1,498.97	1,167.95	CNY	2023/5/22	2024/5/21	No
Econ Technology Co., Ltd.	4,388.00	3,021.76	CNY	2024/10/24	2025/8/6	No
Econ Technology Co., Ltd.	2,248.46	576.87	CNY	2024/9/24	2025/9/23	No
Econ Technology Co., Ltd.	1,498.97	1,406.54	CNY	2025/1/14	2026/1/13	No
Econ Technology Co., Ltd.	749.49	749.49	CNY	2025/1/17	2026/1/17	No

**2) As the secured party**

Name of guarantor	Guarantee amount (10,000 yuan)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Jiangxi Konka	13,431.31	CNY	2023/6/15	2027/3/8	No
Jiangxi Konka	56.53	CNY	2024/3/7	2027/3/6	No
Jiangxi High Transparent Substrate	38,045.57	CNY	2023/6/15	2027/3/19	No
Jiangxi High Transparent Substrate	258.80	CNY	2024/4/28	2030/3/6	No
Jiangxi High Transparent Substrate	234.44	CNY	2024/3/7	2027/3/6	No
Xinfeng Microcrystal	34,475.18	CNY	2023/6/15	2025/12/31	No
Xinfeng Microcrystal	1,379.77	CNY	2024/3/4	2027/3/3	No
Xingda Hongye	20,949.46	CNY	2025/6/19	2029/6/18	No
Konka Venture	1,322.54	CNY	2021/12/15	2022/11/5	No
Zhejiang Kangying Semiconductor Technology Co., Ltd.	25,000.00	CNY	2024/12/3	2025/7/25	No
China Resources Co., Ltd.	150,000.00	CNY	2025/12/9	2027/1/29	No

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Name of guarantor	Guarantee amount (10,000 yuan)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
China Resources Co., Ltd.	40,000.00	CNY	2025/12/9	2027/3/18	No
China Resources Co., Ltd.	40,000.00	CNY	2025/12/9	2027/3/18	No
China Resources Co., Ltd.	41,000.00	CNY	2025/12/9	2028/6/23	No
China Resources Co., Ltd.	79,000.00	CNY	2025/12/9	2028/7/4	No
Chuzhou State-owned Assets Operation Co., Ltd.	1,045.27	CNY	2021/8/10	2031/7/15	No
Chuzhou State-owned Assets Operation Co., Ltd.	220.00	CNY	2021/10/29	2026/10/26	No
Chuzhou State-owned Assets Operation Co., Ltd.	220.00	CNY	2022/10/24	2026/10/26	No
Chuzhou State-owned Assets Operation Co., Ltd.	849.40	CNY	2023/6/25	2028/6/24	No
Chuzhou State-owned Assets Operation Co., Ltd.	880.00	CNY	2025/3/6	2026/3/6	No
Wu Guoren	875.00	USD	2019/12/31	2024/12/31	No
Wu Guoren	2,022.50	USD	2019/12/31	2024/12/31	No
Xiao Yongsong	840.00	USD	2019/12/31	2024/12/31	No
Xiao Yongsong	1,941.60	USD	2019/12/31	2024/12/31	No
United Fortune Supply Chain Co., Ltd.	1,269.10	USD	2021/6/21	2022/12/31	No
United Fortune Supply Chain Co., Ltd.	650.49	USD	2021/6/21	2022/12/31	No
Guizhou Huajinrun Technology Group Co., Ltd.	381.15	USD	2022/1/1	2025/12/31	No
Guizhou Huajinrun Technology Group Co., Ltd.	157.50	USD	2022/1/1	2025/12/31	No
Shenzhen Henglongtong Electronics Technology Co., Ltd.	241.40	USD	2022/1/1	2025/12/31	No
Shenzhen Henglongtong Electronics Technology Co., Ltd.	99.75	USD	2022/1/1	2025/12/31	No
AUJET INDUSTRY LIMITED	3,227.63	USD	2021/11/10	2025/12/31	No
AUJET INDUSTRY LIMITED	40.18	USD	2021/11/10	2025/12/31	No
AUJET INDUSTRY LIMITED	1,029.00	USD	2020/7/20	2025/12/31	No
Zhu Xinming	12,446.00	CNY	2022/10/15	2023/10/14	No
Zhu Xinming	3,399.49	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	13,249.19	CNY	2023/2/19	2024/2/18	No
Zhu Xinming	6,860.00	CNY	2023/3/1	2024/2/28	No

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Name of guarantor	Guarantee amount (10,000 yuan)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Zhu Xinming	2,330.54	CNY	2023/3/9	2024/3/8	No
Zhu Xinming	2,156.00	CNY	2023/4/1	2023/9/30	No
Zhu Xinming	443.45	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/3/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/6/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/7/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/10/11	2023/12/31	No
Zhu Xinming	149.45	CNY	2023/10/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/12/29	2023/12/31	No
Zhu Xinming	490.00	CNY	2023/2/28	2024/2/27	No
Zhu Xinming	5,109.05	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	252.63	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	101.77	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	203.63	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	1,862.90	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	223.85	CNY	2023/2/17	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/3/8	2023/12/31	No
Zhu Xinming	101.35	CNY	2023/5/19	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/6/8	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/9/8	2023/12/31	No
Zhu Xinming	62.25	CNY	2023/12/7	2023/12/31	No
Zhu Xinming	137.20	CNY	2024/11/1	2026/10/30	No
Hu Zehong	6,467.02	CNY	2025/6/19	2029/6/18	No
Liang Ruiling, Dai Yaojin			2025/6/19	2026/12/31	No
Sui Yong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	2018/1/1	2025/6/30	No
Sui Yong Rongxin Asset Management Co., Ltd.	2,842.00	CNY	2018/1/1	2025/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying	735.00	CNY	2022/1/1	2025/12/31	No

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Name of guarantor	Guarantee amount (10,000 yuan)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Gaokede Electronic Technology Co., Ltd., and Huaying Gaokelong Electronic Technology Co., Ltd.					
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd., and Huaying Gaokelong Electronic Technology Co., Ltd.	488.37	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd., and Huaying Gaokelong Electronic Technology Co., Ltd.	552.72	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	3,798.96	CNY	2021/5/20	2024/5/19	No
Shenzhen Qianhai Datang Technology Co., Ltd.	441.00	CNY	2024/11/17	2025/11/16	No

**(4) Loans from/to related parties**

Related party name	Amount (10,000 RMB)	Currency	Start date	Due date
<b>Borrowing</b>				
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	217,000.00	CNY	2025/8/28	2026/8/28
Chuzhou Hanshang Electric Appliance Co., Ltd.	12,862.50	CNY	2025/1/1	2025/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CNY	2024/8/3	2025/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	980.00	CNY	2025/2/14	2026/2/13
Kangkong Venture Capital (Shenzhen) Co., Ltd.	245.00	CNY	2022/7/21	2026/7/18
Beijing Xuri Shengxing Technology Co., Ltd.	228.67	CNY	2024/12/1	2025/11/30
<b>Total</b>	<b>233,766.17</b>			
<b>Lending</b>				
Dongguan Guankang Yuhong Investment Co., Ltd.	2,223.19	CNY	2022/8/6	2025/9/25

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Related party name	Amount (10,000 RMB)	Currency	Start date	Due date
Dongguan Guankang Yuhong Investment Co., Ltd.	17,376.81	CNY	2022/8/6	2025/9/25
Chuzhou Kangxin Health Industry Development Co., Ltd.	13,288.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,000.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	59.45	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,240.03	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	109.95	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,344.36	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,080.72	CNY	2023/10/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	562.97	CNY	2023/12/22	2025/12/21
Sichuan Chengrui Real Estate Co., Ltd.	14,724.50	CNY	2022/1/21	2026/4/15
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	2020/12/16	2022/11/5
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	2021/11/23	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	949.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,394.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	323.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	564.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	2022/3/17	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	2022/5/23	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	2022/6/1	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	2022/11/15	2026/3/31
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	2020/11/25	2023/11/24
Sichuan Hongxinchen Real Estate Development Co., Ltd.	19,879.55	CNY	2022/9/15	2026/2/27
Econ Technology Co., Ltd.	18,315.11	CNY	2023/12/20	2026/12/20
Econ Technology Co., Ltd.	4,996.58	CNY	2023/12/21	2026/12/20

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Related party name	Amount (10,000 RMB)	Currency	Start date	Due date
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/29	2026/9/27
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/30	2026/9/27
<b>Total</b>	<b>181,349.18</b>			

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## (5) Other related party transactions

### 1) Transfer of trading financial assets

Related party	Content of related-party transactions	Quantity (shares)	Unit price (RMB)	Transaction price (RMB 10,000)
China Resources Asset Management (Shenzhen) Co., Ltd.	Transfer of shares held in Wuhan Tianyuan Group Co., Ltd.	66,283,973.00	13.80	91,471.88

### 2) Perpetual bond financing

Related party	Content of related-party transactions	Amount (RMB 10,000)	Term
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	Perpetual bond financing	500,000.00	The term is 3+3*N years (where N = 1, 2, 3..., and N is the number of extensions), meaning the initial duration is 3 years. Each 3-year period constitutes a duration cycle. Upon the expiration of the initial duration, it can be extended for another duration cycle, with no limit on the number of extensions. Within 20 working days before the expiration of any duration cycle, the Company has the right to choose to extend for another duration cycle; or choose to repay the entire principal, all accrued but unpaid interest (including deferred interest), accretions, and other payables (if any).

(Continued)

Interest rate	Interest payment date and interest deferral option	Order of repayment
The annualized interest rate is the one-year Loan Prime Rate (LPR), a floating rate. Each 12-month period is a floating cycle, with repricing occurring once per floating cycle. No interest rate jump-up clause is stipulated.	Interest is payable annually. The Company shall have the right to defer interest payments, and may at its discretion defer payment of the interest payable for the current period, together with all previously deferred interest and accrued interest thereon, to the next interest payment date, with no limit on the number of such interest deferrals.	The payment order of the principal, interest, and accretions (if any) of the perpetual bond held by Panshi Runchuang is subordinated to the Company's general debts.

### (6) Remuneration for key management personnel

Project	The current year (RMB 10,000)	Last year (RMB 10,000)
Total remuneration	587.40	805.91

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### 3. Balance of amounts receivable and payable by related parties

#### (1) Receivables

Related party	Ending balance		Beginning balance	
	Balance	Provision for bad debts	Balance	Provision for bad debts
<b>Accounts receivable:</b>				
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	144,454,581.31	144,454,581.31	147,734,652.41	147,734,652.41
HOHO ELECTRICAL & FURNITURE CO., LIMITED	116,261,899.92	109,061,518.07	124,609,404.13	93,990,064.79
Chuzhou Hanshang Electric Appliance Co., Ltd.	98,177,722.38	2,002,825.54	47,717,928.47	973,445.73
Overseas Chinese Town Holdings Company and its subsidiaries and associates	65,818,264.04	46,400,209.97	72,276,979.60	31,123,407.93
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	38,319,878.77	38,319,878.77	38,344,115.39	38,344,115.39
Handian Group Co., Ltd. and its subsidiaries and associates	27,943,560.39	570,048.63	852,837.08	17,397.88
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	26,436,604.92	6,116,465.89	26,677,417.75	2,692,954.15
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	4,466,641.58	4,130,097.83	4,466,641.58	4,074,943.14
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	875,788.71	388,276.97	1,367,734.51	143,334.28
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	269,304.95	5,493.82	13,210,046.28	269,484.95
<b>Subtotal of other related parties</b>	<b>9,361,800.98</b>	<b>617,441.63</b>	<b>9,167,397.63</b>	<b>674,330.10</b>
<b>Total</b>	<b>532,386,047.95</b>	<b>352,066,838.43</b>	<b>486,425,154.83</b>	<b>320,038,130.75</b>
<b>Financing accounts receivable/Notes receivable:</b>				
Korea Electric Group Co., Ltd. and its subsidiaries	3,209,127.25			
Chuzhou Hanshang Electric Appliance Co., Ltd.			320,000.00	
<b>Total</b>	<b>3,209,127.25</b>		<b>320,000.00</b>	
<b>Other receivables:</b>				
Konka Huanjia Environmental Protection Technology Co., Ltd.	1,744,736,434.49	1,744,736,434.49	1,744,736,434.49	1,744,736,434.49
Chuzhou Kangxin Health Industry Development Co., Ltd.	460,482,883.84	341,564,138.02	428,413,383.27	
Yantai Kangyun Industry Development Co., Ltd. and its subsidiaries	293,164,911.17	200,813,312.70	274,833,800.04	
Sichuan Hongxinchen Real Estate Development Co., Ltd.	260,445,465.59	260,445,465.59	244,320,945.73	
Dongguan Guankang Yuhong Investment Co., Ltd.	254,964,600.32	33,890,711.79	251,643,489.20	2,200,000.00
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	236,698,102.31	236,698,102.31	236,698,102.31	17,677,972.27
Sichuan Chengrui Real Estate Co., Ltd.	189,205,812.69	189,205,812.69	180,452,915.47	
Yantai Kangyue Investment Co., Ltd.	171,069,706.45	127,404,906.45	171,069,706.45	73,609,697.70
Chongqing Liangshan Industrial Investment Co., Ltd.	102,616,027.38	3,026,160.28	100,858,150.67	1,008,581.51

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Related party	Ending balance		Beginning balance	
	Balance	Provision for bad debts	Balance	Provision for bad debts
Dai Rongxing	89,251,531.4 1	89,251,531.4 1	89,251,53 1.41	89,251,531.41
Jiangxi Meiji Enterprise Co., Ltd.	84,462,640.3 1	84,462,640.3 1	93,512,64 0.31	93,512,640.31
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	39,130,497.1 7	39,130,497.1 7	39,130,49 7.17	39,044,321.62
Overseas Chinese Town Holdings Company and its subsidiaries and associates	28,342,867.9 6	22,862,402.5 9	31,319,55 0.72	21,246,621.58
HOHO ELECTRICAL & FURNITURE CO., LIMITED	2,466,257.96	2,466,257.96	2,522,359. 24	2,522,359.24
Zhu Xinming	1,844,316.15	418,475.33	1,844,316. 15	184,800.48
Hu Zehong	333,084.83	165,196.50	816,533.4 2	171,132.24
<b>Subtotal of other related parties</b>	<b>4,761,997.11</b>	<b>184,522.25</b>	<b>3,840,950. 86</b>	<b>71,393.70</b>
<b>Total</b>	<b>3,963,977,13 7.14</b>	<b>3,376,726,56 7.84</b>	<b>3,895,265, 306.91</b>	<b>2,085,237,486.55</b>
<b>Prepayments:</b>				
Kangshengjia Smart Energy (Zhejiang) Co., Ltd.	67,139,571.6 8		48,239,42 6.19	67,139,571.68
Puchuang Jiakang Technology Co., Ltd.	377,322.00		377,322.0 0	377,322.00
Overseas Chinese Town Holdings Company and its subsidiaries and associates	21,424.49		113,278.6 0	21,424.49
<b>Subtotal of other related parties</b>	491,110.16		52,339.79	491,110.16
<b>Total</b>	<b>68,029,428.3 3</b>		<b>48,782,36 6.58</b>	<b>68,029,428.33</b>
<b>Other current assets:</b>				
Yikang Technology Co., Ltd. and its subsidiaries	235,601,218. 08		233,116,9 49.03	235,601,218.08
<b>Total</b>	<b>235,601,218. 08</b>		<b>233,116,9 49.03</b>	<b>235,601,218.08</b>
<b>Contract assets:</b>				
Overseas Chinese Town Holdings Company and its subsidiaries and associates	963,764.77	51,725.07	401,807.8 4	8,196.88
<b>Total</b>	<b>963,764.77</b>	<b>51,725.07</b>	<b>401,807.8 4</b>	<b>8,196.88</b>

## (2) Payables

Related party	Ending book balance	Beginning book balance
<b>Accounts payable:</b>		
Overseas Chinese Town Holdings Company and its subsidiaries and associates	43,601,700.08	42,040,127.95
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	13,297,141.47	65,368,676.00
HOHO ELECTRICAL & FURNITURE CO., LIMITED	4,510,072.62	5,036,570.10
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,326,148.17	4,326,148.17
Handian Group Co., Ltd. and its subsidiaries and associates	4,309,351.22	4,189,576.68

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Related party	Ending book balance	Beginning book balance
Chuzhou Hanshang Electric Appliance Co., Ltd.	4,253,835.32	8,399,596.80
Dongguan Guankang Yuhong Investment Co., Ltd.	2,783,842.00	7,783,842.00
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	1,245,087.25	11,078,987.35
<b>Subtotal of other related parties</b>	<b>1,984,392.70</b>	<b>22,555,598.64</b>
<b>Total</b>	<b>80,311,570.83</b>	<b>170,779,123.69</b>
<b>Notes payable:</b>		
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	13,596,541.72	10,327,556.31
Handian Group Co., Ltd. and its subsidiaries and associates	4,689,383.18	1,565,908.77
Dongguan Kangjia New Materials Technology Co., Ltd.	918,483.35	1,991,363.46
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	807,859.00	
<b>Total</b>	<b>20,012,267.25</b>	<b>13,884,828.54</b>
<b>Contract liabilities/other current liabilities/other non-current liabilities:</b>		
Overseas Chinese Town Holdings Company and its subsidiaries and associates	53,849,339.85	65,821,382.94
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	8,417,949.44	4,449,842.05
AUJET INDUSTRY LIMITED	3,983,759.72	3,851,376.79
Zhejiang Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	1,604,546.07	22,446.94
Chongqing Kangyiqing Technology Co., Ltd.	206,882.30	146,882.30
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	153,017.09	915,488.73
<b>Subtotal of other related parties</b>	<b>135,288.55</b>	<b>332,100.74</b>
<b>Total</b>	<b>68,350,783.02</b>	<b>75,539,520.49</b>
<b>Other payables:</b>		
China Resources Company Limited and its subsidiaries and associates	2,193,246,343. 33	
Chuzhou Hanshang Electric Appliance Co., Ltd.	208,390,348.3 1	207,983,241.15
Overseas Chinese Town Holdings Company and its subsidiaries and associates	28,045,215.53	22,391,131.89
Guizhou Jiading Mining Management Investment Co., Ltd.	18,000,000.00	18,000,000.00
Dongguan Guankang Yuhong Investment Co., Ltd.	15,655,996.80	12,100,893.94
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	5,147,213.00	1,000,000.00
Konka Huanjia Environmental Protection Technology Co., Ltd.	4,353,280.41	5,104,349.30
Yantai Kangtang Construction Development Co., Ltd.	3,000,000.00	
Beijing Xuri Shengxing Technology Co., Ltd.	2,814,638.40	2,675,533.68
Kangkong Venture Capital (Shenzhen) Co., Ltd.	2,523,500.00	2,523,701.42

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Related party	Ending book balance	Beginning book balance
Yikang Technology Co., Ltd. and its subsidiaries	355,586.25	21,696,728.31
Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.)		14,400,000.00
<b>Subtotal of other related parties</b>	<b>9,065,998.82</b>	<b>10,446,793.62</b>
<b>Total</b>	<b>2,490,598,120.85</b>	<b>318,322,373.31</b>
<b>Advances from customers:</b>		
China Resources Company Limited and its subsidiaries and associates	61,285.03	61,285.03
<b>Total</b>	<b>61,285.03</b>	<b>61,285.03</b>

#### XIV. Commitments and contingencies

##### 1. Important commitments

##### (1) Capital commitments

Item	Ending balance	Beginning balance
Contract signed but hasn't been recognized in financial statements		
Commitment to purchase and construct long-term assets	137,000,000.00	
Large-scale outsourcing contract	85,942,612.22	173,593,973.84
Foreign investment commitments		
<b>Total</b>	<b>222,942,612.22</b>	<b>173,593,973.84</b>

##### (2) Other commitments

As of December 31, 2025, there were no other significant commitments for the Group to disclose.

##### 2. Contingencies

The Group's material contingencies requiring disclosure are set out below:

(1) A dispute over an international contract for the sale of goods between Micro Crystal Transfer Group Ltd. (plaintiff) and Chongqing Optoelectronic Technology Co., Ltd., a subsidiary of the Company (defendant), involving a disputed amount of RMB36,396,700. As of the date of issuance of this report, the case was under trial.

(2) A dispute over a construction contract between Shenzhen Sansen Decoration Group Co., Ltd. (plaintiff) and Shenzhen Konka Semiconductor, a subsidiary of the Company (defendant), and Chongqing Konka, a subsidiary of the Company (defendant), involving a subject matter amount of RMB 25,607,300. As of the date of issuance of this report, the case was under trial.

(3) A dispute over a sales and purchase contract between Jiujiang Baoyong Gas Co., Ltd. (plaintiff) and Jiangxi High-transparency Substrate, a subsidiary of the Company

(defendant), involving a subject matter amount of RMB 91,227,800. As of the date of issuance of this report, the case was in execution.

(4) A dispute over a construction project contract between Nantong Construction Group Co., Ltd. (Plaintiff) and Haimen Ronghui Real Estate Co., Ltd. (Defendant), Shanghai Rongzhen Enterprise Management Co., Ltd. (Defendant), the Company (Defendant), and Nantong Konka Technology Industrial Park Operation Management Co., Ltd. (Defendant), an associated entity of the Company, involving a disputed amount of RMB 99,000,000. As of the date of issuance of this report, the case was under trial.

(5) A dispute over a construction contract between Sichuan Yisheng Construction Group Co., Ltd. (plaintiff) and Yibin Konka Industrial Park, a subsidiary of the Company (defendant), involving a subject matter amount of RMB 28,061,000. As of the date of issuance of this report, the case was under trial.

(6) A dispute over a contract between Shenzhen Oriental Venture Capital Co., Ltd. (plaintiff) and the Company (defendant), involving a subject matter amount of RMB 752,147,500. The Company won both the first-instance and second-instance trials. The plaintiff has filed an application for retrial. As of the date hereof, the case is under retrial review.

(7) In 2018, to support the financing of Donggang Kangrun Environmental Treatment Co., Ltd. (hereinafter referred to as "Donggang Kangrun"), a subsidiary controlled by Yikang, Konka issued a support letter to China Construction Bank Corporation Donggang Sub-branch (hereinafter referred to as "CCB Donggang Sub-branch"). The main contents are as follows: "Donggang Kangrun is a subsidiary of our company and the project company of the Donggang Urban Inland River Comprehensive Treatment PPP Project (hereinafter referred to as the 'Project'). Our company attaches great importance to the Project. Therefore, Donggang Kangrun intends to apply to your bank for a project loan of RMB 975 million to support the fund operation of the Project. In addition to the applied loan, our company will use self-raised funds and other financing channels to support the Project to ensure its smooth progress, and guarantee that Donggang Kangrun will repay the loan from your bank in full when due". As of December 31, 2026, the outstanding principal balance of loans borrowed by Donggang Kangrun from CCB Donggang Sub-branch amounted to RMB 852,000,000.

(8) In 2019, to support the financing of Weifang Sihai Kangrun Investment and Operation Co., Ltd. (hereinafter referred to as "Weifang Kangrun"), a controlling subsidiary of Econ, Konka issued two letters of support to the Weifang Branch of Industrial Bank Co., Ltd. (hereinafter referred to as "CIB Weifang Branch"). The main contents were respectively: "Our company will use self-raised funds and other financing channels to support the

Weifang Binhai Economic Development Zone Central Urban Area Comprehensive Improvement Project to ensure the smooth progress of the project, and at the same time ensure that Weifang Kangrun can repay your bank's loan in full on the due date," and "Our company will use self-raised funds to support the Weifang Binhai Economic and Technological Development Zone Central Urban Area Comprehensive Improvement Project and ensure that the project capital of Weifang Kangrun is in place on time and in full". As of December 31, 2025, the outstanding loan balance (principal) of Weifang Kangrun to CIB Weifang Branch was RMB 595,114,700.

## **XV. Subsequent events after the balance sheet date**

### **1. Important non-adjusting matters**

As of the date of issuance of this financial report, the significant non-adjusting events that the Group needs to disclose are as follows:

A case concerning a dispute over a construction contract between Longxin Construction Group Co., Ltd. (plaintiff) and Nantong Kanghai (defendant), involving a subject matter amount of RMB 80,000,000.00. As of the date of issuance of this report, the case was under trial.

### **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**

As of the date of issuance of this financial report, the Group has no other events after the balance sheet date.

## **XVI. Other key matters**

### **1. Correction of previous errors and impact**

#### **(1) Retrospective restatement method**

##### **1) Reasons for correction of accounting errors**

After self-inspection, for the failure to consider the agreed matters of some equity transfer projects, and the underprovision of patent royalties and bad debt provisions for accounts receivable of specific customers in previous years, the Group corrected the related errors, as detailed below:

① In the process of auditing and preparing the 2025 annual report, after careful verification, when introducing strategic investors for Ypfun in 2021, the Group signed supplementary agreements with 11 investors, promising that if Ypfun failed to complete its IPO before the agreed time, the Group would be obliged to repurchase their transferred equity at the original transfer price and pay interest. The above-mentioned agreed matters did not go through the approval procedures of the Company's Board of Directors and the General

Meeting, and were not subjected to appropriate accounting treatment and information disclosure. Based on this contractual obligation and the facts currently known, the Company's management recognized this obligation as a financial liability and corrected previous accounting errors.

② When our company transferred the equity of Anhui Kaikai Vision E-commerce Co., Ltd. (hereinafter referred to as "Kaikai Vision") in previous years, it signed a shareholder agreement with Alibaba (China) Technology Co., Ltd. (hereinafter referred to as "Alibaba"). Under the agreement, the company undertook the obligation to repurchase the equity and pay interest if the IPO of Kaikai Vision was not completed within the agreed time limit. Ultimately, Kaikai Vision failed to complete its IPO and listing as scheduled. The aforesaid shareholder agreement was not reviewed and approved by the company's General Manager's Office Meeting and Party Committee Office Meeting, nor was appropriate accounting treatment and information disclosure conducted. Based on the contractual obligations and currently available facts, the company's management recognized such payment obligations as financial liabilities and carried out prior period error corrections. The company has fulfilled the equity repurchase obligation and paid the relevant interest in November 2025.

③ The color TV products operated and sold by the Group adopt essential patents complying with industry standards. Through self-inspection, the Company has confirmed discrepancies in the previously paid data. The Group shall accrue the relevant patent royalties retroactively for prior years and make corrections to prior period errors.

④ Accounts receivable of specific customers of the Group were overdue and uncollected. After careful verification, the overdue and uncollected accounts receivable of such customers were caused by the inability of related underlying customers to repay. Individual bad debt provision should be made in the year when the related underlying customers lose their repayment ability, and previous accounting errors should be corrected.

## **2) Processing procedure**

On April 27, 2026, the Group held the 11th Meeting of the 11th Board of Directors to review and approve the Proposal on Correction of Previous Accounting Errors and Retrospective Adjustments, specifying that the Company should correct the previous accounting errors in accordance with the Accounting Standard for Business Enterprises No. 28 - Changes in Accounting Policies and Accounting Estimates and Correction of Errors and the Rules for the Compilation of Information Disclosure by Companies Offering Securities to the Public No. 19 - Correction of Financial Information and Related Disclosures.

## **3) Impact of correction of previous accounting errors on financial statements**

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Names of statement items affected in comparative periods	Cumulative impact
Accounts receivable	-143,700,409.78
Long-term equity investments	1,193,140,574.00
Other payables	1,826,641,494.04
Undistributed profits	-777,201,329.82
Cost of sales	235,788,807.29
Finance costs	324,752,686.75
Credit impairment loss	-143,700,409.78
Asset impairment loss	-72,959,426.00

## XVII. Notes to the main items of the financial statements of the parent company

### 1. Accounts receivable

#### (1) Accounts receivable aged analysis

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	2,518,870,996.93	2,478,867,657.14
1-2 years	936,172,219.27	269,445,994.78
2-3 years	71,304,189.74	25,878,752.19
3-4 years	25,395,465.05	42,081,276.61
4-5 years	42,024,672.61	10,744,497.16
Over 5 years	857,898,045.25	848,569,108.69
<b>Total</b>	<b>4,451,665,588.85</b>	<b>3,675,587,286.57</b>

#### (2) Accounts receivable classified and listed by provision methods for bad debts

Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	750,993,030.62	16.87	750,932,742.61	99.99	60,288.01
Provision for bad debts by portfolio					
Of which: Aging portfolio	243,003,431.27	5.46	154,701,363.19	63.66	88,302,068.08
Related party portfolio	3,457,669,126.96	77.67			3,457,669,126.96
Subtotal of portfolio	3,700,672,558.23	83.13	154,701,363.19	4.18	3,545,971,195.04
<b>Total</b>	<b>4,451,665,588.85</b>	<b>100.00</b>	<b>905,634,105.80</b>	<b>20.34</b>	<b>3,546,031,483.05</b>

(Continued)

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Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	751,101,547.52	20.43	751,041,259.51	99.99	60,288.01
Provision for bad debts by portfolio					
Of which: Aging portfolio	262,862,169.32	7.15	141,146,416.75	53.70	121,715,752.57
Related party portfolio	2,661,623,569.73	72.41			2,661,623,569.73
Subtotal of portfolio	2,924,485,739.05	79.57	141,146,416.75	4.83	2,783,339,322.30
<b>Total</b>	<b>3,675,587,286.57</b>	<b>100.00</b>	<b>892,187,676.26</b>	<b>24.27</b>	<b>2,783,399,610.31</b>

1) Provision for bad debts of accounts receivable made by individual item

Name	Beginning balance		Ending balance			Reasons for the provision
	Balance	Provision for bad debts	Balance	Provision for bad debts	Provision percentage (%)	
CEFC Shanghai International Group Limited	298,855,950.30	298,855,950.30	298,280,558.37	298,280,558.37	100.00	Not expected to be recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Zhongfu Tiangong Construction Group Co., Ltd.	71,289,096.65	71,289,096.65	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	55,438,105.00	55,438,105.00	100.00	Not expected to be recoverable
China Energy (Shanghai) Industrial Co., Ltd.	49,993,564.16	49,993,564.16	49,993,564.16	49,993,564.16	100.00	Not expected to be recoverable
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	36,211,057.55	36,211,057.55	36,211,057.55	36,211,057.55	100.00	Not expected to be recoverable
Others	39,313,773.86	39,253,485.85	39,780,648.89	39,720,360.88	99.85	Expected to be difficult to recover
<b>Total</b>	<b>751,101,547.52</b>	<b>751,041,259.51</b>	<b>750,993,030.62</b>	<b>750,932,742.61</b>	<b>99.99</b>	<b>—</b>

## 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	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	87,122,029.63	1,777,289.39	2.04
1-2 years	3,182,303.05	318,866.77	10.02
2-3 years	50,794.29	11,525.22	22.69
3-4 years	155,531.00	100,908.51	64.88
4-5 years	41,109,210.00	41,109,210.00	100.00
Over 5 years	111,383,563.30	111,383,563.30	100.00
<b>Total</b>	<b>243,003,431.27</b>	<b>154,701,363.19</b>	<b>63.66</b>

② In the portfolio, accounts receivable of provision for expected credit loss made by other methods

Aging	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Related party portfolio	3,457,669,126.96		
<b>Total</b>	<b>3,457,669,126.96</b>		

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

Category	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	892,187,676.26	15,735,211.50	2,288,781.96
<b>Total</b>	<b>892,187,676.26</b>	<b>15,735,211.50</b>	<b>2,288,781.96</b>

(Continued)

Category	Change in the current year		Ending balance
	Written-off	Others	
Provision for bad debts of accounts receivable			905,634,105.80
<b>Total</b>			<b>905,634,105.80</b>

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

There are no accounts receivable actually written off in the current year.

## (5) Top five accounts receivable and contract assets in the ending balance

### categorized by debtors

The total amount of the top five accounts receivable in the year-end balance categorized by debtor in the current year was RMB 3,309,486,768.65, accounting for 74.34% of the total year-end balance of accounts receivable. The corresponding total year-end balance of provision for bad debts was RMB 298,280,558.37.

## 2. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	394,828,312.64	397,729,468.60
Other receivables	6,169,721,184.70	7,812,366,963.81
<b>Total</b>	<b>6,564,549,497.34</b>	<b>8,210,096,432.41</b>

### 2.1 Dividends receivable

Investee	Ending balance	Beginning balance
Hong Kong Konka Co., Ltd.	114,828,312.64	117,729,468.60
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
<b>Total</b>	<b>394,828,312.64</b>	<b>397,729,468.60</b>

### 2.2 Other receivables

#### (1) Classified by account nature

Nature of funds	Ending book balance	Beginning book balance
Receivables from subsidiaries	7,338,448,596.60	7,470,528,350.51
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Receivables from other related parties	3,643,705,051.48	2,217,059,558.78
Deposits, guarantees, and down payments	11,316,782.23	11,203,961.90
Others	54,245,272.51	51,145,919.15
<b>Total</b>	<b>11,189,264,852.82</b>	<b>9,891,486,940.34</b>

#### (2) Other receivables listed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	2,468,208,504.58	2,833,825,882.55
1-2 years	1,821,365,482.14	2,791,206,932.00
2-3 years	2,712,875,647.73	2,093,828,942.23
3-4 years	2,087,164,066.22	198,020,662.24
4-5 years	193,527,410.48	438,628,738.59
Over 5 years	1,906,123,741.67	1,535,975,782.73

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Aging	Ending book balance	Beginning book balance
Total	11,189,264,852.82	9,891,486,940.34

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

Category	Ending balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	5,578,850,648.69	49.86	4,974,026,480.15	89.16	604,824,168.54
Provision for bad debts by portfolio					
Of which: Aging portfolio	39,006,591.44	0.35	36,740,977.75	94.19	2,265,613.69
Low-risk portfolio	14,968,292.40	0.13	8,776,210.22	58.63	6,192,082.18
Related party portfolio	5,556,439,320.29	49.66			5,556,439,320.29
Subtotal of portfolio	5,610,414,204.13	50.14	45,517,187.97	0.81	5,564,897,016.16
<b>Total</b>	<b>11,189,264,852.82</b>	<b>100.00</b>	<b>5,019,543,668.12</b>	<b>44.86</b>	<b>6,169,721,184.70</b>

(Continued)

Category	Beginning balance				Book value
	Balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts by single item	2,346,639,698.77	23.72	2,030,143,279.98	86.51	316,496,418.79
Provision for bad debts by portfolio					
Of which: Aging portfolio	59,556,884.46	0.60	41,789,999.23	70.17	17,766,885.23
Low-risk portfolio	14,762,006.60	0.15	7,186,697.32	48.68	7,575,309.28
Related party portfolio	7,470,528,350.51	75.52			7,470,528,350.51
Subtotal of portfolio	7,544,847,241.57	76.28	48,976,696.55	0.65	7,495,870,545.02
<b>Total</b>	<b>9,891,486,940.34</b>	<b>100.00</b>	<b>2,079,119,976.53</b>	<b>21.02</b>	<b>7,812,366,963.81</b>

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

Aging	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
Within 1 year	945,505,547.22	39,758.91	

Notes to Financial Statements of Konka Group Co., Ltd.  
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Aging	Ending balance		
	Balance	Provision for bad debts	Provision percentage (%)
1-2 years	1,393,107,700.92	73,168.69	0.01
2-3 years	1,186,533,466.90	79,012.10	0.01
3-4 years	1,982,809,787.75	1,503,498.90	0.08
4-5 years	18,730,683.89	1,629,384.54	8.70
Over 5 years	83,727,017.45	42,192,364.83	50.39
<b>Total</b>	<b>5,610,414,204.13</b>	<b>45,517,187.97</b>	<b>0.81</b>

Notes to Financial Statements of Konka Group Co., Ltd.  
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## 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 throughout the duration (without credit loss)	Expected credit loss throughout the duration (with credit impairment)	
Balance as of January 1, 2025	97,657.39	48,879,039.16	2,030,143,279.98	<b>2,079,119,976.53</b>
Balance as of January 1, 2025 in the current year				
-- Transfer to Stage II	-14,896.62	14,896.62		
-- Transfer to Stage III		-13,938,000.00	13,938,000.00	
-- Reversal to Stage II				
-- Reversal to Stage I				
Provision in the current year	39,758.91	14,353,567.19	2,929,945,200.17	<b>2,944,338,526.27</b>
Reversal in the current year	82,760.77	3,832,082.99		<b>3,914,843.76</b>
Charge-off in the current year				
Write-off in the current year				
Other changes		9.08		<b>9.08</b>
Balance as of December 31, 2025	39,758.91	45,477,429.06	4,974,026,480.15	<b>5,019,543,668.12</b>

Remarks: 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 credit impairment after initial recognition. For other receivables with 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 reversed in

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

Category	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	2,079,119,976.53	2,944,338,526.27	3,914,843.76
<b>Total</b>	<b>2,079,119,976.53</b>	<b>2,944,338,526.27</b>	<b>3,914,843.76</b>

(Continued)

Category	Change in the current year		Ending balance
	Written-off	Others	
Provision for bad debts of other receivables		9.08	5,019,543,668.12
<b>Total</b>		<b>9.08</b>	<b>5,019,543,668.12</b>

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

No other receivables were actually written off in the current year.

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

The total amount of the top five other receivables in the year-end balance categorized by debtors in the current year was RMB 6,877,609,289.97, accounting for 61.47% of the total year-end balance of other receivables. The corresponding total year-end balance of provisions for bad debts was RMB 2,874,590,635.73.

Notes to Financial Statements of Konka Group Co., Ltd.  
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### 3. Long-term equity investments

Item	Ending balance			Beginning balance		
	Balance	Provision for impairment	Book value	Balance	Provision for impairment	Book value
Investment in subsidiaries	7,825,224,811.83	715,180,000.00	7,110,044,811.83	7,825,394,811.83	689,680,000.00	7,135,714,811.83
Investments in associates and joint ventures	3,101,020,668.93	2,264,032,106.38	836,988,562.55	3,522,936,610.99	663,595,371.27	2,859,341,239.72
<b>Total</b>	<b>10,926,245,480.76</b>	<b>2,979,212,106.38</b>	<b>7,947,033,374.38</b>	<b>11,348,331,422.82</b>	<b>1,353,275,371.27</b>	<b>9,995,056,051.55</b>

#### (1) Investment in subsidiaries

Investee Unit	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
			Increase in investment	Decrease in investment	Provision for impairment	Others		
Konka Venture	2,550,000.00						2,550,000.00	
Anhui Konka	122,780,937.98						122,780,937.98	
Konka Electronic Material	300,000,000.00						300,000,000.00	
Konka Unifortune	15,300,000.00						15,300,000.00	
Dongguan Konka	274,783,988.91						274,783,988.91	
Konka Europe	3,637,470.00						3,637,470.00	
Telecommunication Technology	360,000,000.00						360,000,000.00	
Development of science and technology industry	100,000,000.00						100,000,000.00	

Notes to Financial Statements of Konka Group Co., Ltd.  
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Investee Unit	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
			Increase in investment	Decrease in investment	Provision for impairment	Others		
Anhui Tongchuang	779,702,612.22						779,702,612.22	
Konka Communication	30,749,800.00						30,749,800.00	
Pengrun Technology	25,500,000.00				25,500,000.00			25,500,000.00
Beijing Konka Electronics	200,000,000.00						200,000,000.00	
Konka Circuit	740,752,721.18		4,930,000.00				745,682,721.18	
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	
Shanghai Konka	40,000,000.00						40,000,000.00	
Jiangxi Konka		689,680,000.00						689,680,000.00
Shenzhen Nianhua	30,000,000.00						30,000,000.00	
Shenzhen Konka Semiconductor	100,000,000.00						100,000,000.00	
Ji'an Konka	50,000.00						50,000.00	
Suining Konka Industrial Park	200,000,000.00						200,000,000.00	
Kangrong Jiayuan	5,100,000.00			5,100,000.00				
Suining Electronic Technology Innovation	200,000,000.00						200,000,000.00	

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Investee Unit	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
			Increase in investment	Decrease in investment	Provision for impairment	Others		
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00						10,000,000.00	
Chongqing Optoelectronic Technology	1,400,000,000.00						1,400,000,000.00	
Xinying Semiconductor	192,520,000.00						192,520,000.00	
Ningbo Kanghanrui Electric Appliances	90,000,000.00						90,000,000.00	
Suining Jiarun Property	10,000,000.00						10,000,000.00	
Yibin Kangrun	67,000,000.00						67,000,000.00	
Hainan Konka Technology	9,205,452.93						9,205,452.93	
Konka Cross-border (Hebei)	50,000,000.00						50,000,000.00	
Konka Central China	30,000,000.00						30,000,000.00	
Guizhou Kanggui Materials	28,000,000.00						28,000,000.00	
Nantong Kanghai	15,300,000.00						15,300,000.00	
Jiangxi Konka Technology Park	50,000,000.00						50,000,000.00	
Shangrao Konka Electronic Technology Innovation	30,000,000.00						30,000,000.00	

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Investee Unit	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
			Increase in investment	Decrease in investment	Provision for impairment	Others		
Xi'an Kanghong Technology Industry	12,000,000.00						12,000,000.00	
Xi'an Konka Intelligent Technology	50,000,000.00						50,000,000.00	
Songyang Konka Intelligent	30,000,000.00						30,000,000.00	
Konka North China	30,000,000.00						30,000,000.00	
<b>Total</b>	<b>7,135,714,811.83</b>	<b>689,680,000.00</b>	<b>4,930,000.00</b>	<b>5,100,000.00</b>	<b>25,500,000.00</b>		<b>7,110,044,811.83</b>	<b>715,180,000.00</b>

## (2) Investment in associates

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease Investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	39,191,473.50	49,583,326.00			-2,938,902.56	57,037.58
Kunshan Kangsheng Investment Development Co., Ltd.	40,891,367.28				-5,388,016.54	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	3,467,934.60				-3,315,263.80	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		5,158,909.06				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				

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Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease Investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Wuhan Tianyuan Group Co., Ltd.	545,842,155.57			239,447,355.00		
Chuzhou Konka Technology Industry Development Co., Ltd.						
Chuzhou Kangjin Health Industry Development Co., Ltd.	92,285,525.83				-32,283,182.56	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.	5,002,208.91				-5,002,208.91	
Chuzhou Kangxin Health Industry Development Co., Ltd.	6,203,105.97				-1,841,318.73	
Dongguan Guankang Yuhong Investment Co., Ltd.						
Econ Technology Co., Ltd.	714,353,682.97	278,887,555.25			-5,557,305.38	
Dongguan Kangjia New Materials Technology Co., Ltd.	3,231,195.79				-1,323,182.99	
Chongqing Ypfun Technology Co., Ltd.	1,354,769,939.92	23,376,100.00	200,000,000.00			
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.	4,574,609.73			8,000,000.00		
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	5,896,518.07				-3,447,912.19	
Shenzhen Konka E-display Intelligent Technology Co., Ltd.	24,007,406.43				3,564,368.70	-136,519.75
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						

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Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in investment	Decrease Investment	Gains/losses on investment recognized under the equity method	Adjustments to other comprehensive income
Shenzhen Kangpeng Digital Technology Co., Ltd.	1,310,766.92				-330,466.61	
Wuhan Kangtang Information Technology Co., Ltd.	15,853,661.78				-14,876,432.16	
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxinchen Real Estate Development Co., Ltd.	2,459,686.45					
Shenzhen Kangyue Industrial Co., Ltd.		230,011.61				
Konka Huanjia Environmental Protection Technology Co., Ltd.		91,800,000.00				
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.			1,000,000.00		2,643.86	
<b>Total</b>	<b>2,859,341,239.72</b>	<b>663,595,371.27</b>	<b>201,000,000.00</b>	<b>247, 447,355.00</b>	<b>-72,737,179.87</b>	<b>-79,482.17</b>

(Continued)

Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Anhui Kaikai Shijie E-commerce Co., Ltd.			36,309,608.52			85,892,934.52
Kunshan Kangsheng Investment Development Co., Ltd.					35,503,350.74	
Shaanxi Silk Road Yunqi Intelligent					152,670.80	

Notes to Financial Statements of Konka Group Co., Ltd.  
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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Technology Co., Ltd.						
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Group Co., Ltd.		8,618,395.70		-297,776,404.87		
Chuzhou Konka Technology Industry Development Co., Ltd.						
Chuzhou Kangjin Health Industry Development Co., Ltd.					60,002,343.27	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.			4,361,787.24			4,361,787.24
Dongguan Guankang Yuhong Investment Co., Ltd.						
Econ Technology Co., Ltd.			326,506.69		708,469,870.90	279,214,061.94
Dongguan Kangjia New Materials Technology Co., Ltd.			1,908,012.80			1,908,012.80
Chongqing Ypfun Technology Co., Ltd.	301,193.49		1,555,071,133.41			1,578,447,233.41
Yantai Kangyun Industrial Development Co., Ltd.						

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Investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
E3 (Hainan) Technology Co., Ltd.				3,425,390.27		
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					2,448,605.88	
Shenzhen Konka E-display Intelligent Technology Co., Ltd.					27,435,255.38	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.					980,300.31	
Wuhan Kangtang Information Technology Co., Ltd.					977,229.62	
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxinchen Real Estate Development Co., Ltd.			2,459,686.45			2,459,686.45
Shenzhen Kangyue Industrial Co., Ltd.						230,011.61
Konka Huanjia Environmental Protection Technology Co., Ltd.						91,800,000.00
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.				16,291.79	1,018,935.65	
<b>Total</b>	<b>301,193.49</b>	<b>8,618,395.70</b>	<b>1,600,436,735.11</b>	<b>294,334,722.81</b>	<b>836,988,562.55</b>	<b>2,264,032,106.38</b>

#### 4. Operating revenue and cost of sales

##### (1) Operating revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal activity	1,354,862,479.09	1,382,585,906.19	1,773,409,740.83	1,908,349,581.90
Other	132,961,429.47	63,913,533.56	134,714,183.27	66,145,019.39
<b>Total</b>	<b>1,487,823,908.56</b>	<b>1,446,499,439.75</b>	<b>1,908,123,924.10</b>	<b>1,974,494,601.29</b>

##### (2) Information in relation to the transaction price apportioned to the residual contract performance obligation

At the end of the current year, the amount of revenue corresponding to the performance obligations for which contracts have been signed but have not yet been performed or have not yet been fully performed is RMB 25,285,546.17, which is expected to be recognized as revenue in 2026.

#### 5. Investment income

Item	Amount incurred in the current year	Amount incurred last year
Long-term equity investment income calculated by the cost method		
Returns on long-term equity investments calculated by the equity method	-72,737,179.87	-29,330,307.37
Return on investment arising from the disposal of long-term equity investments	7,970,560.10	78,445,940.06
Investment income from financial assets held for trading during the holding period	420,553.86	4,240,444.62
Investment income from disposal of financial assets held for trading	-1,807,577.63	-26,511,417.25
Gains from remeasurement of residual equity at fair value after losing control		
Interest income from debt investments during the holding period	5,360,451.37	5,688,905.13
Income from the derecognition of financial assets at amortized cost	-226,103.98	-1,332,512.07
Conversion of long-term equity investments accounted for by the equity method to financial assets	655,666,680.89	
Others		
<b>Total</b>	<b>594,647,384.74</b>	<b>31,201,053.12</b>

## Supplementary Materials to the Financial Statements

### 1. Items and amounts of non-recurring gains/losses in the current year

Item	Amount of the current year	Description
Gains/losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	21,769,444.15	
Government grants included in current gains/losses (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 gains/losses)	-560,729,053.82	
Gains/losses 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)	-455,947,543.58	
Funds occupation fee charged to non-financial enterprises included in current gains/losses		
Gains/losses on entrusting others with investments or asset management		
Gains/losses on loan entrustment	86,761,707.56	
Losses on assets resulted from force majeure factors such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment	13,649,084.68	
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee		
Current net gains/losses of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Gains/losses on non-monetary asset swap		
Gains/losses on debt restructuring		
Non-recurring expenses incurred by the enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees		
One-time impact on current gains/losses 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, gains/losses arising from changes in the fair value of employee compensation payable after the date of exercisability		
Gains/losses on change in fair value of investment property subject to follow-up measurement at fair value method		
Gains from transactions at significantly unfair prices		
Gains/losses arising from contingencies unrelated to the normal operation of the Company's business		
Custodian fees earned from entrusted operation		

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Item	Amount of the current year	Description
Non-operating revenue and expense other than the above	-433,788,481.56	
Other gains/losses that meet the definition of non-recurring gains/losses	-1,069,326,647.31	
Subtotal	<b>-2,397,611,489.88</b>	
Less: Income tax effects	1,029,921.23	
Minority equity effects (after tax)	-197,080,357.87	
<b>Total</b>	<b>-2,201,561,053.24</b>	—

(1) Specific Information of Other Profit and Loss Items Complying with the Definition of Non-recurring Profit and Loss

项目	金额	原因
Wuhan Tianyuan Group Co., Ltd.	655,666,680.89	During the reporting period, the Company changed the accounting treatment method for its equity interest in Wuhan Tianyuan Group Co., Ltd. from long-term equity investments (equity method) to trading financial assets, resulting in the recognition of non-recurring gains and losses
Excess losses of subsidiaries	-1,560,621,492.59	During the reporting period, the loss arising from the claims due from loss-making subsidiaries in excess of their net assets recognized by the Company was included in the "net profit attributable to owners of the parent company", thereby generating non-recurring gains and losses
Interest on equity repurchase payments	-164,371,835.61	During the reporting period, the Company accrued interest on equity repurchase payments

(2) The items that are not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring gains/losses (Revised in 2023) but recognized by the Company as non-recurring gains/losses items and involving significant amounts, and listed non-recurring gains/losses items recognized as recurring gains/losses items

Item	Amount	Reason
Tax rebates on software and VAT additional deduction	16,548,508.82	Government grants closely related to the normal operation of the Company's business, which comply with national policies and are received continuously based on a certain standard quota or quantitative amount

**2. Return on net assets and earnings per share**

Profit for the Reporting Period	Weighted average Return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	Not applicable	-5.2254	-5.2254

Notes to Financial Statements of Konka Group Co., Ltd.  
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Profit for the Reporting Period	Weighted average Return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company before non-recurring gains/losses	Not applicable	-4.3111	-4.3111

Konka Group Co., Ltd.  
 Board of Directors  
 April 29, 2026