
Konka Group Co., Ltd.
FINANCIAL REPORT

For the Six Months Ended 30 June 2022

(Un-audited)

Contents

Auditor's Report

Balance Sheet

Income Statement

Cash Flow Statement

Statement of Changes in Owners' Equity

Notes to Accounting Statements

Legal representative: Zhou Bin

Head of the accounting work: Li Chunlei

Head of the accounting department: Guo Zhihua

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

I Independent Auditor's Report

Are these interim financial statements audited by an independent auditor?

Yes No

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

II Financial Statements

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

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

30 June 2022

Unit: RMB

Item	30 June 2022	1 January 2022
Current assets:		
Monetary assets	6,534,638,395.86	6,489,553,211.24
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	934,842,104.68	1,777,477,481.28
Accounts receivable	3,372,628,831.51	3,397,729,481.07
Accounts receivable financing	9,926,723.80	71,490,688.54
Prepayments	611,349,670.64	631,400,953.86
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,810,261,803.88	1,837,459,705.64
Including: Interest receivable	3,478,418.99	2,573,082.79
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	4,018,041,845.92	4,068,537,809.18
Contract assets		
Assets held for sale		
Current portion of non-current assets	28,493,943.14	28,105,523.78
Other current assets	3,342,866,416.60	2,299,963,391.24
Total current assets	20,663,049,736.03	20,601,718,245.83

Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	10,430,400.00	18,495,499.14
Long-term equity investments	6,273,716,368.75	5,902,588,939.51
Investments in other equity instruments	23,841,337.16	23,841,337.16
Other non-current financial assets	2,460,095,518.48	2,293,361,603.68
Investment property	774,860,887.71	776,525,061.54
Fixed assets	3,960,662,993.10	4,010,295,277.14
Construction in progress	1,781,601,493.64	1,490,777,831.39
Productive living assets		
Oil and gas assets		
Right-of-use assets	69,287,135.98	71,210,415.37
Intangible assets	971,163,382.27	975,295,916.08
Development costs	21,182,267.28	16,870,310.70
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	319,234,633.70	297,497,383.39
Deferred income tax assets	855,134,135.28	725,315,725.10
Other non-current assets	1,106,273,348.06	2,648,530,490.12
Total non-current assets	18,649,680,636.52	19,272,802,525.43
Total assets	39,312,730,372.55	39,874,520,771.26
Current liabilities:		
Short-term borrowings	10,090,194,886.59	9,920,675,121.08
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,133,188,165.45	1,116,336,958.91
Accounts payable	2,643,426,810.42	3,784,315,091.41
Advances from customers		
Contract liabilities	711,366,769.35	652,910,408.02
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		

Payables for underwriting of securities		
Employee benefits payable	181,829,820.35	410,747,084.80
Taxes payable	275,168,869.12	295,825,170.41
Other payables	1,392,145,413.87	1,788,177,748.59
Including: Interest payable	88,023,792.80	174,383,177.08
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	1,071,913,219.84	5,089,586,269.32
Other current liabilities	162,378,254.97	109,742,188.24
Total current liabilities	17,661,612,209.96	23,168,316,040.78
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	8,245,446,057.26	3,529,140,539.09
Bonds payable	2,295,579,140.50	2,293,698,899.30
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	51,616,953.84	42,532,869.63
Long-term payables	136,400,514.66	140,687,570.78
Long-term employee benefits payable	5,029,726.81	5,111,296.75
Provisions	106,354,249.82	106,276,535.85
Deferred income	262,481,408.60	206,302,424.92
Deferred income tax liabilities	79,178,233.81	76,894,581.97
Other non-current liabilities	85,210,503.30	104,610,663.76
Total non-current liabilities	11,267,296,788.60	6,505,255,382.05
Total liabilities	28,928,908,998.56	29,673,571,422.83
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	366,832,114.89	234,389,963.10
Less: Treasury stock		
Other comprehensive income	-17,046,757.46	-20,336,087.87

Specific reserve		
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General reserve		
Retained earnings	5,281,519,957.37	5,229,098,788.94
Total equity attributable to owners of the Company as the parent	9,283,431,087.04	9,095,278,436.41
Non-controlling interests	1,100,390,286.95	1,105,670,912.02
Total owners' equity	10,383,821,373.99	10,200,949,348.43
Total liabilities and owners' equity	39,312,730,372.55	39,874,520,771.26

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2022	1 January 2022
Current assets:		
Monetary assets	4,817,401,116.88	4,809,203,282.52
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	323,066,626.61	912,584,879.70
Accounts receivable	5,580,066,984.48	4,468,684,877.11
Accounts receivable financing		6,250,000.00
Prepayments	1,392,618,920.86	1,617,640,913.05
Other receivables	10,250,972,249.22	10,925,066,231.53
Including: Interest receivable	2,907,863.11	2,002,526.91
Dividends receivable	388,722,154.83	383,943,256.80
Inventories	235,132,046.82	192,035,723.31
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,722,570,208.46	1,736,172,492.35
Total current assets	24,321,828,153.33	24,667,638,399.57
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	8,925,016,873.83	8,633,142,223.64

Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	200,326,093.02	200,326,093.02
Investment property	447,656,127.44	455,475,442.43
Fixed assets	393,714,561.09	398,611,899.13
Construction in progress	335,371,763.94	304,489,347.00
Productive living assets		
Oil and gas assets		
Right-of-use assets	2,682,250.80	4,023,376.21
Intangible assets	66,088,328.80	55,814,854.54
Development costs		
Goodwill		
Long-term prepaid expense	31,219,743.56	31,718,868.00
Deferred income tax assets	792,018,584.35	711,814,124.48
Other non-current assets		
Total non-current assets	11,212,034,542.19	10,813,356,443.81
Total assets	35,533,862,695.52	35,480,994,843.38
Current liabilities:		
Short-term borrowings	3,838,087,799.15	4,259,749,597.92
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	673,466,004.28	1,126,421,923.99
Accounts payable	8,982,213,162.58	8,297,778,584.91
Advances from customers		
Contract liabilities	656,157,473.78	740,817,658.30
Employee benefits payable	47,155,667.20	128,148,938.08
Taxes payable	4,356,902.37	8,022,098.02
Other payables	4,011,175,314.75	4,155,006,946.60
Including: Interest payable	87,444,401.92	171,516,416.71
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	863,147,551.20	4,715,415,917.78
Other current liabilities	11,067,091.64	11,124,209.72
Total current liabilities	19,086,826,966.95	23,442,485,875.32
Non-current liabilities:		
Long-term borrowings	7,748,347,100.29	3,161,298,604.12

Bonds payable	2,295,579,140.50	2,293,698,899.30
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	481,296.00	1,664,232.11
Long-term payables		
Long-term employee benefits payable		
Provisions	680,462.71	572,097.48
Deferred income	34,128,189.15	36,243,964.61
Deferred income tax liabilities		
Other non-current liabilities	10,255,577.23	43,677,187.49
Total non-current liabilities	10,089,471,765.88	5,537,154,985.11
Total liabilities	29,176,298,732.83	28,979,640,860.43
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	243,139,144.39	110,696,992.60
Less: Treasury stock		
Other comprehensive income	-1,500,000.00	-1,500,000.00
Specific reserve		
Surplus reserves	1,260,024,039.76	1,260,024,039.76
Retained earnings	2,447,955,370.54	2,724,187,542.59
Total owners' equity	6,357,563,962.69	6,501,353,982.95
Total liabilities and owners' equity	35,533,862,695.52	35,480,994,843.38

3. Consolidated Income Statement

Unit: RMB

Item	H1 2022	H1 2021
1. Revenue	16,895,470,276.81	21,810,161,873.08
Including: Operating revenue	16,895,470,276.81	21,810,161,873.08
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	17,954,723,815.95	22,632,427,029.23
Including: Cost of sales	16,482,440,621.84	20,817,175,713.78

Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	53,284,971.18	44,456,361.94
Selling expense	560,225,684.28	667,662,036.47
Administrative expense	354,308,684.51	359,053,667.07
R&D expense	237,348,526.56	284,663,467.26
Finance costs	267,115,327.58	459,415,782.71
Including: Interest expense	465,576,348.06	488,330,464.76
Interest income	109,353,054.39	78,303,181.42
Add: Other income	343,737,322.91	720,696,356.02
Return on investment (“-” for loss)	737,803,536.05	322,244,312.89
Including: Share of profit or loss of joint ventures and associates	59,402,481.72	19,335,816.88
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-638,799.36	40,362,513.73
Credit impairment loss (“-” for loss)	-78,608,313.56	-71,392,178.06
Asset impairment loss (“-” for loss)	-13,309,988.75	-29,538,732.82
Asset disposal income (“-” for loss)	12,782,328.52	88,668.35
3. Operating profit (“-” for loss)	-57,487,453.33	160,195,783.96
Add: Non-operating income	30,492,741.65	21,618,277.79
Less: Non-operating expense	3,860,945.80	6,793,873.14
4. Profit before tax (“-” for loss)	-30,855,657.48	175,020,188.61
Less: Income tax expense	-88,858,864.36	84,263,268.37
5. Net profit (“-” for net loss)	58,003,206.88	90,756,920.24
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	58,003,206.88	90,756,920.24
5.1.2 Net profit from discontinued operations (“-” for net loss)		

5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	172,818,438.83	85,449,919.57
5.2.1 Net profit attributable to non-controlling interests	-114,815,231.95	5,307,000.67
6. Other comprehensive income, net of tax	4,109,281.36	-1,547,270.99
Attributable to owners of the Company as the parent	3,289,330.41	-583,043.66
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	3,289,330.41	-583,043.66
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-38,929.34	1,486,086.18
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	3,328,259.75	-2,069,129.84
6.2.7 Other		
Attributable to non-controlling interests	819,950.95	-964,227.33
7. Total comprehensive income	62,112,488.24	89,209,649.25
Attributable to owners of the Company as the parent	176,107,769.24	84,866,875.91
Attributable to non-controlling interests	-113,995,281.00	4,342,773.34
8. Earnings per share		
8.1 Basic earnings per share	0.0718	0.0355
8.2 Diluted earnings per share	0.0718	0.0355

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2022	H1 2021
1. Operating revenue	937,174,806.46	1,201,381,406.70
Less: Cost of sales	955,576,781.51	1,079,261,558.34
Taxes and surcharges	4,788,176.20	2,722,585.37
Selling expense	126,864,858.90	153,803,101.46
Administrative expense	112,153,504.59	129,288,020.36
R&D expense	51,468,275.26	21,919,059.86
Finance costs	162,133,403.85	185,312,072.03
Including: Interest expense	431,671,720.01	395,636,089.83
Interest income	175,006,649.97	249,552,400.35
Add: Other income	16,852,496.81	31,506,992.96
Return on investment (“-” for loss)	231,113,070.86	196,794,318.43
Including: Share of profit or loss of joint ventures and associates	76,488,083.68	6,396,453.37
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		1,656,645.84
Credit impairment loss (“-” for loss)	-23,046,305.82	-86,149,702.67
Asset impairment loss (“-” for loss)	-4,024,458.06	-2,818,595.77
Asset disposal income (“-” for loss)	6,069,332.66	
2. Operating profit (“-” for loss)	-248,846,057.40	-229,935,331.93
Add: Non-operating income	13,060,831.55	4,699,664.41
Less: Non-operating expense	254,158.77	5,616,310.83
3. Profit before tax (“-” for loss)	-236,039,384.62	-230,851,978.35
Less: Income tax expense	-80,204,459.87	-59,671,308.58
4. Net profit (“-” for net loss)	-155,834,924.75	-171,180,669.77
4.1 Net profit from continuing operations (“-” for net loss)	-155,834,924.75	-171,180,669.77
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		1,182,217.31
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to		

profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		1,182,217.31
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		1,486,086.18
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		-303,868.87
5.2.7 Other		
6. Total comprehensive income	-155,834,924.75	-169,998,452.46
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2022	H1 2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	16,657,583,444.03	20,963,019,142.28
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		

Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	280,376,794.53	259,574,846.93
Cash generated from other operating activities	753,959,635.59	984,633,539.35
Subtotal of cash generated from operating activities	17,691,919,874.15	22,207,227,528.56
Payments for commodities and services	15,956,086,181.59	20,801,856,591.59
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	1,001,094,352.68	1,040,180,023.02
Taxes paid	272,856,476.27	571,610,951.43
Cash used in other operating activities	883,142,370.34	1,078,341,184.55
Subtotal of cash used in operating activities	18,113,179,380.88	23,491,988,750.59
Net cash generated from/used in operating activities	-421,259,506.73	-1,284,761,222.03
2. Cash flows from investing activities:		
Proceeds from disinvestment	311,914,738.68	242,490,592.58
Return on investment	66,252,680.29	79,850,437.97
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	823,875.00	233,374,028.57
Net proceeds from the disposal of subsidiaries and other business units	297,094,350.04	133,143,680.12
Cash generated from other investing activities	2,385,626,424.39	726,997,513.51
Subtotal of cash generated from investing activities	3,061,712,068.40	1,415,856,252.75
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	2,368,866,405.13	2,434,111,266.54
Payments for investments	281,204,526.06	334,832,168.49
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		96,500,000.00
Cash used in other investing activities	297,319,897.73	335,799,856.00
Subtotal of cash used in investing activities	2,947,390,828.92	3,201,243,291.03
Net cash generated from/used in investing activities	114,321,239.48	-1,785,387,038.28

3. Cash flows from financing activities:		
Capital contributions received	73,710,000.00	82,672,396.60
Including: Capital contributions by non-controlling interests to subsidiaries	73,710,000.00	82,672,396.60
Borrowings raised	13,247,484,343.89	11,408,374,380.36
Cash generated from other financing activities	98,773,506.85	595,358,784.49
Subtotal of cash generated from financing activities	13,419,967,850.74	12,086,405,561.45
Repayment of borrowings	12,164,709,671.44	7,054,124,522.30
Interest and dividends paid	629,096,420.22	612,510,498.19
Including: Dividends paid by subsidiaries to non-controlling interests		7,497,000.00
Cash used in other financing activities	413,488,589.33	480,205,100.51
Subtotal of cash used in financing activities	13,207,294,680.99	8,146,840,121.00
Net cash generated from/used in financing activities	212,673,169.75	3,939,565,440.45
4. Effect of foreign exchange rates changes on cash and cash equivalents	29,437,680.94	-7,488,067.32
5. Net increase in cash and cash equivalents	-64,827,416.56	861,929,112.82
Add: Cash and cash equivalents, beginning of the period	5,968,347,219.03	4,298,056,113.24
6. Cash and cash equivalents, end of the period	5,903,519,802.47	5,159,985,226.06

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2022	H1 2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,354,844,176.86	1,579,711,912.72
Tax rebates	86,941,251.18	125,466,130.99
Cash generated from other operating activities	97,266,687.71	253,268,585.04
Subtotal of cash generated from operating activities	2,539,052,115.75	1,958,446,628.75
Payments for commodities and services	2,958,268,595.49	2,203,917,150.41
Cash paid to and for employees	177,343,007.79	186,615,478.74
Taxes paid	8,874,050.17	5,362,665.96
Cash used in other operating activities	570,856,154.42	315,831,641.28
Subtotal of cash used in operating activities	3,715,341,807.87	2,711,726,936.39
Net cash generated from/used in operating activities	-1,176,289,692.12	-753,280,307.64
2. Cash flows from investing activities:		
Proceeds from disinvestment	243,681,401.96	336,545,500.00

Return on investment	9,191,193.60	7,738,365.75
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,335.00	208,313.77
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	4,144,985,356.98	3,061,287,812.44
Subtotal of cash generated from investing activities	4,397,860,287.54	3,405,779,991.96
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	113,204,917.61	100,219,361.16
Payments for investments	181,192,000.00	416,340,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	3,667,215,872.05	3,653,620,787.61
Subtotal of cash used in investing activities	3,961,612,789.66	4,170,180,148.77
Net cash generated from/used in investing activities	436,247,497.88	-764,400,156.81
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	11,015,317,707.33	7,831,733,994.04
Cash generated from other financing activities	6,900,804,389.29	4,872,687,703.97
Subtotal of cash generated from financing activities	17,916,122,096.62	12,704,421,698.01
Repayment of borrowings	9,787,500,000.00	5,460,556,762.28
Interest and dividends paid	569,130,713.71	555,580,595.63
Cash used in other financing activities	6,871,379,554.34	5,048,804,238.24
Subtotal of cash used in financing activities	17,228,010,268.05	11,064,941,596.15
Net cash generated from/used in financing activities	688,111,828.57	1,639,480,101.86
4. Effect of foreign exchange rates changes on cash and cash equivalents	41,903.92	-524,306.83
5. Net increase in cash and cash equivalents	-51,888,461.75	121,275,330.58
Add: Cash and cash equivalents, beginning of the period	4,682,608,814.76	2,910,762,592.99
6. Cash and cash equivalents, end of the period	4,630,720,353.01	3,032,037,923.57

7. Consolidated Statements of Changes in Owners' Equity

H1 2022

Unit: RMB

Item	H1 2022														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the period of prior year	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,098,788.94		9,095,278,436.41	1,105,670,912.02	10,200,949,348.43
Add: Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Adjustment for business combination under common control															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,098,788.94		9,095,278,436.41	1,105,670,912.02	10,200,949,348.43
3. Increase/ decrease in the period ("-" for decrease)					132,442,151.79		3,289,330.41				52,421,168.43		188,152,650.63	-5,280,625.07	182,872,025.56
3.1 Total comprehensive income							3,289,330.41				172,818,438.83		176,107,769.24	-113,995,281.00	62,112,488.24
3.2 Capital increased and reduced by owners					132,442,151.79								132,442,151.79	109,449,655.93	241,891,807.72
3.2.1 Ordinary shares increased by owners														73,710,000.00	73,710,000.00
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other					132,442,151.79								132,442,151.79	35,739,655.93	168,181,807.72
3.3 Profit distribution											-120,397,270.40		-120,397,270.40	-735,000.00	-121,132,270.40
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-120,397,270.40		-120,397,270.40	-735,000.00	-121,132,270.40
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balance as at the end of the	2,407,94				366,832,114.89		-17,046,757.46		1,244,180,364.24		5,281,519,957.37		9,283,431,087.04	1,100,390,286.95	10,383,821,373.99

Reporting Period	5,408.00														
------------------	----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

H1 2021

Unit: RMB

Item	H1 2021														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent												Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other				
	Preferred shares	Perpetual bonds	Other													
1. Balance as at the end of the period of prior year	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64	
Add: Adjustment for change in accounting policy																
Adjustment for correction of previous error																
Adjustment for business combination under common control																
Other adjustments																
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64	
3. Increase/ decrease in the period ("+" for increase, "-" for decrease)					4,030,393.82		-583,043.66				-155,344,621.23		-151,897,271.07	24,865,602.00	-127,031,669.07	
3.1 Total comprehensive income							-583,043.66				85,449,919.57		84,866,875.91	4,342,773.34	89,209,649.25	
3.2 Capital increased and reduced by owners					4,030,393.82								4,030,393.82	20,522,828.66	24,553,222.48	
3.2.1 Ordinary shares increased by owners														12,701,396.58	12,701,396.58	
3.2.2 Capital increased by holders of other equity instruments																
3.2.3 Share-based payments included in owners' equity																
3.2.4 Other					4,030,393.82								4,030,393.82	7,821,432.08	11,851,825.90	
3.3 Profit distribution											-240,794,540.80		-240,794,540.80		-240,794,540.80	
3.3.1 Appropriation to surplus reserves																
3.3.2 Appropriation to general reserve																
3.3.3 Appropriation to owners (or shareholders)											-240,794,540.80		-240,794,540.80		-240,794,540.80	
3.3.4 Other																
3.4 Transfers within owners' equity																
3.4.1 Increase in capital (or share capital) from capital reserves																
3.4.2 Increase in capital (or share capital) from surplus reserves																
3.4.3 Loss offset by surplus reserves																
3.4.4 Changes in defined benefit schemes transferred to retained earnings																
3.4.5 Other comprehensive income transferred to retained earnings																
3.4.6 Other																
3.5 Specific reserve																
3.5.1 Increase in the period																
3.5.2 Used in the period																

3.6 Other															
4. Balance as at the end of the Reporting Period	2,407,945,408.00				234,215,703.91		-17,166,086.08		1,211,721,109.67		4,440,026,770.40		8,276,742,905.90	2,317,120,549.67	10,593,863,455.57

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

H1 2022

Unit: RMB

Item	H1 2022											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,542.59		6,501,353,982.95
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										23.10		23.10
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,565.69		6,501,354,006.05
3. Increase/ decrease in the period ("-" for decrease)					132,442,151.79					-276,232,195.15		-143,790,043.36
3.1 Total comprehensive income										-155,834,924.75		-155,834,924.75
3.2 Capital increased and reduced by owners					132,442,151.79							132,442,151.79
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other					132,442,151.79							132,442,151.79
3.3 Profit distribution										-120,397,270.40		-120,397,270.40
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-120,397,270.40		-120,397,270.40
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				243,139,144.39		-1,500,000.00	-	1,260,024,039.76	2,447,955,370.54		6,357,563,962.69

H1 2021

Unit: RMB

Item	H1 2021											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,385,005.09		6,097,783,333.69
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										1,017.42		1,017.42
2. Balance as at the beginning of the Reporting Period	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,386,022.51		6,097,784,351.11
3. Increase/ decrease in the period ("-" for decrease)					-2,671,625.35		1,182,217.31			-411,975,210.57		-413,464,618.61
3.1 Total comprehensive income							1,182,217.31			-171,180,669.77		-169,998,452.46
3.2 Capital increased and reduced by owners					-2,671,625.35							-2,671,625.35
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other					-2,671,625.35							-2,671,625.35
3.3 Profit distribution										-240,794,540.80		-240,794,540.80
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-240,794,540.80		-240,794,540.80
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	2,407,945,408.00				109,898,727.37		-1,500,000.00		1,227,564,785.19	1,940,410,811.94		5,684,319,732.50

I. Company Profile

1. Establishment

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

2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of 30 June 2022, the Company has issued a total of 2,407,945,408.00 shares (denomination of RMB1 per share) with a registered capital of RMB2,407,945,408.00.

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

The Group was mainly engaged in the production and sales of colour TVs, white goods, etc.; as well as the operation of industry trade business, environmental protection, semi-conductor, etc.

4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 23 August 2022.

II. Consolidation scope

The Company has a total of 115 subsidiaries included in the consolidation scope including Shenzhen Konka Electronics Technology Co., Ltd., Anhui Konka Electronic Co., Ltd. and Dongguan Konka Electronic Co., Ltd. The consolidation scope of the Company for the Reporting Period increased by 5 households including Jiangxi Konka High-tech Park Operation and Management Co., Ltd., Shangrao Konka Electronic Technology Innovation Co., Ltd. and Guizhou Konka New Energy Material Technology Co., Ltd. and decreased by 10 households including Xi'an Huasheng Jiacheng Real Estate Co., Ltd. and Shanghai Xinfeng Zhuoqun PCB Co., Ltd. due to losing control or cancellation compared to the same period of last year.

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

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

No.	Corporate name	Abbreviation
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology

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

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

No.	Corporate name	Abbreviation
		Appliances
56	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
57	Anhui Konka Electronic Co., Ltd.	Anhui Konka
58	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
59	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
60	Konka Mobility Co., Limited	Konka Mobility
61	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
62	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
63	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
64	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
65	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
66	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Yibin Kangrun Environmental Protection
67	Ningbo Khr Electric Appliance Co., Ltd.	Ningbo Khr Electric Appliance
68	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
69	Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Jiangxi High Transparent Substrate
70	Jiangsu Konka Special Material Technology Co., Ltd.	Jiangsu Konka Special Material
71	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline
72	Konka Huanjia Environmental Technology Co., Ltd.	Konka Huanjia
73	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
74	Shaanxi Konka Intelligent Appliance Co., Ltd.	Shaanxi Konka Intelligent
75	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
76	Jiixin Technology Co., Ltd.	Jiixin Technology
77	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
78	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
79	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
80	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune

No.	Corporate name	Abbreviation
81	Jiali International (Hong Kong) Limited	Jiali International
82	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
83	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
84	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
85	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
86	Yantai Laikang Industrial Development Co., Ltd.	Yantai Laikang
87	Hainan Konka Material Technology Co., Ltd.	Konka Material
88	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
89	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
90	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
91	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
92	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
93	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
94	Konka (Europe) Co., Ltd.	Konka Europe
95	Hong Kong Konka Limited	Hong Kong Konka
96	Hongdin International Trading Limited	Hongdin Trading
97	Konka North America LLC	Konka North America
98	Kanghao Technology Co., Ltd.	Kanghao Technology
99	Hongdin Invest Development Limited	Hongdin Invest
100	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
101	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited	Chain Kingdom Memory Technologies (Shenzhen)
102	Hongjet (Hong Kong) Company Limited	Hongjet
103	Xi'an Feihe Real Estate Development Co., Ltd.	Xi'an Feihe
104	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
105	Jiangxi Konka Industrial Park Development Co. Ltd.	Jiangxi Konka Industrial Park

No.	Corporate name	Abbreviation
106	Ruichang Kangrui Real Estate Co., Ltd.	Ruichang Kangrui Real Estate
107	Konka Industrial Development (Wuhan) Co., Ltd.	Industrial development in Wuhan
108	Shenzhen Kangxiaoqia Digital Information Technology Co., Ltd.	Kangxiaoqia Digital
109	Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	Yijiakang Smart Terminal
110	Guizhou Kangkai Material Technology Co., Ltd.	Guizhou Kangkai Material Technology
111	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material Technology
112	Guizhou Kanggui Energy Co., Ltd.	Guizhou Kanggui Energy
113	Guangdong Xinwei Semiconductor Co., Ltd.	Guangdong Xinwei
114	Chongqing Kangxingrui Renewable Resources Co., Ltd.	Kangxinrun Renewable Resources
115	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Material Technology
116	Sichuan Chengrui Real Estate Co., Ltd.	Sichun Chengrui
117	Chongqing Jiarun Real Estate Co., Ltd.	Chongqing Jiarun
118	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
119	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun
120	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
121	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Jiangxi Konka High-tech Park
122	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
123	Guizhou Konka New Energy Material Technology Co., Ltd.	Guizhou Konka New Energy
124	Zhejiang Konka Electronic Technology Co., Ltd.	Zhejiang Konka Electronic
125	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industry

III. Basis for the Preparation of Financial Statements

1. Basic for the preparation

With the going-concern assumption as the basis and based on transactions and other events that actually occurred, the Group prepared financial statements in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and other regulations as well

as the accounting policies and estimations stipulated in the Note IV “Significant Accounting Policies and Estimations”.

2. Going-concern

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

IV. Important Accounting Policies and Estimations

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

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

2. Fiscal Period

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

3. Operating Cycle

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

4. Recording Currency

The Group adopted RMB as the bookkeeping base currency.

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

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

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business combination under different control shall be measured at fair value on the acquisition date. The merger cost is the sum of the fair value of cash or non-cash assets, liabilities issued or assumed, equity securities issued, etc. paid by the Group on the purchase date to gain control over the purchased party and all directly related expenses incurred in the business combination (The merge

cost of business combination realized step by step through multiple transactions is the sum of every single transaction's cost). The balance that the combined cost greater than the fair value share of the identifiable net assets of the purchased party obtained in the combination shall be recognized as goodwill; When the merger cost is less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the fair value of all identifiable assets, liabilities and contingent liabilities acquired in the merger, and non-cash assets of the merger consideration or equity securities issued, etc. shall be reviewed first. After review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the difference shall be included in the non-operating income of the merger period.

6. Methods for Preparing Consolidated Financial Statements

The scope of consolidation includes all controlled subsidiaries and structural entities.

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

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

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

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

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

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

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

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

If the Group loses control over the investee due to the disposal of some equity investments and other reasons, the remaining equity shall be re-measured at its fair value on the date of loss of control when preparing the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the share of the net assets of the original subsidiary calculated on the basis of the original

shareholding ratio and continuously calculated from the date of purchase or merger, is included in the investment profit and loss of the current period when the control right is lost, and goodwill is offset. Other comprehensive income related to the original subsidiary's equity investment, etc., will be transferred to the current investment profit and loss when the control right is lost.

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

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

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

8. Cash and Cash Equivalents

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

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

(1) Foreign currency transaction

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

capitalization, the conversion difference was directly included in the current profits and losses.

(2) Translation of foreign currency financial statement

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

10. Financial Assets and Financial Liabilities

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

(1) Financial assets

1) Classification, recognition and measurement of financial assets

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

The Group classified the financial assets meeting the following conditions at the same time as financial assets at amortized cost: ①The business mode of the Group to manage the financial assets targets at collecting the contractual cash flow. ②The contract of the financial assets stipulates that the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. These financial assets initially measured at fair value and relevant transaction cost shall be included into the initial recognized amount and subsequently measured at amortized cost. Except for those designated to be hedge items, the difference between the initial recognized amount and the amount due shall be amortized at actual interest rate and their amortization, impairment and exchange gain and loss as well as gains or losses arising from derecognition shall be recorded into the current profit or loss.

The Group classified the financial assets meeting the following conditions at the same time as financial assets at fair value through other comprehensive income: ①The Business mode for managing financial assets of the Group takes contract cash flow collected as target and selling as target. ②The contract of the financial assets stipulates that the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. These financial assets initially measured at fair value and relevant transaction cost shall be included into

the initial recognized amount. Except for those designated as hedged items, as for these financial assets, except for gains or losses on credit impairment, exchange gain and loss and interest of financial assets measured at actual interest rate, other gains or losses generated shall be recorded into other comprehensive income. When derecognized, the accumulated gains and losses originally recorded into other comprehensive income shall be transferred out into the current profit or loss.

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

The Group designates non-transactional investment in equity instruments as financial assets at fair value through other comprehensive income. Those designated non-transactional investment in equity instruments by the Group is initially measured at fair value and relevant transaction cost shall be recorded into the initial recognized amount. Except for dividends (excluding those belonging to recovery of investment cost) which shall be recorded into the current profit or loss, other relevant gains and losses (including exchange gains and losses) shall be recorded into other comprehensive income and cannot be transferred into the current profit or loss subsequently. When derecognized, the accumulated gains or losses originally recorded into other comprehensive income shall be transferred out into retained earnings. Equity instrument investments measured at fair value through other comprehensive income included: Equity investments to be held in the long term as planned by the Group for strategic purpose, with no control, joint control or significance influence, and with no active market quotation.

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

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

2) Recognition and measurement of financial assets transfer

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

1) the rights to receive cash flows from the asset have expired; 2) the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or 3) the enterprise has transferred its rights to receive cash flows from the asset and either (a) has

transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. If the overall transfer of financial assets fulfills the requirements for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the corresponding derecognition part of the accumulated amount of fair value changes originally directly included in other comprehensive income (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and interest based on the unpaid principal amount) shall be included in the current profits and losses.

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

(2) Financial liabilities

1) Classification, recognition and measurement of financial liabilities

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

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

Other financial liabilities shall be subsequently measured at amortized cost with actual interest rate. The Group classifies financial liabilities except for the following items as financial liabilities at amortized cost: ①Financial liabilities at fair value through profit or loss including held-for-trading financial liabilities (including the derivative instruments belonging to financial liabilities) and designated financial liabilities at fair value through profit or loss. ②Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or continuous involvement in the transferred financial assets. ③Financial guarantee contract not belonging to cases of above ① or ② and loan commitments at interest rate lower than the market rate not belonging to the case in ①.

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

2) Derecognition of financial liabilities

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

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

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

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

(4) Offsetting financial assets and financial liabilities

The Group's financial assets and liabilities shall be separately presented in the balance sheet and not set off each other. But when meeting the following conditions at the same time, the net amount

after offset shall be presented in the balance sheet: (1) The Group has the statutory right to set off recognized amount which is currently executable; (2) The Group plans to settle with the net amount or realize the financial asset and pay off the financial liability simultaneously.

(5) The distinction between financial liabilities and equity instruments and related treatment methods

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

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

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

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

11. Impairment of Financial Assets

The Group needs to confirm that the financial assets subject to the impairment loss are the financial assets measured based on the amortized cost, the debt instrument investment measured based on the

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

(1) Methods for the Recognition of Impairment Provisions

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

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

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

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

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

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

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

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

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

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

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

12. Notes Receivable

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

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

13. Accounts Receivable

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

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

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

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

14. Accounts Receivable Financing

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

15. Other Receivables

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

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

16. Long-term Receivables

By determining whether the credit risk of long-term account receivables increases remarkably after the initial recognition, the Group shall measure the impairment loss based on the specific expected credit loss in the following 12 months or during the entire period of existence. Except long-term

account receivables whose credit risks shall be separately evaluated, the Group shall divide them into different combinations based on the specific credit risk features:

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

17. Inventories

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

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

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

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

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

18. Contract Assets

(1) Confirmation methods and standards of contract assets

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

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

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

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

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

19. Contract Costs

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

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

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

The contract acquisition cost, that is, the incremental cost incurred by the Group to obtain the contract is expected to be recovered, and is recognized as an asset as the contract acquisition cost; if the asset amortization period does not exceed one year, it is included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission, etc.) that the Group

will not incur without obtaining the contract. The Group's expenses incurred in obtaining the contract, other than the expected incremental cost that can be recovered (such as travel expenses incurred regardless of whether the contract is obtained, etc.), are included in the current profit and loss when they are incurred, but it is clearly borne by the customer except.

(2) Amortization of assets related to contract costs

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

(3) Impairment of assets related to contract costs

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

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

20. Long-term Equity Investments

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

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

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

If control over the investee is formed, it is a subsidiary of the Group. For long-term equity investment acquired through business combination under the same control, the initial investment

cost of the long-term equity investments is recorded at the merger date based on the acquisition of the merged party's share of the book value of the net assets of the ultimate controller in the consolidated financial statement. If the book value of the net assets of the merged party on the merger date is negative, the cost of long-term equity investments is determined as zero.

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

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

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

held prior to the purchase date is an investment for other equity instruments, the changes in fair value of the equity investment accumulated in other comprehensive income before the purchase date shall be transferred to the retained earnings.

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

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

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

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

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

For the long-term equity investment whose subsequent measurement adopts the cost method, when the additional investment is made, the book value of the long-term equity investment cost is increased according to the fair value of the cost amount paid by the additional investment and the relevant transaction expenses. The cash dividends or profits declared to be distributed by the investee shall be recognized as the current investment income according to the amount that should be enjoyed.

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

recognized after adjustment.

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

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

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

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

21. Investment Property

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

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

The Group shall make a follow-up measurement to the investment property by employing the cost pattern on the date of the balance sheet. An accrual depreciation or amortization shall be made for the investment property in the light of the accounting policies of the use right of buildings or lands. For details of impairment test method and withdrawal method of impairment provision of investment property, please refer to Note IV. 27. “Long-term assets impairment”.

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

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

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

it is incurred.

22. Fixed Assets

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

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

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

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

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

23. Construction in Progress

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

24. Borrowing Costs

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

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

25. Right-of-Use Assets

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

(1) Initial measurement

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

(2) Follow-up measurement

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

Depreciation of right-of-use assets

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

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

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

Impairment of right-of-use assets

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

26. Intangible Assets

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

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

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

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

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

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

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

(2) Specific criteria for capitalization of development stage expenditures

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

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

27. Impairment of Long-term Assets

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

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

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

of other carrying value of above assets in asset group or asset group combination except business reputation.

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

28. Long-term Deferred Expenses

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

29. Contract Liabilities

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

30. Employee Compensation

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

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

The post-employment benefits mainly include the basic endowment insurance, etc. They are divided into defined contribution plans and defined benefit plans in accordance with the risks and obligations undertaken by the Group. According to the defined contribution plan, the deposit paid to a separate entity in exchange for the services provided by the employees during the accounting period on the balance sheet date is recognized as liabilities, and shall be included in the current profit and loss or the cost of related assets according to the beneficiary. If the Group has a defined benefit plan, the specific accounting method should be explained.

When terminating labour relations before expiration of contract, or layoffs with compensations, and the Group cannot terminate the labour relations unilaterally or reduce the demission welfare, remuneration and liabilities produced from the demission welfare should be determined and

included in current profits and losses when determining the costs of demission welfare and recombination. However, demission welfare not fully paid within 12 months after annual Reporting Period should be handled the same as other long-term employees' payrolls.

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

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

31. Lease Liabilities

(1) Initial measurement

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

1) Lease payments

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

2) Rate of discount

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

(2) Follow-up measurement

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

The Group calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic

interest rate, and includes them (except those that shall be capitalized) in profit or loss for the current period. Periodic rate refers to the rate of discount adopted by the Group when initially measuring lease liabilities, or the revised rate of discount adopted by the Group when lease liabilities need to be remeasured according to the revised rate of discount due to changes in lease payments or lease changes.

(3) Re-measurement

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

32. Provisions

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

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

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

33. Principles of Revenue Recognition and Measurement Method

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

(1) Revenue recognition principle

The Group has fulfilled the performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services, revenue is recognized. Obtaining control over

related goods or services means being able to lead the use of the goods or the provision of such services and obtain almost all of the economic benefits from it.

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

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

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

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

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

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

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

(2) Principles of income measurement

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

individual performance obligation. Revenue is measured at the transaction price of each individual performance obligation.

②The transaction price is the amount of consideration that the Group expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments collected on behalf of third parties and payments expected to be returned to customers. The transaction price confirmed by the Group does not exceed the amount at which the accumulated confirmed income will most likely not undergo a significant reversal when the relevant uncertainty is eliminated. It is expected that the money returned to the customer will not be included in the transaction price as a liability.

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

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

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

⑥ If there is a significant financing component in the contract, the Group shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. Using the discount rate that discounts the nominal amount of the contract consideration into the current commodity price, the difference between the determined transaction price and the amount of the consideration promised in the contract is amortized by the actual interest method during the contract period. On the starting date of the contract, the Group expects that the time between the customer's acquisition of control of the goods or services and the

customer's payment of the price will not exceed one year, regardless of the significant financing components in the contract.

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

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

(3) Specific methods of revenue recognition

① Revenue recognized on time

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

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

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

②Income confirmed according to the performance progress

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

34. Government Grants

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

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

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

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

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

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

(1) Where the government allocates the funds to the lending bank, and the bank provides a loan to the Group at a policy-related preferential interest rate, the actual amount of the loan received is taken as the entry value, and the borrowing costs are calculated based on the loan principal and the policy-related preferential interest rate.

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

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

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

35. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

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

36. Leasing

(1) Identification of leases

The term "lease" refers to a contract whereby the lessor transfers the right of use regarding the leased asset(s) to the lessee within a specified time in exchange for consideration. On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a

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

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

(2) The Group as lessee

1) Lease recognition

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

2) Lease change

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

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

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

3) Short-term and low-value asset leases

For short-term leases with a lease term not exceeding 12 months and low-value asset leases with lower value when single leased assets are brand new assets, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group includes the payments of short-term and low-value asset leases incurred during each period of the lease term in the profit or loss for the

current period or the cost of relevant assets by the straight-line method.

(3) The Group as lessor

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

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

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

1) Accounting treatment of finance leases

Initial measurement

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

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

Follow-up measurement

The Group calculates and confirms the interest income at a fixed periodic rate in each period in the lease term. Periodic rate refers to the rate of discount implicit in lease adopted to determine the net investment in the lease (in the case of sublease, if the interest rate implicit in lease of sublease cannot be determined, the rate of discount implicit in original lease is adopted (adjusted according

to the initial direct expenses related to sublease)), or the revised rate of discount determined in accordance with the relevant provisions where the change of the finance lease is not accounted for as a separate lease and meets the condition that the lease will be classified as a finance lease if the change became effective on the lease commencement date.

Accounting treatment of lease change

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

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

2) Accounting treatment of operating leases

Treatment of rent

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

Incentives provided

If the Group provides a rent-free period, it allocates the total rentals over the entire lease term without deducting the rent-free period by the straight-line method, and also recognizes rental income during the rent-free period. If certain expenses of the lessee are borne, the Group allocates the balance of rental income over the lease term after such expenses are deducted from the gross rental income.

Initial direct cost

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

Depreciation

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

Variable lease payments

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

Change of operating leases

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

37. Changes in Main Accounting Policies and Estimates

(1) Changes of accounting policies

No such cases in the Reporting Period.

(2) Changes in Accounting Estimates
No such cases in the Reporting Period.

V. Taxation

1. Main Taxes and Tax Rate

Category of taxes	Basis	Specific situation of the taxes rate
VAT	Calculated the output tax at the tax rate and paid the VAT by the amount after deducting the deductible withholding VAT at current period, of which the VAT applicable to easy collection won't belong to the deductible withholding VAT.	1%、3%、5%、6%、9%、13%
Urban maintenance and construction tax	The circulating tax actually paid	Paid at 5%: Dongguan Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Konka Precision, Boluo Konka, Ningbo Kanghanrui, Jiangsu Konka Smart, Yibin Kangrun, Yibin Kangrun Medical, Yibin Kangrun Environmental Protection. Paid at 1%: Jiangxi Konka, Jiangxi High Transparent Substrate, Jiangkang (Shanghai) Technology. Paid at 7%: other subsidiaries.
Education surtax	The circulating tax actually paid	3%
Local education surtax	The circulating tax actually paid	2%
Enterprise income tax	Taxable income	25%/ See 2.Tax Preference and Approved Documents for details

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

Name of entity	Income tax rate
Xingda Hongye, Wankaida, Jiangxi Konka, Jiangxi High Transparent Substrate, Chongqing Kangxingrui, Chengdu Konka	15%
Hong Kong Konka, Konka Electrical Appliances International Trading, Jiali International, Kangjietong, Jiaxin Technology, Jiaxin	16.5%

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

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

2. Tax Preference and Approved Documents

(1) According to the No. 8 announcement in 2021 and No 13 announcement in 2022 issued by State Taxation Administration: Notice on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises, the annual taxable income of small and profitable enterprises is not The portion exceeding RMB1 million will be reduced to 12.5% of the taxable income, and the corporate income tax will be paid at the rate of 20%; the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million will be reduced by 25% Include the taxable income and pay corporate income tax at a rate of 20%.

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

(3) On 14 September 2020, Jiangxi High Transparent Substrate, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the

State Administration of Taxation. The certificate number is GR202036000568 and is valid for three years. According to relevant tax regulations, Jiangxi High Transparent Substrate shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

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

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

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

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

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

Unless otherwise noted, the following annotation project (including the main projects, annotation of the financial statement of the Company), the period-begin refers to 1 January 2022, the

period-end refers to 30 June 2022, this period refers to the period from 1 January 2022 to 30 June 2022 and the last period refers to the period from 1 January 2021 to 30 June 2021. The monetary unit is renminbi.

1. Monetary Assets

Item	Ending balance	Beginning balance
Cash on hand	9.41	363.22
Bank deposits	5,934,218,376.34	5,968,346,855.81
Other monetary assets	600,420,010.11	521,205,992.21
Total	6,534,638,395.86	6,489,553,211.24
Of which: total amount deposited overseas	191,805,082.38	167,359,880.91

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

2. Trading Financial Assets

No such cases at the end of the Reporting Period.

3. Notes Receivable

(1) Notes Receivable Listed by Category

Item	Ending balance	Opening balance
Commercial acceptance bill	223,163,880.43	561,724,266.27
Bank's acceptance bill	711,678,224.25	1,215,753,215.01
Total	934,842,104.68	1,777,477,481.28

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

Item	Amount
Bank's acceptance bill	368,248,481.12
Commercial acceptance bill	4,825,490.66
Total	373,073,971.78

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

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank's acceptance bill	1,014,652,928.06	
Commercial acceptance bill		151,757,113.09
Total	1,014,652,928.06	151,757,113.09

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

No such cases in the Reporting Period.

(5) Listed by Withdrawal Methods for Bad Debt Provision

Category	Ending balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	939,489,453.78	100.00	4,647,349.10	0.49	934,842,104.68
Of which: Bank acceptance bill	711,678,224.25	75.75			711,678,224.25
Commercial acceptance bill	227,811,229.53	24.25	4,647,349.10	2.04	223,163,880.43
Total	939,489,453.78	100.00	4,647,349.10	0.49	934,842,104.68

(Continued)

Category	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value

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

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

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	227,811,229.53	4,647,349.10	2.04
Total	227,811,229.53	4,647,349.10	2.04

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

Category	Beginning balance	Changed amount			Ending balance
		Withdrawal	Collected or reversed	Write-off or verified	
Commercial acceptance bill	11,697,810.37		7,050,461.27		4,647,349.10
Bank's acceptance bill					
Total	11,697,810.37		7,050,461.27		4,647,349.10

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

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

4. Accounts Receivable

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

Category	Ending balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable, for which the independent provision for expected credit losses	1,577,591,336.54	33.12	1,040,697,168.86	65.97	536,894,167.68
Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups					
Of which: aging group	3,186,183,833.65	66.88	350,449,169.82	11.00	2,835,734,663.83
Subtotal of groups	3,186,183,833.65	66.88	350,449,169.82	11.00	2,835,734,663.83
Total	4,763,775,170.19	100.00	1,391,146,338.68	29.20	3,372,628,831.51

(Continued)

Category	Beginning balance			
----------	-------------------	--	--	--

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

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

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Shanghai Huaxin	299,136,676.70	270,016,218.90	90.27	Debt default

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
International Group Co., Ltd.				
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
Tewoo Group Co., Ltd.	200,000,000.00	100,000,000.00	50.00	Judicial reorganization
Shenzhen Yaode Technology Co., Ltd.	137,931,418.85	68,528,250.38	49.68	It is not expected to recover all of them
Guangan Ouqishi Electronic Technology Co., Ltd.	113,230,553.53	101,907,498.18	90.00	It is not expected to recover all of them
.Zhongfu Tiangong Construction Group Co., Ltd. (formerly known as “Zhonghegong Construction Group Co., Ltd.)	71,689,096.65	46,662,912.82	65.09	It is not expected to recover all of them
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	58,699,170.00	90.00	Expected to be difficult to recover in full
China Energy Electric Fuel Co., Ltd.	50,000,000.00	42,500,000.00	85.00	Expected to be difficult to recover in full
Tahoe Group Co., Ltd.	50,000,000.00	40,000,000.00	80.00	Debt reorganization
H-BUSTER DO	18,458,464.59	18,458,464.59	100.00	The counterparty

Name	Ending balance			Withdrawal reason
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	
BRASIL INDUSTRIA				is bankrupt and is expected to be difficult to recover
Others	371,923,826.22	213,924,653.99	57.52	It is not expected to recover all of them
Total	1,577,591,336.54	1,040,697,168.86	65.97	

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

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	2,559,004,569.98	52,203,693.17	2.04
1 to 2 years	207,273,622.32	20,768,816.96	10.02
2-3 years	135,613,018.70	30,770,593.94	22.69
3-4 years	107,023,225.80	69,436,668.90	64.88
Over 4 years	177,269,396.85	177,269,396.85	100.00
Total	3,186,183,833.65	350,449,169.82	11.00

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

(2) Accounts Receivable Listed by Aging

Aging	Ending balance
Within 1 year	2,560,479,907.78
1 to 2 years	298,297,639.07
2 to 3 years	828,608,040.41

Aging	Ending balance
3 to 4 years	869,088,911.41
Over 4 years	207,300,671.52
Subtotal	4,763,775,170.19
Less: bad debt provision	1,391,146,338.68
Total	3,372,628,831.51

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

Category	Beginning balance	Changed amount	
		Withdrawal	Collected or reversed
Bad debt provision of accounts receivable	1,358,847,404.92	42,299,060.06	
Total	1,358,847,404.92	42,299,060.06	

(Continued)

Category	Changed amount		Ending balance
	Write-off or verified	Decrease for other reasons	
Bad debt provision of accounts receivable	15,638,405.09	-5,638,278.79	1,391,146,338.68
Total	15,638,405.09	-5,638,278.79	1,391,146,338.68

Decreases for other reasons were RMB-5,698,717.04 due to exchange rate changes and the decrease by RMB60,438.25 due to the loss of controlling right.

(4) Accounts receivable actually verified during the Reporting Period

Item	Amount verified
Actually verified accounts receivable	15,638,405.09

Of which the verification of significant accounts receivable:

Name of entity	Nature	Verification Amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
-----------------------	---------------	----------------------------	--------------------------------	--	---

Name of entity	Nature	Verification Amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
Shantan Innovations Pvt. LTD	Payment for goods	2,825,921.20	Expected to be unrecoverable	Approved by the Board of Directors of subsidiary	No
ASANZO GROUP JOINT STOCK COMPANY	Payment for goods	6,292,153.94	Expected to be unrecoverable	Approved by the Board of Directors of subsidiary	No
ASANZO MEDIA AND ENTERTAINMENT JOINT	Payment for goods	2,036,473.41	Expected to be unrecoverable	Approved by the Board of Directors of subsidiary	No
A SANZO VIET NAM ELECTRONIC JOINT	Payment for goods	4,483,856.54	Expected to be unrecoverable	Approved by the Board of Directors of subsidiary	No
Total		15,638,405.09			

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

The total amount of top five of account receivable of ending balance collected by arrears party was RMB 1,734,749,192.99, accounting for 36.42% of total closing balance of account receivable, the relevant ending balance of bad debt provision withdrawn was RMB471,176,245.94.

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

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

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

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

5. Accounts Receivable Financing

Item	Ending balance	Beginning balance
Notes Receivable	9,926,723.80	71,490,688.54
Total	9,926,723.80	71,490,688.54

6. Prepayments

(1) Age of prepayments

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	583,266,427.55	95.41	602,386,221.38	95.41
1 to 2 years	13,380,428.37	2.19	20,098,838.22	3.18
2-3 years	10,227,155.90	1.67	8,614,486.12	1.36
Over 3 years	4,475,658.82	0.73	301,408.14	0.05
Total	611,349,670.64	100.00	631,400,953.86	100.00

Note: The amount of prepayments aged over one year at the end of the period is RMB 28,083,243.09, accounting for 4.59% of the total balance of prepayments of the Company, and consists mainly of payments for goods afloat or unsettled payments.

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

The total amount of prepayments with top 5 ending balance collected by prepaid party was RMB205,452,468.95, accounting for 33.61% of the total ending balance of prepayments.

7. Other Receivables

Item	Ending balance	Opening balance
Interests receivable	3,478,418.99	2,573,082.79
Dividends receivable		
Other Receivables	1,806,783,384.89	1,834,886,622.85
Total	1,810,261,803.88	1,837,459,705.64

7.1 Interests Receivable

(1) Category of Interests Receivable

Item	Ending balance	Opening balance
Term deposit	2,907,863.11	2,002,526.91

Factoring interest	570,555.88	570,555.88
Total	3,478,418.99	2,573,082.79

(2) Withdrawal of Bad Debt Provision for Interests Receivable

The Company did not have impaired interests receivable.

7.2 Dividends Receivable

(1) No such cases at the end of the Reporting Period.

7.3 Other Receivables

(1) Classified by Account Nature

Nature	Ending carrying balance	Opening carrying balance
Deposit and margin	1,324,584,359.75	1,356,193,440.22
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	175,020,491.02	173,487,141.27
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Others	1,536,387,839.20	1,489,929,312.88
Total	3,188,392,031.97	3,172,009,236.37

(2) Withdrawal of Bad Debt Provision for Other Receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 1 January 2022	17,419,904.57	182,212,040.32	1,137,490,668.63	1,337,122,613.52
In the Reporting Period, carrying amount of other receivables on 1 January 2022	-4,196,042.85	4,196,042.85		
——Transferred to the Phase II	-4,196,042.85	4,196,042.85		
——Transferred to				

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
the Phase III				
——Transferred back to the Phase II				
——Transferred back to the Phase I				
Provision made in the current period	1,474,096.03	13,879,527.05	28,006,091.69	43,359,714.77
Amount transferred back in the current year				
Write-off				
Verification				
Other changes	1,126,318.79			1,126,318.79
Balance as at 30 June 2022	15,824,276.54	200,287,610.22	1,165,496,760.32	1,381,608,647.08

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

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

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

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

Category	Ending balance		
	Carrying amount	Bad debt provision	Carrying value

	Amount	Proport ion (%)	Amount	Withdr awal proport ion	
Other receivables with significant individual amount and make independent provision for expected credit loss	1,458,878,177.84	45.75	1,165,496,760.32	79.89	293,381,417.52
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	1,469,772,683.19	46.10	200,523,262.91	13.64	1,269,249,420.28
Low-risk group	259,741,170.94	8.15	15,588,623.85	6.00	244,152,547.09
Subtotal of groups	1,729,513,854.13	54.25	216,111,886.76	12.50	1,513,401,967.37
Total	3,188,392,031.97	100.00	1,381,608,647.08	43.33	1,806,783,384.89

(Continued)

Category	Beginning balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proport ion (%)	Amount	Withdr awal proport ion	
Other receivables with significant individual amount and make independent	1,458,258,132.07	45.97	1,137,490,668.63	78.00	320,767,463.44

Category	Beginning balance				Carrying value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion	
provision for expected credit loss					
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	1,494,744,336.27	47.13	188,949,294.11	12.64	1,305,795,042.16
Low-risk group	219,006,768.03	6.90	10,682,650.78	4.88	208,324,117.25
Subtotal of groups	1,713,751,104.30	54.03	199,631,944.89	11.65	1,514,119,159.41
Total	3,172,009,236.37	100.00	1,337,122,613.52	42.15	1,834,886,622.85

(4) Listed by aging

Aging	Ending balance
Within 1 year	886,676,703.44
1 to 2 years	681,614,764.99
2-3 years	1,154,159,125.09
3-4 years	233,236,498.87
4-5 years	4,506,854.84
Over 5 years	228,198,084.74
Subtotal	3,188,392,031.97
Less: bad debt provision	1,381,608,647.08
Total	1,806,783,384.89

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision for Reporting Period was RMB43,359,714.77, increasing RMB1,249,137.49 which was mainly due to exchange rate changes, decreasing RMB122,818.70 which was mainly due to loss of control.

(6) Other Receivables Actually Written off in the Reporting Period

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

(7) Other Receivables with Top 5 Ending Balances Collected by Arrears Party

The total amount of other receivables with top 5 ending balance collected by arrears party in the Reporting Period was RMB1,424,096,545.64, accounting for 44.67% of the total ending balance of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB390,808,329.07.

(8) Other Receivables Derecognized due to the Transfer of Financial Assets

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

(9) Amount of Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables

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

8. Inventories

(1) Category of Inventories

Item	Ending balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Real estate development projects:			
Development cost	24,421,591.35		24,421,591.35
Subtotal	24,421,591.35		24,421,591.35
Non-real estate development projects:			
Raw materials	1,213,593,412.99	63,109,874.71	1,150,483,538.28
Semi-finished products	173,645,401.11	35,883,710.08	137,761,691.03
Products on hand	2,948,423,458.79	243,302,592.86	2,705,120,865.93

Item	Ending balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Contract performance costs	254,159.33		254,159.33
Subtotal	4,335,916,432.22	342,296,177.65	3,993,620,254.57
Total	4,360,338,023.57	342,296,177.65	4,018,041,845.92

Details of development cost

Item	On-stream time	Estimated next completion time	Opening balance	Ending balance
Konka (Haimen)'s project of intelligent manufacturing base for electronic information industry	June 2022	June 2024		24,421,591.35

(Continued)

Item	Beginning balance		
	Carrying amount	Inventory falling price reserves / impairment provision of contract performance costs	Carrying value
Non-real estate development projects:			
Raw materials	1,300,321,549.53	56,921,789.83	1,243,399,759.70
Semi-finished products	188,626,889.60	36,212,915.54	152,413,974.06
Products on hand	2,925,212,679.95	252,742,763.86	2,672,469,916.09
Contract performance costs	254,159.33		254,159.33
Subtotal	4,414,415,278.41	345,877,469.23	4,068,537,809.18
Total	4,414,415,278.41	345,877,469.23	4,068,537,809.18

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

Item	Beginning balance	Increased	
		Withdrawal	Other
Raw materials	56,921,789.83	8,438,000.83	
Semi-finished product	36,212,915.54	651,553.89	
Inventory goods	252,742,763.86	4,220,434.03	
Contract performance costs			
Total	345,877,469.23	13,309,988.75	

(Continued)

Item	Decreased		Ending balance
	Write-off	Other	
Raw materials	2,016,763.74	233,152.21	63,109,874.71
Semi-finished product	980,759.35		35,883,710.08
Inventory goods	12,870,905.06	789,699.97	243,302,592.86
Contract performance costs			
Total	15,868,428.15	1,022,852.18	342,296,177.65

Specific basis for determining the realizable net value and reasons for inventory falling price reserves and impairment provision for contract performance costs transferred back or written off during the Reporting Period:

Item	Specific basis for withdrawal of inventory falling price reserves	Reasons for write-off of inventory falling price reserves in the Reporting Period
Raw materials	The realizable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Semi-finished products	The realizable net value was lower than the carrying value	They have been sold or collected in the Reporting Period
Products on hand	The realizable net value was lower than the carrying value	They have been sold in the Reporting Period

9. Contractual assets

There were no contractual assets at the end of the Reporting Period.

10. Current Portion of Non-current Assets

Item	Ending balance	Beginning balance	Nature
Current portion of long-term receivable	28,493,943.14	28,105,523.78	Finance leasing amount
Total	28,493,943.14	28,105,523.78	

11. Other Current Assets

Item	Ending balance	Beginning balance
Principal and interests of entrusted loans to associated enterprises	2,680,326,498.49	1,624,197,904.35
Prepayments and deductible taxes, and refund of tax for export receivable	638,536,197.81	649,198,781.95
Costs receivable for returning goods	19,225,630.83	21,501,882.70
Others	4,778,089.47	5,064,822.24
Total	3,342,866,416.60	2,299,963,391.24

12. Long-term Receivables

(1) List of Long-term Receivables

Item	Ending balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	3,283,943.14		3,283,943.14
Of which: unrealized financing income	83,035.07		83,035.07
Cash deposits of long-term receivables	35,640,400.00		35,640,400.00
Less: Current portion of long-term receivable See Note VI. 10 for details)	28,493,943.14		28,493,943.14
Total	10,430,400.00		10,430,400.00

(Continued)

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	10,960,622.92		10,960,622.92

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value
Of which: unrealized financing income	390,068.94		390,068.94
Cash deposits of long-term receivables	35,640,400.00		35,640,400.00
Less: Current portion of long-term receivable (See Note VI. 10 for details)	28,105,523.78		28,105,523.78
Total	18,495,499.14		18,495,499.14

13. Long-term Equity Investments

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Kangkong Ventures Development (Shenzhen) Co., Ltd.	4,895,096.41				-122,500.00	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,642,793.07				8,927.50	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	10,468,555.83				-171,200.00	
Shenzhen Kangyue Enterprise Co., Ltd.	32,504,265.03				-109,725.90	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.	4,179,700.00				-477,535.95	
Kangkai Technology Service (Chengdu) Co., Ltd.	228,931.64				-93,330.23	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Puchuang Jiakang Technology Co., Ltd.	1,836,583.36				2,037,585.61	
Chongqing Electronics Co., Ltd.	15,034,341.13				606,551.34	
Shenzhen Technology Co., Ltd.	94,278,354.91				-342,916.95	
Panxu Intelligence Co., Ltd.	52,366,635.10				314,310.00	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	5,077,777.37				3,388,170.30	
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)	467,638,787.38	5,076,700.00			-1,190,792.65	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	3,528,077.43					
Shenzhen RF-LINK Technology Co., Ltd.						

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	418,721,305.96					
Kunshan Kangsheng Investment Development Co., Ltd.	317,101,869.51				-4,747,257.35	
Chutian Dragon Co., Ltd.	647,490,626.93		85,013,375.26		13,641,260.41	
Helongjiang Longkang Zhijia Technology Co., Ltd.	1,117,531.32		1,157,647.82		40,116.50	
Shaanxi Silu Yunqi Smart Technology Co., Ltd.	14,113,227.58				183,461.77	
Shenzhen Kanghongxing Smart Technology Co., Ltd.						
Shenzhen Zhongbing Konka Technology Co., Ltd.						
Shenzhen Bosser New Materials Co., Ltd.	60,453,041.59				1,324,755.44	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shenzhen Yaode Technology Co., Ltd.						
Wuhan Tianyuan Environmental Protection Co., Ltd.	325,645,840.91				11,179,621.33	
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02				-1,305,129.50	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	118,122,798.37	24,500,000.00				
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	116,294,808.94				-588,275.99	
Chuzhou Kangxin Health	185,277,588.25				-1,370,767.86	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Industry Development Co., Ltd.						
Dongguan Guankang Yuhong Investment Co., Ltd.	539,103,920.30				-12,145,407.83	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	2,395,748.73				-2,395,748.73	
Shandong Econ Technology Co., Ltd.	1,024,944,000.00				59,671,172.50	
Dongguan Kangjia New Materials Technology Co., Ltd.	6,920,620.00				-451,280.15	
Shenzhen E2info Network Technology Co., Ltd.	1,018,795,584.41				574,782.45	
Yantai Kangyun Industrial Development Co., Ltd.	76,721,264.91				-2,011,566.36	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
E3 (Hainan) Technology Co., Ltd.	58,715,678.97					
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	3,921,788.17				725,889.93	
Shenzhen Konda E-display Co., Ltd.	82,930,520.62				-1,564,990.77	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	33,459,820.85				-5,544,180.67	
Shenzhen Kangpeng Digital Technology Co., Ltd.	5,702,518.20				-1,164,839.41	
Yantai Kangtang Construction Development Co., Ltd.	17,740.49				100,947.17	
Dongguan Kangzhihui Electronics Co., Ltd.	23,528,224.46				-4,227,152.42	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Sichuan Huayi Jiakang Technology Co., Ltd.	339,893.32				-161,494.44	
Sichuan Aimijiakang Technology Co., Ltd.	2,000,138.36				-138,036.90	
Beijing Konka Jingyuan Technology Co., Ltd.	766,290.97					
Chongqing Liangshan Enterprise Management Co., Ltd.	53,673.48					
Shenzhen Kangene Technology Innovation Development Co., Ltd.	907,025.65				51,821.26	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	1,478,689.46				-1,113,706.55	
Henan Kangfei Intelligent	1,832,647.54				-163,129.50	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Electrical Appliances Co., Ltd.						
Runxin Microelectronic (Dalian) Co, Ltd.	47,509,494.92		47,509,494.92			
Guangdong Kangyuan Semiconductor Co., Ltd.	9,214,309.08	6,680,000.00			-726,735.58	
Chongqing Kangyiqing Technology Co., Ltd.	795,085.13				-82,240.22	
Shenzhen Kangying Semiconductor Technology Co., Ltd.	11,416,062.86	6,000,000.00			-1,080,619.83	-38,929.34
KK Smartech Limited	1,441,263.59					
Shenzhen Konka Electrical Appliances Co., Ltd.						
Heifei KONSEMI Storage Technology Co., Ltd.				204,000,000.00	-8,004,201.68	

Investee	Opening balance	Increase/decrease				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Sichuan Chengrui Real Estate Co., Ltd.				43,120,000.00		
Konka Industrial Development (Wuhan) Co., Ltd.				45,000,000.00		
Total	5,902,588,939.51	42,256,700.00	133,680,518.00	292,120,000.00	42,354,610.09	-38,929.34

(Continued)

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Kangkong Ventures Development (Shenzhen) Co., Ltd.					4,772,596.41	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					1,651,720.57	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries					10,297,355.83	
Shenzhen Kangyue Enterprise Co., Ltd.					32,394,539.13	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.					3,702,164.05	
Kangkai Technology Service (Chengdu) Co., Ltd.					135,601.41	
Puchuang Jiakang Technology Co, Ltd.					3,874,168.97	
Chongqing Qingjia Electronics Co., Ltd.					15,640,892.47	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Shenzhen Jielunte Technology Co., Ltd.					93,935,437.96	
Panxu Intelligence Co., Ltd.					52,680,945.10	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					8,465,947.67	
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)					471,524,694.73	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.					3,528,077.43	
Shenzhen RF-LINK Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.					418,721,305.96	
Kunshan Kangsheng Investment Development Co.,					312,354,612.16	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Ltd.						
Chutian Dragon Co., Ltd.		4,410,993.60			571,707,518.48	
Helongjiang Longkang Zhijia Technology Co., Ltd.						
Shaanxi Silu Yunqi Smart Technology Co., Ltd.					14,296,689.35	
Shenzhen Kanghongxing Smart Technology Co., Ltd.						12,660,222.73
Shenzhen Zhongbing Konka Technology Co., Ltd.						
Shenzhen Bosser New Materials Co., Ltd.					61,777,797.03	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co.,		2,770,200.00			334,055,262.24	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Ltd.						
Chuzhou Konka Technology Industry Development Co., Ltd.					48,353,267.52	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					142,622,798.37	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					115,706,532.95	
Chuzhou Kangxin Health Industry Development Co., Ltd.					183,906,820.39	
Dongguan Guankang Yuhong Investment Co., Ltd.					526,958,512.47	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Shandong Econ Technology Co., Ltd.	135,296,760.09				1,219,911,932.59	
Dongguan Kangjia New Materials Technology Co., Ltd.					6,469,339.85	
Shenzhen E2info Network Technology Co., Ltd.					1,019,370,366.86	
Yantai Kangyun Industrial Development Co., Ltd.					74,709,698.55	
E3 (Hainan) Technology Co., Ltd.					58,715,678.97	
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.					4,647,678.10	
Shenzhen Konda E-display Co., Ltd.					81,365,529.85	
Chongqing Yuanlv Benpao					27,915,640.18	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.					4,537,678.79	
Yantai Kangtang Construction Development Co., Ltd.					118,687.66	
Dongguan Kangzhihui Electronics Co., Ltd.					19,301,072.04	
Sichuan Huayi Jiakang Technology Co., Ltd.					178,398.88	
Sichuan Aimijiakang Technology Co., Ltd.					1,862,101.46	
Beijing Konka Jingyuan Technology Co., Ltd.					766,290.97	
Chongqing Liangshan Enterprise Management Co., Ltd.					53,673.48	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Shenzhen Kangene Technology Innovation Development Co., Ltd.					958,846.91	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.					364,982.91	
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.					1,669,518.04	
Runxin Microelectronic (Dalian) Co, Ltd.						
Guangdong Kangyuan Semiconductor Co., Ltd.					15,167,573.50	
Chongqing Kangyiqing Technology Co., Ltd.					712,844.91	
Shenzhen Kangying Semiconductor Technology Co., Ltd.					16,296,513.69	

Investee	Increase/decrease				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
KK Smartech Limited					1,441,263.59	
Shenzhen Konka Electrical Appliances Co., Ltd.						10,732,484.69
Heifei KONSEMI Storage Technology Co., Ltd.					195,995,798.32	
Sichuan Chengrui Real Estate Co., Ltd.					43,120,000.00	
Konka Industrial Development (Wuhan) Co., Ltd.					45,000,000.00	
Total	135,296,760.09	7,181,193.60			6,273,716,368.75	342,144,975.19

14. Investment in Other Equity Instruments

(1) Investment in Other Equity Instruments

Item	Ending balance	Opening balance
Shenzhen Tianyilian Science & Technology Co., Ltd.		

Item	Ending balance	Opening balance
Shenzhen Adopt Network Co., Ltd.		
Beijing Huyu Digital Technology Co., Ltd.	5,901,121.80	5,901,121.80
Feihong Electronics Co., Ltd.		
ZAEFI		
Shenzhen Chuangce Investment Development Co., Ltd.		
Shanlian Information Technology Engineering Center	1,860,809.20	1,860,809.20
Shenzhen CIU Science & Technology Co., Ltd.	953,000.00	953,000.00
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.	7,726,405.16	7,726,405.16
Shanghai National Engineering Research Center of Digital TV Co., Ltd.	2,400,000.00	2,400,000.00
Bohu UHD	5,000,001.00	5,000,001.00
Total	23,841,337.16	23,841,337.16

(2) Investment in Non-trading Equity Instruments in the Reporting Period

Item	Dividend income recognized this year	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings

Item	Dividend income recognized this year	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings
Shenzhen Tianyilian Science & Technology Co., Ltd.			4,800,000.00		Long-term holding based on strategic purpose	
Shenzhen Adopt Network Co., Ltd.			5,750,000.00		Long-term holding based on strategic purpose	
Beijing Huyu Digital Technology Co., Ltd.			98,878.20		Long-term holding based on strategic purpose	
Feihong Electronics Co., Ltd.			1,300,000.00		Long-term holding based on strategic purpose	
ZAEFI			100,000.00		Long-term holding based on strategic purpose	
Shenzhen Chuangce Investment Development Co., Ltd.			485,000.00		Long-term holding based on strategic purpose	
Shanlian Information Technology Engineering Center			3,139,190.80		Long-term holding based on strategic purpose	
Shenzhen CIU Science & Technology			200,000.00		Long-term holding based	

Item	Dividend income recognized this year	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings
Co., Ltd.					on strategic purpose	
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.			1,273,594.84		Long-term holding based on strategic purpose	
Shanghai National Engineering Research Center of Digital TV Co., Ltd.					Long-term holding based on strategic purpose	
Bohu UHD					Long-term holding based on strategic purpose	
Total			17,146,663.84			

15. Other Non-current Financial Assets

Item	Ending balance	Opening balance
China Asset Management-Jiayi Overseas Designated Plan	200,326,093.02	200,326,093.02
Yibin OCT Sanjiang Properties Co., Ltd.	200,000,000.00	200,000,000.00
Yili Ecological Restoration Co., Ltd.	90,000,000.00	90,000,000.00
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	183,220,392.92	88,186,078.16
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	198,266,889.53	118,266,889.53
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	104,185,495.56	116,086,430.82
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	59,700,130.13	52,200,130.13
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	179,245,424.89	225,680,330.93
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	148,132,905.61	100,882,805.61
Shenzhen Kanghuijia Technology Co., Ltd.	9,273.31	9,273.31
Subtotal of equity investments	1,363,086,604.97	1,191,638,031.51
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	864,706,665.04	890,768,440.22
Ningbo Yuanqing No. 9 Investment Partnership	148,855,198.11	134,671,492.89
Shenzhen Beihu Technology Partnership (Limited Partnership)	58,000,000.00	58,000,000.00
Xi'an Bihui Enterprise Management Consulting Partnership (Limited Partnership)	7,163,411.30	
Henan Chuangxing Enterprise Management Center (Limited Partnership)	18,283,639.06	18,283,639.06
Subtotal of debt investments	1,097,008,913.51	1,101,723,572.17
Total	2,460,095,518.48	2,293,361,603.68

16. Investment Properties

(1) Investment Properties Measured at Cost

Item	Houses, buildings and lands	Total
I. Original carrying value		
1. Beginning balance	871,572,633.64	871,572,633.64

Item	Houses, buildings and lands	Total
2. Increase in the period	8,531,405.75	8,531,405.75
(1) Outsourcing	8,531,405.75	8,531,405.75
(2) Fixed assets\Construction in progress\Transfer of intangible assets		
3. Decrease in the period		
(1) Disposal		
(2) Other transfer out		
4. Ending balance	880,104,039.39	880,104,039.39
II. The accumulative depreciation and accumulative amortization		
1. Beginning balance	95,047,572.10	95,047,572.10
2. Increase in the period	10,195,579.58	10,195,579.58
(1) Provision or amortization	10,195,579.58	10,195,579.58
3. Decrease in the period		
(1) Disposal		
(2) Other transfer out		
4. Ending balance	105,243,151.68	105,243,151.68
III. Depreciation reserves		
1. Beginning balance		
2. Increase in the period		
(1) Withdrawal		
3. Decrease in the period		
(1) Disposal		
(2) Other transfer out		
4. Ending balance		
IV. Carrying value		

Item	Houses, buildings and lands	Total
1. Ending carrying value	774,860,887.71	774,860,887.71
2. Beginning carrying value	776,525,061.54	776,525,061.54

(2) Investment properties measured at fair value

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

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

Item	Carrying value	Reason
Konka Standard Electronic Product Plants Project in Sunning	267,441,842.65	Settlement of the project is underway, and the certificate can be handled only after the settlement
Total	267,441,842.65	

17. Fixed Assets

Item	Ending carrying value	Opening carrying value
Fixed Assets	3,960,662,993.10	4,010,295,277.14
Fixed assets pending for disposal		
Total	3,960,662,993.10	4,010,295,277.14

17.1 Fixed Assets

(1) List of Fixed Assets

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
I. Original carrying value						
1. Opening balance	2,529,405,574.18	2,966,454,406.17	240,354,786.94	59,322,549.91	351,086,303.85	6,146,623,621.05
2. Increased amount of the period	554,837.61	139,199,350.07	15,476,408.96	940,240.50	7,680,391.78	163,851,228.92
(1) Purchase	554,837.61	90,478,956.65	11,492,772.94	940,240.50	6,861,763.42	110,328,571.12
(2) Transfer from construction in progress		48,715,641.21	3,958,811.75		818,628.36	53,493,081.32
(3) Increase through consolidation						
(4) Other transfer-in		4,752.21	24,824.27			29,576.48
3. Decreased amount of the period		31,225,252.01	13,536,766.23	1,183,135.47	3,159,092.85	49,104,246.56
(1) Disposal or scrap		31,223,452.01	3,070,738.72	826,996.62	1,903,957.35	37,025,144.70
(2) Decrease for loss of controlling right			10,466,027.51	356,138.85		10,822,166.36

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
(3) Other decreases		1,800.00			1,255,135.50	1,256,935.50
4. Ending balance	2,529,960,411.79	3,074,428,504.23	242,294,429.67	59,079,654.94	355,607,602.78	6,261,370,603.41
II. Accumulative depreciation						
1. Opening balance	593,988,005.87	1,083,045,070.75	157,322,088.50	40,593,276.19	210,886,326.73	2,085,834,768.04
2. Increased amount of the period	42,245,682.55	128,024,562.48	9,455,863.91	2,677,542.74	17,847,865.27	200,251,516.95
(1) Withdrawal	42,245,682.55	128,024,562.48	9,455,863.91	2,677,542.74	17,847,865.27	200,251,516.95
(2) Increase through consolidation						
(3) Other increase						
3. Decreased amount of the period		26,838,792.02	6,347,929.60	901,301.09	1,455,498.45	35,543,521.16
(1) Disposal or scrap		26,838,792.02	2,739,973.81	709,579.66	1,455,498.45	31,743,843.94
(2) Decrease for loss of controlling right			3,607,955.79	191,721.43		3,799,677.22
(3) Other decreases						
4. Ending balance	636,233,688.42	1,184,230,841.21	160,430,022.81	42,369,517.84	227,278,693.55	2,250,542,763.83

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
III. Impairment provision						
1. Opening balance	1,247,805.91	42,710,420.48	638,396.94	820,770.14	5,076,182.40	50,493,575.87
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period		328,729.39				328,729.39
(1) Disposal or scrap		328,729.39				328,729.39
(2) Other decrease						
4. Ending balance	1,247,805.91	42,381,691.09	638,396.94	820,770.14	5,076,182.40	50,164,846.48
IV. Carrying value						
1. Ending carrying value	1,892,478,917.46	1,847,815,971.93	81,226,009.92	15,889,366.96	123,252,726.83	3,960,662,993.10
2. Opening carrying value	1,934,169,762.40	1,840,698,914.94	82,394,301.50	17,908,503.58	135,123,794.72	4,010,295,277.14

(2) List of Temporarily Idle Fixed Assets

Item	Original carrying value	Accumulated depreciation	Impairment provision	Carrying value
Machinery equipment	26,665,441.34	15,169,018.99	1,540,311.51	9,956,110.84
Electronic equipment	5,783,766.22	4,605,666.17	1,704.25	1,176,395.80
Transportation equipment	1,031,130.24	631,767.99		399,362.25
Houses and buildings	449,070.15	218,921.63		230,148.52
Other machinery	937,012.55	796,762.90	26,675.22	113,574.43
Total	34,866,420.50	21,422,137.68	1,568,690.98	11,875,591.84

(3) Fixed Assets Leased out from Operation Lease

Item	Ending carrying value
Electronic equipment	1,015,317.27
Machinery equipment	18,888,747.25
Other machinery	675,076.11
Transportation equipment	120,877.43
Total	20,700,018.06

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

Item	Original carrying value	Accumulated depreciation	Impairment provision	Net carrying value	Reason
Ankang's plants	601,722,965.12	12,757,162.38		588,965,802.74	Being handled
Bokang's phase II plants on the second and	33,584,624.73	1,511,308.11		32,073,316.62	Being handled

Item	Original carrying value	Accumulated depreciation	Impairment provision	Net carrying value	Reason
third floors for printed boards					
Jingyuan Building property	7,700,000.00	3,984,736.14		3,715,263.86	Being handled
Yikang Building property	76,610,752.33	39,490,429.63		37,120,322.70	Being handled
Total	719,618,342.18	57,743,636.26		661,874,705.92	

(5) Fixed Assets with Restricted Ownership or Use Right

Item	Ending carrying value	Reason for restriction
Housing and buildings of Anhui Tongchuang	147,633,213.09	Mortgaged for billing
Machinery equipment of Jiangxi Konka	52,519,955.06	Financing lease mortgage
Machinery equipment of Xinfeng Microcrystalline	107,428,880.84	Finance lease mortgage
Housing and buildings of Frestec Refrigeration	88,015,544.30	Mortgage loan
Buildings of Konka Group	77,229,221.63	Mortgage loan
Housing and buildings of XingDa HongYe	35,852,318.78	Mortgage loan
Anhui Konka's buildings	620,841,156.45	Mortgage loan
Machinery equipment of Xingda Hongye	18,874,840.71	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	10,232,197.90	Finance lease mortgage
Smart machinery equipment	39,453,997.39	Mortgage loan

Item	Ending carrying value	Reason for restriction
and other equipment of Jiangsu Konka		
Total	1,198,081,326.15	

18. Construction in progress

Item	Ending balance	Opening balance
Construction in progress	1,781,601,493.64	1,490,777,831.39
Total	1,781,601,493.64	1,490,777,831.39

18.1. Construction in Progress

(1) List of Construction in Progress

Item	Ending balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I, Part II and Part III)	373,732,053.92		373,732,053.92	319,259,613.46		319,259,613.46
Guangming Project	317,212,905.91		317,212,905.91	282,501,390.70		282,501,390.70
Jiangxi High-permeability Crystalization Kiln	246,576,748.57		246,576,748.57	246,576,748.57		246,576,748.57
Dongguan Konka New Industrial Park	273,664,531.39		273,664,531.39	163,155,903.72		163,155,903.72
Construction of Suining Electronic Industrial Park Workshops	127,628,772.27		127,628,772.27	112,187,404.92		112,187,404.92
R&D equipment construction	27,876,511.11		27,876,511.11	26,273,554.58		26,273,554.58

Item	Ending balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
project of Chongqing Optoelectronic Technology Research Institute						
Medical engineering project of Yibin Kangrun	94,708,620.41		94,708,620.41	26,471,040.49		26,471,040.49
Other projects	320,528,936.27	327,586.21	320,201,350.06	314,679,761.16	327,586.21	314,352,174.95
Total	1,781,929,079.85	327,586.21	1,781,601,493.64	1,491,105,417.60	327,586.21	1,490,777,831.39

(2) Changes of Significant Construction in Progress this period

Name of item	Opening balance	Increase in this period	Decrease in this period		Ending balance
			Transferred to long-term assets	Other decrease	
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I, Part II and Part III)	319,259,613.46	54,472,440.46			373,732,053.92
Guangming Project	282,501,390.70	34,711,515.21			317,212,905.91
Jiangxi High-permeability	246,576,748.57				246,576,748.57

Name of item	Opening balance	Increase in this period	Decrease in this period		Ending balance
			Transferred to long-term assets	Other decrease	
Crystalization Kiln					
Dongguan Konka New Industrial Park	163,155,903.72	110,508,627.67			273,664,531.39
Construction of Suining Electronic Industrial Park Workshops	112,187,404.92	16,582,875.96		1,141,508.61	127,628,772.27
R&D equipment construction project of Chongqing Optoelectronic Technology Research Institute	26,273,554.58	24,028,303.89	22,419,073.78	6,273.58	27,876,511.11
Medical engineering project of Yibin Kangrun	26,471,040.49	68,237,579.92			94,708,620.41
Total	1,176,425,656.44	308,541,343.11	22,419,073.78	1,147,782.19	1,461,400,143.58

(Continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Infrastructure Project of	7.16	52.20	52.20				Self-owned fund

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I, Part II and Part III)							
Guangming Project	5.33	59.66	59.66	15,576,085.78	6,292,175.31	7.90	Self-owned fund and project loans
Jiangxi High-permeability Crystalization Kiln	3.40	72.52	72.52	32,249,994.16			Self-owned fund and bank financing
Dongguan Konka New Industrial Park	3.90	70.17	70.17	9,621,050.14	3,848,525.92	4.80	Self-owned fund and bank financing
Construction of Suining Electronic Industrial Park Workshops	7.04	47.82	47.82				Self-owned fund
R&D equipment construction project of	7.08	87.55	87.55				Self-owned fund

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Chongqing Optoelectronic Technology Research Institute							
Medical engineering project of Yibin Kangrun	2.17	43.64	10.18	3,702.78	3,702.78	4.30	Self-owned fund and bank financing
Total				57,450,832.86	10,144,404.01		

19. Right-of-use assets

Item	Houses and buildings	Electronic equipment	Transportation equipment	Total
I. Original carrying value				
1. Opening balance	114,397,549.47	310,725.66	832,266.36	115,540,541.49
2. Increased amount this period	27,756,971.83			27,756,971.83
(1) Rent	27,756,971.83			27,756,971.83
(2) Others				
3. Decreased amount this period	2,294,543.18		832,266.36	3,126,809.54
(1) Decrease for loss of controlling right	887,522.59			887,522.59
(2) Others	1,407,020.59		832,266.36	2,239,286.95
4. Ending balance	139,859,978.12	310,725.66		140,170,703.78
II. Accumulative depreciation				
1. Opening balance	43,734,529.28	31,072.56	564,524.28	44,330,126.12
2. Increased amount this period	28,358,861.38	31,072.56	267,742.08	28,657,676.02
(1) Withdrawal	28,358,861.38	31,072.56	267,742.08	28,657,676.02
(2) Others				
3. Decreased amount this period	1,271,967.98		832,266.36	2,104,234.34
(1) Decrease for loss of controlling right	443,761.31			443,761.31
(2) Others	828,206.67		832,266.36	1,660,473.03
4. Ending balance	70,821,422.68	62,145.12		70,883,567.80
III. Impairment provision				

Item	Houses and buildings	Electronic equipment	Transportation equipment	Total
1. Opening balance				
2. Increased amount this period				
(1) Withdrawal				
3. Decreased amount this period				
(1) Disposal				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	69,038,555.44	248,580.54		69,287,135.98
2. Opening carrying value	70,663,020.19	279,653.10	267,742.08	71,210,415.37

20. Intangible Assets

(1) List of intangible assets

Item	Land use right	Intellectual property					Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others			
I. Original carrying value								
1. Opening balance	927,878,747.71	75,609,671.41	163,217,317.78		128,853,938.95	367,680,928.14	1,295,559,675.85	
2. Increased amount of the period	12,171,519.15				8,969,810.89	8,969,810.89	21,141,330.04	
(1) Purchase	12,171,519.15				7,490,782.69	7,490,782.69	19,662,301.84	
(2) Transfer from construction in progress					1,479,028.20	1,479,028.20	1,479,028.20	
(3) Transfer from R&D								

Item	Land use right	Intellectual property					Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others			
(4) Increase through consolidation								
(5) Other reasons								
3. Decreased amount of the period			15,000,000.00		309,734.51	15,309,734.51	15,309,734.51	
(1) Disposal								
(2) Decrease for loss of controlling right			15,000,000.00		309,734.51	15,309,734.51	15,309,734.51	
(3) Decrease for other reasons								
4. Ending	940,050,266.86	75,609,671.41	148,217,317.78		137,514,015.33	361,341,004.52	1,301,391,271.38	

Item	Land use right	Intellectual property					Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others			
balance								
II. Accumulated amortization								
1. Opening balance	83,549,162.11	17,998,848.90	108,112,881.20		68,896,878.23	195,008,608.33	278,557,770.44	
2. Increased amount of the period	10,877,110.38	2,293,522.69	2,672,123.29		7,111,970.33	12,077,616.31	22,954,726.69	
(1) Withdrawal	10,877,110.38	2,293,522.69	2,672,123.29		7,111,970.33	12,077,616.31	22,954,726.69	
(2) Other increases								
3. Decreased amount of the period			12,916,666.68		73,930.67	12,990,597.35	12,990,597.35	
(1) Disposal								

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
(2) Decrease for loss of controlling right			12,916,666.68		73,930.67	12,990,597.35	12,990,597.35
(3) Decrease for other reasons							
4. Ending balance	94,426,272.49	20,292,371.59	97,868,337.81		75,934,917.89	194,095,627.29	288,521,899.78
III. Impairment provision							
1. Opening balance			41,705,989.33			41,705,989.33	41,705,989.33
2. Increased amount of the period							

Item	Land use right	Intellectual property					Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others			
(1) Withdrawal								
(2) Business Combination Increase								
3. Decreased amount of the period								
(1) Disposal								
(2) Decrease for loss of controlling right								
4. Ending balance			41,705,989.33			41,705,989.33	41,705,989.33	
IV. Carrying value								

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Subtotal	
1. Ending carrying value	845,623,994.37	55,317,299.82	8,642,990.64		61,579,097.44	125,539,387.90	971,163,382.27
2. Opening carrying value	844,329,585.60	57,610,822.51	13,398,447.25		59,957,060.72	130,966,330.48	975,295,916.08

(2) Land Use Right with Certificate of Title Uncompleted

Item	Carrying value	Reason
Land use right of the subsidiary Nano-Grystallized Glass	5,071,349.33	Being handled

(3) Significant Intangible Assets

Item	Ending carrying value	Remaining amortization period (year)
Land usage right of Fenggang Konka Intelligent Industrial Park	191,936,448.67	47.17
Land of Frestec Smart Home Industrial Park	93,164,251.54	48.25
Land usage right of Frestec Refrigeration	66,764,392.50	34.25
Land use right of Konka Huanjia	63,856,832.12	47.00
Land use right of the semiconductor & optoelectronics industrial park	59,884,651.52	47.17

(4) Intangible Assets with Restricted Ownership or Using Right

Item	Ending carrying value	Reason for restriction
Land use right of Dongguan Konka	191,936,448.67	Mortgage loan
Land use right of Anhui Konka	55,673,956.00	Mortgage loan
Land usage right of Frestec Refrigeration	66,764,392.50	Mortgage loan
Land use right of Anhui Tongchuang	18,188,977.93	Mortgaged for billing
Land use right of Jiangsu Konka	14,453,262.78	Mortgage loan
Land usage right of XingDa HongYe	13,815,148.22	Mortgage loan
Land usage right of Jiangxi Konka	10,134,593.27	Original shareholder guarantee mortgage
Land use right of Konka Guangming	5,612,493.83	Mortgage loan
Total	376,579,273.20	

21. Development Expenses

Item	Opening balance	Increase		Decrease			Ending balance
		Internal development costs	Others	Recognized as intangible assets	Transferred into the current profit or loss	Others	
Performance improvement project of MINI & MICRO LED	13,635,816.63	693,019.26					14,328,835.89
Self-development of chips	3,234,494.07	3,618,937.32					6,853,431.39
Total	16,870,310.70	4,311,956.58					21,182,267.28

22. Goodwill

(1) Original Carrying Value of Goodwill

Name of the investees	Opening balance	Increase		Decrease		Ending balance
		Formed due to business combination	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
Total	384,268,615.26					384,268,615.26

(2) Provisions for Goodwill Impairment

Name of the investees	Opening balance	Increase		Decrease		Ending balance
		Provision	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	21,959,947.14					21,959,947.14
Total	362,071,880.15					362,071,880.15

(3) Information on the Assets Groups or Combination of Assets Groups which Goodwill Belongs to

The asset group or combination of asset groups in which the goodwill is located is the composition of all main business operating tangible assets and identifiable intangible assets (excluding working capital and non-operating assets) reflected in the balance sheet of the corresponding subsidiary and related to goodwill Asset group. As of 30 June 2022, there were no specific signs of impairment during the reporting period, and no provision for impairment was required.

23. Long-term Deferred Expenses

Item	Beginning balance	Increased	Amortization amount	Other decreased amount	Ending balance
Renovation costs	236,571,769.59	30,482,087.54	18,423,669.96	799,399.90	247,830,787.27
Shoppe expense	20,710,094.41	9,309,544.49	10,669,985.12	151,251.17	19,198,402.61
Others	40,215,519.39	26,899,124.53	11,795,484.67	3,113,715.43	52,205,443.82
Total	297,497,383.39	66,690,756.56	40,889,139.75	4,064,366.50	319,234,633.70

24. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets without Offset

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities assets	Deductible temporary difference	Deferred income tax liabilities assets
Deductible	2,135,882,022.03	414,952,230.90	1,662,487,029.88	294,364,103.95

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities assets	Deductible temporary difference	Deferred income tax liabilities assets
losses				
Assets impairment provision	1,533,384,176.11	348,864,883.98	1,495,008,640.79	341,517,549.45
Deferred Income	51,456,483.86	12,807,870.97	54,518,127.50	13,573,281.87
Accrued expenses	181,382,754.97	36,460,801.61	211,674,351.84	47,600,301.64
Unrealized internal sales profits	74,633,538.20	17,110,776.24	34,369,797.29	8,592,449.32
Others	102,367,469.24	24,937,571.58	95,608,084.94	19,668,038.87
Total	4,079,106,444.41	855,134,135.28	3,553,666,032.24	725,315,725.10

(2) Lists of Deferred Income Tax Liabilities without Offset

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities Liability	Taxable temporary difference	Deferred income tax liabilities Liability
Estimated added value of assets not under the same control	206,301,023.34	43,885,643.01	225,287,542.61	46,262,753.72
Prepaid interest	68,993,424.86	17,248,356.21	51,003,370.16	12,750,842.54
Accelerated depreciation of fixed assets	3,664,731.64	765,257.91	6,990,324.63	1,596,656.16
Others	71,047,225.75	17,278,976.68	65,137,318.19	16,284,329.55
Total	350,006,405.59	79,178,233.81	348,418,555.59	76,894,581.97

(3) List of Unrecognized Deferred Income Tax Assets

Item	Ending balance	Beginning balance
Deductible losses	2,645,130,439.00	2,210,991,564.05
Deductible temporary	2,020,657,733.61	2,024,354,413.51

difference		
Total	4,665,788,172.61	4,235,345,977.56

(4) Deductible Losses of Unrecognized Deferred Income Tax Assets will Due in the Following Years

Year	Ending amount	Remarks
2022	337,945,143.94	
2023	145,560,403.37	
2024	154,406,161.97	
2025	589,213,126.47	
2026	416,983,845.18	
2027 and following years	1,001,021,758.07	
Total	2,645,130,439.00	

25. Other Non-current Assets

Item	Ending balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	1,029,317,896.04		1,029,317,896.04
Prepayment for construction, equipment and other long-term assets	76,955,452.02		76,955,452.02
Entrusted loans			
Construction of government projects			
Total	1,106,273,348.06		1,106,273,348.06

(Continued)

Item	Opening balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	2,584,957,360.50		2,584,957,360.50

Item	Opening balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for construction, equipment and other long-term assets	63,573,129.62		63,573,129.62
Entrusted loans			
Construction of government projects			
Total	2,648,530,490.12		2,648,530,490.12

26. Short-term Borrowings

(1) Category of Short-term Borrowings

Item	Ending balance	Opening balance	Note
Credit loan	8,024,477,565.64	7,178,420,980.60	
Guarantee loan	1,633,418,300.71	2,382,534,766.48	a)b)c)d)e)f)g)
Mortgage loan	432,299,020.24	359,719,374.00	h)i)j)k)l)
Total	10,090,194,886.59	9,920,675,121.08	

a) The Company provides joint and several liability guarantee for the short-term borrowings totaling RMB839,402,882.13 to its subsidiaries Anhui Konka, Sichuan Konka, Anhui Tongchuang, Electronics Technology, Jiangxi Konka, Jiangxi High-permeability Substrate, Xinfeng Microcrystalline, Liaoyang Kangshun, Yibin Smart and Kowin Memory (Shenzhen).

b) The Company has obtained short-term borrowings amounting to RMB373,333.33 from Shenzhen Chegongmiao Sub-branch of China Everbright Bank Co., Ltd., for which the Company's subsidiary Electronics Technology provides joint and several liability guarantee at the maximum amount.

c) The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB600,000.00 from Shenzhen Technology Sub-branch of Bank of Hangzhou Co., Ltd., for which Shenzhen High-tech Investment and Financing Guarantee Co., Ltd. provides guarantee.

d) The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB8,700,000.00 from Shenzhen Futian Sub-branch of Bank of China Co., Ltd., for which Shenzhen SME Financing Guarantee Co., Ltd. provides guarantee.

e) The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB50,000,000.00 from Cixi Branch of Bank of China Limited, for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at the proportion of 60% and 40% respectively.

f) The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB30,000,000.00 from Cixi Central District Sub-branch of Bank of Ningbo Co., Ltd., for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at a ratio of 3:2.

g) The Company's subsidiary Hong Kong Konka has obtained short-term borrowings amounting to USD30,000,000.00 (equivalent to RMB201,342,085.25) from Shenzhen Branch of China Zheshang Bank Co., Ltd., for which the Company provides joint and several liability guarantee.

h) The Company's subsidiary XingDa HongYe has obtained short-term borrowings amounting to RMB95,000,000.00 from Zhongshan Fusha Sub-branch of Zhongshan Rural Commercial Bank, for which it provides land use rights of a carrying value of RMB13,815,148.22 and buildings of a carrying value of RMB35,852,318.78 as mortgage and certificates of time deposit of RMB19,800,000.00 as pledge and Hu Zehong provides joint and several liability guarantee.

i) The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to RMB222,194,538.70 from Chuzhou Branch of Bank of China Limited, for which it provides land use rights of a carrying value of RMB37,064,265.33 and fixed assets of a carrying value of RMB428,376,877.37 as mortgage.

j) The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to USD5,595,708.36 (equivalent to RMB37,555,037.09) from Chuzhou Branch of Bank of China Limited, for which it provides land use rights of a carrying value of RMB37,064,265.33 and fixed assets of RMB428,376,877.37 as mortgage.

k) The Company's subsidiary Anhui Electrical Appliance has obtained short-term borrowings amounting to RMB37,500,000.00 from Hefei Branch of China ZheShang Bank, for which it provides buildings of a carrying value of RMB88,015,544.30 and land use rights of a carrying value of RMB66,764,392.50 of the Company's subsidiary Henan Frestec Refrigeration Appliance Co., Ltd. as mortgage and the 210 million equities in Henan Frestec Household Appliances Co., Ltd., 123,051,096 equities in Henan Frestec Refrigeration Appliance Co., Ltd. and 668,637,700 equities in Henan Frestec Electrical Appliances Co., Ltd. it holds as pledge.

l) The Company's subsidiary Jiangsu Konka Smart has obtained short-term borrowings amounting to RMB40,049,444.45 from Changzhou Branch of China ZheShang Bank Co., Ltd., for

which it provides buildings of a carrying value of RMB39,453,997.39 and land use rights of RMB14,453,262.78 as mortgage.

(2) Outstanding Short-term Borrowings Overdue

There were no outstanding short-term borrowings overdue at the period-end.

27. Notes Payable

Category	Ending balance	Opening balance
Bank's acceptance bill	918,451,201.16	729,653,866.95
Commercial acceptance bill	214,736,964.29	386,683,091.96
Total	1,133,188,165.45	1,116,336,958.91

28. Accounts Payable

(1) List of Accounts Payable

Item	Ending balance	Opening balance
Within 1 year	2,192,583,979.74	3,479,614,154.99
1 to 2 years	263,468,989.22	187,662,627.95
2 to 3 years	149,737,886.44	85,964,325.66
Over 3 years	37,635,955.02	31,073,982.81
Total	2,643,426,810.42	3,784,315,091.41

29. Contract Liabilities

Item	Ending balance	Opening balance
Sales advances received	711,366,769.35	652,910,408.02
Total	711,366,769.35	652,910,408.02

30. Payroll Payable

(1) List of Payroll Payable

Item	Beginning balance	Increased	Decreased	Ending balance
List of Short-term Salary	409,391,936.17	680,192,334.37	908,460,659.21	181,123,611.33
Post-employment	1,203,348.63	56,054,347.94	56,740,989.17	516,707.40

Item	Beginning balance	Increased	Decreased	Ending balance
benefit-defined contribution plans				
Termination benefits	151,800.00	14,577,347.98	14,539,646.36	189,501.62
Current portion of other benefits				
Total	410,747,084.80	750,824,030.29	979,741,294.74	181,829,820.35

(2) List of Short-term Salary

Item	Beginning balance	Increased	Decreased	Ending balance
Salary, bonus, allowance, subsidy	399,855,780.86	589,744,896.85	817,340,366.01	172,260,311.70
Welfare for employees	952,201.64	26,765,768.27	22,971,977.88	4,745,992.03
Social security expense	1,256,304.20	26,571,970.63	27,378,449.93	449,824.90
Of which: Medical insurance premiums	955,995.78	23,681,976.44	24,466,926.93	171,045.29
Work-related injury insurance	68,005.10	1,791,107.08	1,715,951.17	143,161.01
Maternity insurance	232,303.32	1,098,887.11	1,195,571.83	135,618.60
Housing fund	137,726.03	25,340,998.61	25,432,171.73	46,552.91
Labor union budget and	6,703,757.33	5,968,203.83	9,554,898.63	3,117,062.53

Item	Beginning balance	Increased	Decreased	Ending balance
employee education budget				
Short-term absence with payment				
Short-term profit sharing plan				
Others	486,166.11	5,800,496.18	5,782,795.03	503,867.26
Total	409,391,936.17	680,192,334.37	908,460,659.21	181,123,611.33

(3) List of Defined Contribution Plan

Item	Beginning balance	Increased	Decreased	Ending balance
Basic pension benefits	1,109,814.46	54,774,941.89	55,373,982.51	510,773.84
Unemployment insurance	93,534.17	1,279,406.05	1,367,006.66	5,933.56
Annuity				
Total	1,203,348.63	56,054,347.94	56,740,989.17	516,707.40

31. Taxes Payable

Item	Ending balance	Beginning balance
Corporate income tax	152,350,658.23	168,026,929.08
VAT	72,068,785.98	59,692,464.80
Fund for disposing abandoned appliances and electronic products	22,165,538.00	30,077,111.00
Urban maintenance and construction tax	3,838,220.12	3,696,423.98
Education fees and local education Surcharge	2,855,755.44	2,840,889.56
Stamp duty	2,850,389.19	6,255,372.18
Land use tax	9,882,447.76	8,812,080.36
Individual income tax	2,445,096.29	9,602,569.88
Property tax	4,397,205.10	4,287,226.80
Tariff	1,827,436.25	1,962,596.87

Item	Ending balance	Beginning balance
Others	487,336.76	571,505.90
Total	275,168,869.12	295,825,170.41

32. Other payables

Item	Ending balance	Beginning balance
Interest payable	88,023,792.80	174,383,177.08
Other Payables	1,304,121,621.07	1,613,794,571.51
Total	1,392,145,413.87	1,788,177,748.59

32.1. Interests payable

Item	Ending balance	Beginning balance
Interest on corporate bonds	85,585,555.62	171,218,888.92
Interest on long-term borrowings with interest paid by installment and principal paid at maturity	340,309.14	
Interest payable on short-term borrowings	2,097,928.04	3,164,288.16
Total	88,023,792.80	174,383,177.08

32.2 Other payables

(1) Listed by Nature of Account

Item	Ending balance	Beginning balance
Expenses payable	549,614,012.77	755,393,561.40
Related party borrowing	165,071,148.34	313,104,212.26
Cash deposit and front	249,776,731.65	240,638,514.04
Come-and-go money	162,997,650.90	177,524,073.79
Equity transfer payment	67,482,796.96	67,482,796.96
Advance payment	7,711,699.62	8,282,111.32
Others	101,467,580.83	51,369,301.74
Total	1,304,121,621.07	1,613,794,571.51

(2) Other Significant Payables Aging over One Year

Item	Ending balance	Unpaid/Un-carry-over reason
-------------	-----------------------	------------------------------------

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

33. Current Portion of Non-current Liabilities

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	197,476,406.03	2,087,374,444.43
Current portion of long-term payables	155,856,358.05	270,119,697.71
Current portion of bonds payables	700,000,000.00	2,700,000,000.00
Current portion of lease liabilities	18,580,455.76	32,092,127.18
Total	1,071,913,219.84	5,089,586,269.32

34. Other current liabilities

Item	Ending balance	Beginning balance
Accounts payable with trade acceptance notes	120,059,255.05	63,854,223.36
Refunds payable	24,448,137.69	30,629,396.14
Tax to be charged off	17,870,862.23	15,258,568.74
Total	162,378,254.97	109,742,188.24

35. Long-term Borrowings

(1) Category of Long-term Borrowings

Item	Ending balance	Opening balance	Note
Guarantee loan	2,721,257,336.32	3,185,072,777.76	a)b)c)d)e)f)
Mortgage loan	527,933,682.55	638,086,279.01	g)h)i)
Entrusted borrowings	3,469,478,777.76	1,322,271,760.09	j)
Credit loan	1,693,252,666.66	471,084,166.66	
Pledge loan	31,000,000.00		k)l)
Less: Current portion	197,476,406.03	2,087,374,444.43	
Total	8,245,446,057.26	3,529,140,539.09	

a) The Company has obtained long-term borrowings amounting to RMB1,000,875,000.00 from the Export-Import Bank of China, the term of which is from 22 June 2022 to 21 June 2024, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

b) The Company has obtained long-term borrowings amounting to RMB1,496,661,111.10 from Shenzhen Branch of China Guangfa Bank Co., Ltd., the term of which is from 24 June 2021 to 23 June 2024, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

c) The Company's subsidiary XingDa HongYe has obtained long-term borrowings amounting to RMB52,884,400.00 from Zhuhai Branch of Xiamen International Bank Co., Ltd., the term of which is from 25 February 2022 to 23 February 2024, and for which the Company provides joint and several liability guarantee at the maximum amount.

d) The Company's subsidiary Anhui Konka Electronic Co., Ltd. has obtained long-term borrowings amounting to RMB70,060,245.22 from Chuzhou Plaza Sub-branch of China Construction Bank Co., Ltd., the term of which is from 29 October 2021 to 26 October 2026, and for which the Company provides joint and several liability guarantee.

e) The Company's subsidiary Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd. has obtained long-term borrowings amounting to RMB82,776,580.00 from Yancheng Branch of HuaXia Bank Co., Ltd., the term of which is from 15 September 2021 to 21 August 2026, and for which the Company and its subsidiary Kowin Memory Technology (Shenzhen) Co., Limited provide joint and several liability guarantee at the maximum amount.

f) The Company's subsidiary Ningbo Khr has obtained long-term borrowings amounting to RMB18,000,000.00 from Cixi Central District Sub-branch of Bank of Ningbo, the term of which is from 12 August 2021 to 9 September 2022, and for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at a ratio of 3:2.

g) The Company has obtained long-term borrowings amounting to RMB248,571,405.88 from Guanlan Sub-branch of Shenzhen Rural Commercial Bank Co., Ltd., the term of which is from 22 January 2021 to 22 January 2026, and for which it provides land use rights of a carrying value of RMB5,612,493.83 and investment properties of a carrying value of RMB106,335,030.70 and housing buildings of a carrying value of RMB77,229,221.63 as mortgage.

h) The Company's subsidiary Dongguan Konka has obtained long-term borrowings amounting to RMB201,679,803.72 from Dongguan Fenggang Sub-branch of Agricultural Bank of China Co., Ltd., the term of which is from 22 June 2021 to 21 October 2030, and for which it

provides land use rights of a carrying value of RMB191,936,448.67 as mortgage and the Company provides joint and several liability guarantee.

i) The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB77,682,472.95 from Chuzhou Branch of Industrial Bank Co., Ltd., of which the term is from 16 July 2021 to 15 July 2031, and for which it provides land use rights of a carrying value of RMB18,609,690.67 and fixed assets of a carrying value of RMB192,464,279.08 as mortgage and the Company provides joint and several liability guarantee.

j) The Company's parent company OCT Group has extended entrusted loans amounting to RMB3,469,478,777.76 to the Company through China Merchants Bank Co., Ltd., the term of which is from 9 October 2021 to 25 February 2024.

k) Yibin Kangrun Medical (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB15,500,000.00 from Yibin Sub-Branch of Postal Savings Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings (RMB595,900,000.00) from a concession contract of medical waste treatment project in Gaoxian County, Yibin City as pledge, and the term thereof is from 30 June 2022 to 15 April 2024.

l) Yibin Kangrun Medical (a subsidiary of the Company) has obtained long-term borrowings amounting to RMB15,500,000.00 from Yibin Sub-Branch of Industrial and Commercial Bank of China Co., Ltd. with the accounts receivable arising from the prospective earnings (RMB595,900,000.00) from a concession contract of medical waste treatment project in Gaoxian County, Yibin City as pledge, and the term thereof is from 30 June 2022 to 15 April 2024.

36. Bonds Payable

(1) List of Bonds Payable

Item	Ending balance	Beginning balance
Non-public offering corporate bonds	2,995,579,140.50	4,993,698,899.30
Less: Bonds payable due within 1 year	700,000,000.00	2,700,000,000.00
Total	2,295,579,140.50	2,293,698,899.30

(2) Changes of Bonds Payable (Excluding Other Financial Instruments Divided as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Bonds name	Total par value	Issuing date	Duration	Issuing amount	Beginning balance
19Konka0	1,500,000,000.00	2019/1/14	3 years	1,494,750,000.00	1,500,000,000.00

2 (note ①)					
19Konka04 (note ②)	500,000,000.00	2019/6/3	3 years	498,250,000.00	499,770,702.34
19Konka06 (note ③)	700,000,000.00	2019/7/22	3 years	697,550,000.00	699,614,779.74
21Konka01 (note ④)	1,000,000,000.00	2021/1/8	3 years	996,500,000.00	997,798,742.17
21Konka02 (note ⑤)	500,000,000.00	2021/5/21	3 years	498,250,000.00	498,715,932.92
21Konka03 (note ⑥)	800,000,000.00	2021/7/9	3 years	797,200,000.00	797,798,742.13
Total	5,000,000,000.00			4,982,500,000.00	4,993,698,899.30

(Continued)

Bonds name	Issued during the Reporting Period	Withdraw interest at face value	Amortization of premium and discount
19Konka02 (note ①)		3,125,000.00	
19Konka04 (note ②)		9,791,666.69	229,297.66
19Konka06 (note ③)		16,450,000.02	385,220.26
21Konka01 (note ④)		22,300,000.02	550,314.48
21Konka02 (note ⑤)		10,000,000.02	275,157.24
21Konka03 (note ⑥)		15,799,999.98	440,251.56
Total		77,466,666.73	1,880,241.20

(Continued)

Bonds name	Repay during the Reporting Period	Ending balance
19Konka02 (note ①)	1,500,000,000.00	
19Konka04 (note ②)	500,000,000.00	
19Konka06 (note ③)		700,000,000.00
21Konka01 (note ④)		998,349,056.65
21Konka02 (note ⑤)		498,991,090.16

Bonds name	Repay during the Reporting Period	Ending balance
21Konka03 (note ⑥)		798,238,993.69
Total	2,000,000,000.00	2,995,579,140.50

Note 1:

① On 14 January 2019, the Company issued RMB1.5 billion of private placement corporate bonds with the duration of 3 years, the annual interest rate of 5.00% and the due date of 14 January 2022. "19 Konka 02" has been fully paid and delisted from the exchange on 14 January 2022.

② On 3 June 2019, the Company issued RMB500 million of private placement corporate bonds with the duration of 3 years, the annual interest rate of 4.70% and the due date of 3 June 2022. "19 Konka 04" has been fully paid and delisted from the exchange on 3 June 2022.

③ On 22 July 2019, the Company issued RMB700 million of private placement corporate bonds with the duration of 3 years, the annual interest rate of 4.70% and the due date of 22 July 2022.

④ On 8 January 2021, the Company issued RMB1 billion of private placement corporate bonds with the duration of 3 years, the annual interest rate of 4.46% and the due date of 8 January 2024.

⑤ On 21 May 2021, the Company issued RMB500 million of private placement corporate bonds with the duration of 3 years, the annual interest rate of 4.00% and the due date of 21 May 2024.

⑥ On 9 July 2021, the Company issued RMB800 million of private placement corporate bonds with the duration of 3 years, the annual interest rate of 3.95% and the due date of 9 July 2024.

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

37. Lease Liabilities

Item	Ending balance	Beginning balance
Lease liabilities	70,197,409.60	74,624,996.81
Less: Lease liabilities due within 1 year (see Note VI-33)	18,580,455.76	32,092,127.18
Total	51,616,953.84	42,532,869.63

38. Long-term Payables

Nature	Ending balance	Opening balance
Accrued financing lease outlay	304,774,617.06	434,481,614.08
Less: Unrecognized financing	12,517,744.35	23,674,345.59

expenses		
Less: Current portion (see Note VI-33)	155,856,358.05	270,119,697.71
Total	136,400,514.66	140,687,570.78

39. Long-term Payroll Payable

(1) Classification

Item	Ending balance	Beginning balance
Termination benefits-net liabilities of defined contribution plans	5,029,726.81	5,111,296.75
Total	5,029,726.81	5,111,296.75

40. Provisions

Item	Ending balance	Beginning balance	Reason for formation
Product quality assurance	106,147,658.31	106,069,944.34	After-sales of household appliances
Pending litigation	206,591.51	206,591.51	
Total	106,354,249.82	106,276,535.85	

41. Deferred Income

Item	Beginning balance	Increased	Decreased	Ending balance	Reason for formation
Government grants	206,302,424.92	78,247,601.42	22,068,617.74	262,481,408.60	Related to assets/income
Total	206,302,424.92	78,247,601.42	22,068,617.74	262,481,408.60	

(1) Category of Deferred Income

List of Government Subsidy	Opening balance	Increase	Amount included in non-operating income this period	Amount included in other income this period	Other changes	Ending balance	Related to assets/income
Plant construction subsidy for Yibin Konka Industrial Park	71,448,167.88	36,489,600.00		913,032.95		107,024,734.93	Related to income
Special subsidy for Yibin Project	4,583,311.51	21,088,001.42				25,671,312.93	Related to assets
Subsidy for industrial R&D	20,000,000.00					20,000,000.00	Related to assets
Returned payments for land by Chongqing Konka	18,720,000.03			196,363.62		18,523,636.41	Related to income
Plant decoration subsidy for Yibin Konka Industrial Park	12,952,939.23			719,607.72		12,233,331.51	Related to

List of Government Subsidy	Opening balance	Increase	Amount included in non-operating income this period	Amount included in other income this period	Other changes	Ending balance	Related to assets/ income
							assets
Subsidy for high-tech innovation and operation in Yancheng	11,373,198.33			327,491.68		11,045,706.65	Related to assets
Other government grants	67,224,807.94	20,670,000.00		11,382,121.77	8,530,000.00	67,982,686.17	Related to assets/ income
Total	206,302,424.92	78,247,601.42		13,538,617.74	8,530,000.00	262,481,408.60	

42. Other non-current liabilities

Item	Ending balance	Beginning balance
Contract liabilities over one year	85,210,503.30	104,610,663.76
Total	85,210,503.30	104,610,663.76

43. Share capital

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

44. Capital Reserves

Item	Beginning balance	Increased	Decreased	Ending balance
Other capital reserves	234,389,963.10	135,296,760.09	2,854,608.30	366,832,114.89
Total	234,389,963.10	135,296,760.09	2,854,608.30	366,832,114.89

Note: Capital reserves for the current period - other capital reserves increase and decrease due to the main reasons:

② Other capital reserves increased by RMB135,296,760.09 due to the increase in capital and shares by the associated enterprise Econ Technology.

② Other capital reserves decreased by RMB2,854,608.30 due to the disposal of the associated enterprise Guangdong Chutian Dragon Smart Card Co., Ltd.

45. Other Comprehensive Income

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Items that will not be reclassified to profit or loss	-6,398,878.20							-6,398,878.20
Changes in fair value of other equity instrument investment	-6,398,878.20							-6,398,878.20
Others								
II. Items that will be	-13,937,209.67	4,109,281.36				3,289,330.41	819,950.95	-10,647,879.26

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
reclassified to profit or loss								
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method	-1,215,133.65	-38,929.34				-38,929.34		-1,254,062.99
Differences arising from the translation of	-12,722,076.02	4,148,210.70				3,328,259.75	819,950.95	-9,393,816.27

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
foreign currency denominated financial statements								
Total Other Comprehensive Income	-20,336,087.87	4,109,281.36				3,289,330.41	819,950.95	-17,046,757.46

46. Surplus Reserves

Item	Beginning balance	Increased	Decreased	Ending balance
Statutory surplus reserves	1,005,961,774.19			1,005,961,774.19
Discretionary surplus reserves	238,218,590.05			238,218,590.05
Total	1,244,180,364.24			1,244,180,364.24

47. Retained Earnings

Item	Reporting Period	Same period of last year
Ending balance of last period	5,229,098,788.94	4,595,371,391.63
Add: Total beginning balance of retained earnings before adjustments		
Of which: change of accounting policy		
Other adjustment factors		
Beginning balance of the Reporting Period	5,229,098,788.94	4,595,371,391.63
Add: Net profit attributable to owners of the Company as the parent	172,818,438.83	905,352,997.68
Retained incomes carried forward from other comprehensive income		1,628,195.00
Less: Withdrawal of statutory surplus reserves		32,459,254.57
Withdrawal of discretionary surplus reserves		
Dividend of ordinary shares payable	120,397,270.40	240,794,540.80
Ending balance of this period	5,281,519,957.37	5,229,098,788.94

48. Operating Revenue and Cost of Sales

(1) Operating Revenue and Cost of Sales

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales

Item	Reporting Period		Same period of last year	
	Main operations	16,243,380,757.24	16,013,632,913.79	21,412,726,539.67
Other operations	652,089,519.57	468,807,708.05	397,435,333.41	307,172,753.16
Total	16,895,470,276.81	16,482,440,621.84	21,810,161,873.08	20,817,175,713.78

(2) Main Operations (Classified by product)

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Supply chain trading business	10,171,407,159.62	10,120,679,704.92	12,184,495,984.54	12,079,110,369.50
Color TV business	2,389,828,778.20	2,418,706,246.97	3,190,601,881.06	3,017,183,364.20
Environmental protection business	774,458,509.72	749,206,296.93	2,724,186,133.96	2,439,448,446.23
Consumer appliances business	1,900,207,771.57	1,711,652,138.98	1,752,194,252.46	1,608,490,566.46
PCB business	291,397,810.91	280,056,849.29	365,622,811.21	337,306,983.48
Semi-conductor business	50,916,083.90	52,958,914.59	241,973,760.06	229,060,263.71
Others	665,164,643.32	680,372,762.11	953,651,716.38	799,402,967.04
Total	16,243,380,757.24	16,013,632,913.79	21,412,726,539.67	20,510,002,960.62

49. Taxes and Surtaxes

Item	Reporting Period	Same period of last year
Stamp duty	15,956,693.35	17,210,974.34
Land use tax	13,241,507.04	12,591,947.22
Urban maintenance and construction tax	8,149,278.82	5,272,168.22
Property tax	9,150,456.54	4,521,990.47
Education surcharge	3,669,080.87	2,252,651.83
Local education surcharge	2,445,857.60	1,295,806.68
Water resources fund	228,825.54	98,737.91
Others	443,271.42	1,212,085.27
Total	53,284,971.18	44,456,361.94

50. Selling Expense

Item	Reporting Period	Same period of last year
Payroll	159,102,544.06	179,194,691.52
Advertising expense	141,115,130.40	143,443,247.26
Promotional activities	72,748,154.60	93,916,189.20
Warranty fee	79,063,725.82	95,238,254.77
Logistic Fee	30,314,056.31	57,131,056.01
Taxes and fund	26,642,413.92	26,084,857.60
Rental charges	12,385,615.94	13,812,228.32
Business travel charges	7,448,071.22	9,695,834.71
Business entertainment expenses	5,435,508.51	6,473,826.73
Exhibition expenses	1,713,164.44	2,675,578.55
Others	24,257,299.06	39,996,271.80
Total	560,225,684.28	667,662,036.47

51. Administrative Expense

Item	Reporting Period	Same period of last year
Payroll	213,795,836.28	172,124,998.88

Item	Reporting Period	Same period of last year
Depreciation charge	71,715,060.26	55,861,222.66
Intermediary fees	17,693,182.52	24,599,241.61
Business travel charges	3,765,905.28	8,275,347.12
Water & electricity fees	5,296,977.22	5,392,545.21
Loss on scraping of inventories	2,086,492.21	2,246,719.29
Others	39,955,230.74	90,553,592.30
Total	354,308,684.51	359,053,667.07

52. R&D Expense

Item	Reporting Period	Same period of last year
Salary	119,288,045.71	141,474,094.27
Others	118,060,480.85	143,189,372.99
Total	237,348,526.56	284,663,467.26

53. Finance Costs

Item	Reporting Period	Same period of last year
Interest expense	465,576,348.06	488,330,464.76
Less: Interest income	109,353,054.39	78,303,181.42
Add: Exchange loss	-114,830,078.08	28,226,971.34
Other	25,722,111.99	21,161,528.03
Total	267,115,327.58	459,415,782.71

54. Other Income

Resources	Reporting Period	Same period of last year
Support fund	227,351,711.98	342,585,919.00
Rewards and subsidies	90,960,177.86	116,820,277.53
Transfer of deferred income	13,538,617.74	247,958,151.57
Software tax rebates	7,949,955.87	6,085,265.89
Post subsidies	2,253,703.66	2,426,398.00
Land tax rebates	1,433,605.93	4,728,544.03
L/C export subsidy	249,549.87	91,800.00

Resources	Reporting Period	Same period of last year
Total	343,737,322.91	720,696,356.02

55. Investment Income

Item	Reporting Period	Same period of last year
Long-term equity investment income measured by equity method	59,402,481.72	19,335,816.88
Investment income from disposal of long-term equity investment	406,299,201.96	177,579,605.00
Income from remeasurement of residual stock rights at fair value after losing control power	239,092,140.86	68,185,019.88
Interest income from holding of debt investments	32,966,971.77	34,566,759.25
Investment income from disposal of financial assets at fair value through current profit or loss	42,739.74	22,577,111.88
Total	737,803,536.05	322,244,312.89

56. Gain on Changes in Fair Value

Sources	Reporting Period	Same period of last year
Financial assets at fair value through profit or loss	-638,799.36	40,362,513.73
Total	-638,799.36	40,362,513.73

57. Credit Impairment Loss

Item	Reporting Period	Same period of last year
Loss on bad debts of notes receivable	7,050,461.27	19,146,640.03
Bad debt losses of accounts receivable	-42,299,060.06	-64,007,725.46

Bad debt losses of other receivables	-43,359,714.77	-26,531,092.63
Total	-78,608,313.56	-71,392,178.06

58. Asset Impairment Loss

Item	Reporting Period	Same period of last year
Inventory depreciation loss and contract performance cost impairment loss	-13,309,988.75	-10,573,236.91
Contractual asset impairment loss		-18,965,495.91
Total	-13,309,988.75	-29,538,732.82

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

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Incomes from disposal of non-current assets	12,782,328.52	88,668.35	12,782,328.52
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	12,782,328.52	88,668.35	12,782,328.52
Of which: Fixed assets disposal income	-75,972.28	88,668.35	-75,972.28
Right-of-use assets disposal income	14,904.57		14,904.57
Intangible assets disposal income	12,843,396.23		12,843,396.23
Total	12,782,328.52	88,668.35	12,782,328.52

60. Non-operating Income

(1) List of Non-operating Income

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Insurance indemnity		12,736,400.00	
Compensation and penalty income	14,518,135.77	1,884,536.59	14,518,135.77
Government subsidies unrelated to the normal operation of the Company	200,900.00		200,900.00
Non-current assets damage and retirement gains	364,917.85	237,884.42	364,917.85
Gains on debt restructuring	33,184.00	544,827.07	33,184.00
Other	15,375,604.03	6,214,629.71	15,375,604.03
Total	30,492,741.65	21,618,277.79	30,492,741.65

61. Non-operating Expense

Item	Reporting Period	Same Period of last year	Amount recorded into the current non-recurring profit or loss
Losses on damage and scraping of non-current assets	829,936.20	437,270.73	829,936.20
Compensation expense	955,320.82	161,680.10	955,320.82
Others	2,075,688.78	6,194,922.31	2,075,688.78
Total	3,860,945.80	6,793,873.14	3,860,945.80

62. Income Tax Expense

(1) Lists of Income Tax Expense

Item	Reporting Period	Same period of last year
Current income tax expense	38,695,464.05	192,219,793.73
Deferred income tax expense	-127,554,328.41	-107,956,525.36
Total	-88,858,864.36	84,263,268.37

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

Item	Reporting Period
Profit before taxation	-30,855,657.48
Current income tax expense accounted at statutory/applicable tax rate	-7,713,914.37
Influence of applying different tax rates by subsidiaries	-2,192,800.02
Influence of income tax before adjustment	-749,229.21
Influence of non-taxable income	-103,780,531.28
Influence of not deductible costs, expenses and losses	518,868.07
Influence of deductible loss of unrecognized deferred income tax assets in prior period	-22,338,796.65
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	55,552,820.20
Changes in the balance of deferred income tax assets/ liabilities in previous period due to adjustment of tax rate	
Additional deduction of R&D costs	-8,155,281.10
Income tax expense	-88,858,864.36

63. Other Comprehensive Income

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

64. Cash Flow Statement

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

1) Cash Generated from Other Operating Activities

Item	Reporting Period	Same Period of last year
Income from government subsidy	398,867,359.07	448,099,427.58
Front money and guarantee deposit	194,816,415.68	279,858,364.93
Intercourse funds	71,915,009.80	164,755,704.28
Interest income from bank deposits	38,460,424.38	37,983,778.15
Others	49,900,426.66	53,936,264.41
Total	753,959,635.59	984,633,539.35

2) Cash payments related to other operating activities

Item	Reporting Period	Same Period of last year
Expense for cash payment	608,403,775.17	563,280,960.36
Payment for guarantee deposit, cash deposit	141,618,948.53	93,768,423.51
Payment made on behalf	9,670,660.47	11,499,654.13
Expense for bank handling charges	2,878,961.21	5,216,732.77
Others	120,570,024.96	404,575,413.78
Total	883,142,370.34	1,078,341,184.55

3) Other cash received from investment activities

Item	Reporting Period	Same Period of last year
Recovery of loan at call	2,345,834,176.94	466,367,371.66
Others	39,792,247.45	260,630,141.85
Total	2,385,626,424.39	726,997,513.51

4) Other cash paid for investment activities

Item	Reporting Period	Same Period of last year
Payment of loan at call	271,583,749.03	174,930,000.00
Others	25,736,148.70	160,869,856.00
Total	297,319,897.73	335,799,856.00

5) Other cash received from funding activities

Item	Reporting Period	Same Period of last year
Receiving loan at call	29,957,440.00	361,338,700.00
Recovery of margin deposit pledged	68,792,633.93	197,949,393.49
Lease-related accounts		34,000,000.00
Others	23,432.92	2,070,691.00
Total	98,773,506.85	595,358,784.49

6) Cash Used in Other Financing Activities

Item	Reporting Period	Same Period of last year
Payment of lease-related accounts	155,109,520.16	236,173,947.51
Deposit as margin for pledge	117,654,180.32	161,578,386.94

Item	Reporting Period	Same Period of last year
Returning loan at call	117,768,871.27	29,400,000.00
Financing cost	21,190,465.55	18,501,066.06
Others	1,765,552.03	34,551,700.00
Total	413,488,589.33	480,205,100.51

(2) Supplemental Information for Consolidated Cash Flow Statement

Item	Reporting Period	Same Period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities		
Net profit	58,003,206.88	90,756,920.24
Add: Provision for impairment of assets	13,309,988.75	29,538,732.82
Credit impairment loss	78,608,313.56	71,392,178.06
Depreciation of fixed assets, oil-gas assets, and productive biological assets	210,447,096.53	182,931,196.29
Depreciation of right-of-use assets	28,657,676.02	22,397,201.61
Amortization of intangible assets	22,954,726.69	38,706,987.41
Amortization of long-term prepaid expenses	40,889,139.75	43,983,314.75
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	-12,782,328.52	-88,668.35
Losses on scrap of fixed assets (gains: negative)	465,018.35	199,386.31
Losses on changes in fair value (gains: negative)	638,799.36	-40,362,513.73
Finance costs (gains: negative)	439,621,848.38	449,599,765.91
Investment loss (gains: negative)	-737,803,536.05	-322,244,312.89
Decrease in deferred income tax assets (gains: negative)	-129,818,410.18	-102,340,668.15
Increase in deferred income tax	2,283,651.84	-5,615,859.48

Item	Reporting Period	Same Period of last year
liabilities (“-” means decrease)		
Decrease in inventories (gains: negative)	25,150,562.26	-648,533,766.41
Decrease in accounts receivable generated from operating activities (gains: negative)	803,133,784.03	-266,870,721.39
Increase in accounts payable used in operating activities (decrease: negative)	-1,251,480,426.64	-580,252,243.46
Others	-13,538,617.74	-247,958,151.57
Net cash flow from operating activities	-421,259,506.73	-1,284,761,222.03
2. Significant investing and financing activities without involvement of cash receipts and payments		
Conversion of debt to capital		
Convertible corporate bonds matured within 1 Year		
Fixed asset under finance lease		
3. Net increase/decrease of cash and cash equivalent:		
Ending balance of cash	5,903,519,802.47	5,159,985,226.06
Less: Opening balance of cash	5,968,347,219.03	4,298,056,113.24
Plus: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-64,827,416.56	861,929,112.82

(3) Net Cash Paid for Acquisition of Subsidiaries

No such cases in the Reporting Period.

(4) Net Cash Receive from Disposal of the Subsidiaries

Item	Amount
Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the Current Period	302,280,000.00
Of which: Sichuan Chengrui	27,280,000.00
Xi'an Huasheng	220,000,000.00
Wuhan Industrial Development	55,000,000.00
Less: cash and cash equivalents held by subsidiaries on the date of losing control power	5,185,649.96
Of which: Sichuan Chengrui	1,845,348.16
Xi'an Huasheng	8,334.26
Wuhan Industrial Development	3,331,967.54
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	
Net cash received from disposal of subsidiaries	297,094,350.04

(5) Cash and Cash Equivalents

Item	Ending balance	Beginning balance
Cash	5,903,519,802.47	5,968,347,219.03
Including: Cash on hand	9.41	363.22
Bank deposit on demand	5,903,519,793.06	5,968,346,855.81
Ending balance of cash and cash equivalents	5,903,519,802.47	5,968,347,219.03

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

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

66. Assets with Restricted Ownership or Right to Use

Item	Ending carrying value	Reason for restriction
Monetary assets	631,118,593.39	Among them, RMB571,737,827.06 is margin deposit, pledge is used for borrowing or issuing bank acceptance bill, RMB10,764,266.54 is financial supervision account fund; RMB19,800,000.00 is fixed deposit that can not be withdrawn in advance; RMB28,816,499.79 is restricted due to other reasons.

Item	Ending carrying value	Reason for restriction
Notes receivable	373,073,971.78	The pledge of make out an invoice
Investment property	106,335,030.70	Mortgage loan
Fixed assets	1,198,081,326.15	Mortgage loan, finance lease mortgage
Intangible assets	376,579,273.20	Mortgage loan, mortgage guaranteed by the original shareholder
Construction in progress	78,521,756.73	Finance lease mortgage
Total	2,763,709,951.95	

67. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary assets			
Of which: USD	77,214,921.83	6.7114	518,220,226.37
EUR	2,730,603.30	7.0084	19,137,160.17
EGP	10,099,414.27	0.3570	3,605,383.45
GBP	1.32	8.1365	10.74
HKD	12,160,142.39	0.8552	10,399,232.17
CAD	6.96	5.2058	36.23
PLN	991,889.37	1.5016	1,489,390.47
Accounts receivable			
Of which: USD	99,275,413.45	6.7114	666,277,009.83
EUR	23,449.32	7.0084	164,342.21
EGP	4,228,915.83	0.3570	1,509,677.96
HKD	34,899,944.11	0.8552	29,846,083.20
AUD	49,764.00	4.6145	229,635.98
Other receivables			
Of which: USD	114,917,428.94	6.7114	771,256,832.59
EGP	8,000.00	0.3570	2,855.91

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
HKD	892,319.00	0.8552	763,102.29
YEN	21,400,000.00	0.0491	1,051,510.40
Short-term borrowings			
Of which: USD	51,764,004.17	6.7114	347,408,937.59
Accounts payable			
Of which: USD	26,802,690.35	6.7114	179,883,576.01
GBP	4,419.42	8.1365	35,958.61
HKD	4,987,580.96	0.8552	4,265,329.36
Other payables			
Of which: USD	532,849.98	6.7114	3,576,169.36
EUR	2,751,663.76	7.0084	19,284,760.30
EGP	60,729.10	0.3570	21,679.64
HKD	17,985,625.82	0.8552	15,381,127.35
Interest payable			
Of which: USD	28,048.58	6.7114	188,245.24

(2) Notes to Overseas Entities

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

68. Government Subsidy

(1) Basic Information on Government Subsidy

Category	Amount	Listed items	Amount recorded in the current profit or loss
Industry support funds	263,841,311.98	Deferred revenue/Other income	227,351,711.98
Rewards and subsidies	137,702,485.28	Deferred revenue/Other	90,960,177.86

Category	Amount	Listed items	Amount recorded in the current profit or loss
		income	
Tax rebates on software	7,949,955.87	Other income	7,949,955.87
Land tax rebates	1,434,080.24	Other income	1,433,605.93
Post subsidies	2,417,628.09	Other income	2,253,703.66
Subsidies for L/C exports	249,549.87	Other income	249,549.87
Total	413,595,011.33		330,198,705.17

(2) Return of Government Subsidy

No such cases in the Reporting Period.

VII. Changes of Consolidation Scope

1. Disposal of subsidiary

Name of the subsidiary	The equity disposal price	Equity disposal proportion (%)	Method of equity disposal	Time of losing control	Recognition basis for the time of losing control power	The differences of enjoyed net assets share of the subsidiary in corresponding consolidated statements of the disposal price and the disposal investment (RMB'0,000)
Xi'an Huasheng	22,000.00	100.00	Transfer	2022-6-27	The rights and obligations related to the underlying equity have been transferred	12,128.87
Wuhan Industrial Development	5,500.00	55.00	Transfer	2022-6-27	The rights and obligations related to the underlying equity have been transferred	4,865.34
Sichuan Chengrui	2,728.00	31.00	Transfer	2022-4-15	The rights and obligations related to the underlying equity have been transferred	2,123.96

(Continued)

Name of the subsidiary	Residual equity proportion on the date of losing control power (%)	Carrying value of residual equity on the date of losing control power (RMB'0,000)	Fair value of residual equity on the date of losing control power (RMB'0,000)	Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)	Recognition method and main assumption of fair value of residual equity on the date of losing control power	Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)
Xi'an Huasheng						
Wuhan Industrial Development	45.00	519.27	4,500.00	3,980.73	Evaluated price	
Sichuan Chengrui	49.00	954.77	4,312.00	3,357.23	Evaluated price	

2. Changes in Combination Scope for Other Reasons

(1) Subsidiaries Established by the Company in H1 2022

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Method of obtaining
Jiangxi Konka High-tech Park	50,000,000.00	100.00	2022-4-27	Newly established
Guizhou Konka New Energy	100,000,000.00	98.00	2022-2-11	Newly established
Shangrao Konka Electronic Technology Innovation	30,000,000.00	100.00	2022-4-27	Newly established
Zhejiang Konka Electronic	30,000,000.00	100.00	2022-6-20	Newly established
Zhejiang Konka Technology Industry	30,000,000.00	100.00	2022-6-20	Newly established

(2) The Company's Subsidiaries Cancelled and with Distribution of Remaining Assets in H1 2022

Name	Registered capital	Shareholding percentage (%)	Liquidation completion time
Shanghai Xinfeng	10,664,000.00	51.00	2022-2-10
Jiangxi Konka Industrial Park	100,000,000.00	70.00	2022-5-25
Ruichang Kangrui Real Estate	10,000,000.00	70.00	2022-5-25

(3) Others

① The Company's subsidiary Hefei KONSEMI introduced strategic investors, which caused the decrease of the Company's shareholding proportion to 34.46% and transfer of control power. And it will no longer be included into the consolidation scope.

VIII. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
1	Electronics Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
2	Anhui Zhilian	Anhui, Chuzhou	Anhui, Chuzhou	e-Commerce		100	Establishment or investment
3	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Trade and services		100	Establishment or investment
4	Chengdu Konka Smart	Sichuan, Chengdu	Sichuan, Chengdu	Trade and services		100	Establishment or investment
5	Chengdu Konka Electronic	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing industry		100	Establishment or investment
6	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
7	Youzhihui	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
8	Xiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail trade		100	Establishment or investment
9	Liaoyang Kangshun Smart	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale		100	Establishment or investment
10	Liaoyang Kangshun Renewable	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of renewable resources		100	Establishment or investment
11	Nanjing Konka	Jiangsu, Nanjing	Jiangsu, Nanjing	Wholesale		100	Establishment or investment
12	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		94.9	Establishment or investment
13	XingDa HongYe	Guangdong, Zhongshan	Guangdong, Zhongshan	Manufacturing industry		51	Establishment or investment
14	Konka Circuit	Guangdong,	Guangdong,	Manufacturing industry	100		Establishme

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
		Shenzhen	Shenzhen				nt or investment
15	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		95	Establishment or investment
16	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		90.1	Establishment or investment
17	Boluo Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
18	Boluo Konka	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
19	Anhui Tongchuang	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	100		Establishment or investment
20	Jiangsu Konka Smart	Jiangsu, Changzhou	Jiangsu, Changzhou	Manufacturing industry		51	Establishment or investment
21	Anhui Electrical Appliance	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		51	Establishment or

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
22	Frestec Refrigeration	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
23	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
24	Frestec Household Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
25	Frestec Smart Home	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
26	Konka Investment	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services	100		Establishment or investment
27	Yibin Konka Technology Park	Sichuan, Yibin	Sichuan, Yibin	Industrial park development and operation management		100	Establishment or investment
28	Konka Capital	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services		100	Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
29	Konka Suiyong	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
30	Shengxing Industrial	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
31	Zhitong Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		51	Establishment or investment
32	Konka Factoring	Guangdong, Shenzhen	Guangdong, Shenzhen	Insurance agents (non-bank finance)	100		Establishment or investment
33	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
34	Konka Leasing	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service Industry		100	Establishment or investment
35	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment
36	Suining Electronic	Sichuan, Suining	Sichuan, Suining	Commercial services	100		Establishment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Technological Innovation						nt or investment
37	Shanghai Konka	Shanghai	Shanghai	Real estate	100		Establishment or investment
38	Yantai Kangjin	Shandong, Yantai	Shandong, Yantai	Real estate		62.8	Establishment or investment
39	Mobile Interconnection	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial	100		Establishment or investment
40	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
41	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
42	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductors	100		Establishment or investment
43	Chongqing Konka	Chongqing	Chongqing	Software and information technology		100	Establishment or

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				services			investment
44	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
45	Kowin Memory (Hong Kong)	China, Hong Kong	China, Hong Kong	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
46	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
47	Industrial and Trade Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
48	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
49	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Commercial services	100		Establishment or investment
50	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
51	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
52	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate	100		Establishment or investment
53	Anhui Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	78		Establishment or investment
54	Kangzhi Trade	Anhui, Chuzhou	Anhui, Chuzhou	Wholesale		78	Establishment or investment
55	Telecommunication Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	75	25	Establishment or investment
56	Konka Mobility	China, Hong Kong	China, Hong Kong	Commercial		100	Establishment or investment
57	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing industry	75	25	Establishment or investment
58	Suining Konka Smart	Sichuan, Suining	Sichuan, Suining	Wholesale		100	Establishment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							nt or investment
59	Chongqing Optoelectronic Technology Research Institute	Chongqing	Chongqing	Research & experiment development	75		Establishment or investment
60	Yibin Kangrun	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services	67		Establishment or investment
61	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
62	Yibin Kangrun Environmental Protection	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		40.87	Establishment or investment
63	Ningbo Kanghr Electrical Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
64	Jiangxi Konka	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing	51		Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
65	Jiangxi High Transparent Substrate	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51	Establishment or investment
66	Jiangsu Konka Special Material	Yancheng, Jiangsu	Yancheng, Jiangsu	Wholesale		51	Establishment or investment
67	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment
68	Konka Huanjia	Dalian, Liaoning	Dalian, Liaoning	Renewable resources processing trade	51		Establishment or investment
69	Konka Huanjia (Henan)	Henan, Lankao	Henan, Lankao	Renewable resources processing trade		51	Establishment or investment
70	Shaanxi Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment
71	Pengrun Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
72	Jiixin Technology	China, Hong	China, Hong	Trade and services		51	Establishment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
		Kong	Kong				nt or investment
73	Konka Ronghe	Zhejiang, Jiaying	Zhejiang, Jiaying	Wholesale and retail trade	51		Establishment or investment
74	Chongqing Kangxingrui	Chongqing	Chongqing	Recycling, processing and sales of renewable resources	51		Establishment or investment
75	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Recycling, processing and sales of waste resources		51	Establishment or investment
76	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
77	Jiali International	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
78	Kangjiatong	Sichuan, Yibin	Sichuan, Yibin	Trade and services	100		Establishment or investment
79	Kanghong (Yantai) Environmental	Shandong, Yantai	Shandong, Yantai	Comprehensive utilization of abandoned resources	51		Establishment or

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Protection						investment
80	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51		Establishment or investment
81	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research & experiment development	51		Establishment or investment
82	Yantai Laikang	Shandong, Yantai	Shandong, Yantai	Commercial services	51		Establishment or investment
83	Konka Material	Hainan, Haikou	Hainan, Haikou	Commercial services	100		Establishment or investment
84	Konka Ventures	Guangdong, Shenzhen	Guangdong, Shenzhen	Enterprise management consulting, incubation management, housing leasing, etc.	51		Establishment or investment
85	Yibin Konka Incubator	Sichuan, Yibin	Sichuan, Yibin	Commercial services		51	Establishment or investment
86	Yantai Konka	Shandong, Yantai	Shandong, Yantai	Other professional consultation and investigation		51	Establishment or

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
87	Chengdu Anren	Sichuan, Chengdu	Sichuan, Chengdu	Enterprise incubation management		51	Establishment or investment
88	Konka Enterprise Service	Guizhou, Guiyang	Guizhou, Guiyang	Enterprise management consulting		51	Establishment or investment
89	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	51		Establishment or investment
90	Konka Europe	Germany, Frankfurt	Germany, Frankfurt	International trade	100		Establishment or investment
91	Hong Kong Konka	China, Hong Kong	China, Hong Kong	International trade	100		Establishment or investment
92	Hongdin Trading	China, Hong Kong	China, Hong Kong	International trade		100	Establishment or investment
93	Konka North America	America, California	America, California	International trade		100	Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
94	Kanghao Technology	Egypt, Cairo	Egypt, Cairo	International trade		67	Establishment or investment
95	Hongdin Invest	China, Hong Kong	China, Hong Kong	Investment holding		100	Establishment or investment
96	Chain Kingdom Memory Technologies	China, Hong Kong	China, Hong Kong	International trade		51	Establishment or investment
97	Chain Kingdom Memory Technologies (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services		51	Establishment or investment
98	Hongjet	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
99	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
100	Kangxiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
101	Yijiakang Smart	Guangdong,	Guangdong,	Software and information technology		100	Establishment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Terminal	Shenzhen	Shenzhen	services			nt or investment
102	Guizhou Kangkai Material Technology	Guizhou, Qiandongnan Miao and Dong Autonomous Prefecture	Guizhou, Qiandongnan Miao and Dong Autonomous Prefecture	Manufacturing and processing		51	Establishment or investment
103	Guizhou Konka New Material Technology	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Manufacturing and processing		51	Establishment or investment
104	Guizhou Kanggui Energy	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Wholesale and retail trade		100	Establishment or investment
105	Guangdong Xinwei	Lvfeng, Guangdong	Lvfeng, Guangdong	Semiconductors		100	Establishment or

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
106	Kangxinrun Renewable Resources	Chongqing	Chongqing	Recycling, processing and sales of renewable resources		51	Establishment or investment
107	Guizhou Kanggui Material Technology	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Manufacturing and processing	70		Establishment or investment
108	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate	51		Establishment or investment
109	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment
110	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
111	Jiangxi Konka Technology Park	Jiangxi, Shangrao	Jiangxi, Shangrao	Commercial services	100		Establishment or investment

No.	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
112	Shangrao Konkas Electronic Technological Innovation	Jiangxi, Shangrao	Jiangxi, Shangrao	Research & experiment development	100		Establishment or investment
113	Guizhou Konkas New Energy	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Guizhou, Qiannan Buyi and Miao Autonomous Prefecture	Manufacture of non-metallic mineral products		98	Establishment or investment
114	Zhejiang Konkas Electronic	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Research & experiment development	100		Establishment or investment
115	Zhejiang Konkas Technology Industry	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Commercial services	51	49	Establishment or investment

(2) Significant Non-wholly-owned Subsidiary

Name	Shareholding proportion of non-controlling interests (%)	The profit or loss attributable to the non-controlling interests	Declaring dividends distributed to non-controlling interests	Balance of non-controlling interests at the period-end
------	--	--	--	--

Chain Kingdom Memory Technologies	49.00%	3,451,062.32		70,642,626.66
-----------------------------------	--------	--------------	--	---------------

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

Name	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Chain Kingdom Memory Technologies	1,148,408,463.11	3,267,821.83	1,151,676,284.94	1,006,710,417.32	3,201,455.98	1,009,911,873.30

(Continued)

Name	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Chain Kingdom Memory Technologies	1,118,655,030.15	679,128.95	1,119,334,159.10	984,612,731.74		984,612,731.74

(Continued)

Name	Reporting Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities

Chain Kingdom Memory Technologies	3,337,348,013.59	899,361.51	7,042,984.33	-30,984,221.98
-----------------------------------	------------------	------------	--------------	----------------

(Continued)

Name	Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chain Kingdom Memory Technologies	3,756,519,723.85	13,367,681.89	11,903,453.19	80,536,781.65

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

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

(2) Main Financial Information of Significant Associated Enterprise

Item	Ending balance/Reporting Period	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	953,194,365.22	272,906,569.19
Non-current assets		222,366,556.96
Total assets	953,194,365.22	495,273,126.15
Current liabilities	880.00	258,726,574.40
Non-current liabilities		19,881,055.90
Total liabilities	880.00	278,607,630.30
Equity of non-controlling interests		8,308,540.00
Equity attributable to shareholders of the Company as the parent	953,193,485.22	208,356,955.85
Net assets shares calculated at the	476,120,145.87	89,155,941.41

Item	Ending balance/Reporting Period	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
shareholding proportion		
Adjusted items		
- Goodwill		
- Internal unrealized profit		
- Others		
Carrying value of investment to associated enterprises	471,524,694.73	93,935,437.96
Fair values of equity investments of joint ventures with quoted prices		
Revenue		182,061,953.26
Financial expenses	-229,796.85	-1,371,564.48
Income tax expenses		-1,984,423.47
Net profit	-2,383,969.26	248,699.00
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-2,383,969.26	248,699.00
Dividends received from the joint venture in the current period		

(Continued)

Item	Opening balance/The same period of last year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	945,498,650.28	273,102,104.88
Non-current assets		220,186,531.13
Total assets	945,498,650.28	493,288,636.01
Current liabilities	730.00	258,379,870.36

Non-current liabilities		18,381,235.37
Total liabilities	730.00	276,761,105.73
Equity of non-controlling interests		9,047,500.16
Equity attributable to shareholders of the Company as the parent	945,497,920.28	207,480,030.12
Net assets shares calculated at the shareholding proportion	467,638,787.38	94,278,354.91
Adjusted items		
- Goodwill		
- Internal unrealized profit		
- Others		
Carrying value of investment to associated enterprises	467,638,787.38	94,278,354.91
Fair values of equity investments of joint ventures with quoted prices		
Revenue		227,686,845.28
Financial expenses	-281,006.45	2,748,106.23
Income tax expenses		-1,440,602.70
Net profit	-28,114,379.69	3,684,846.93
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-28,114,379.69	3,684,846.93
Dividends received from the joint venture in the current period		

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

Item	Ending balance/Reporting Period	Beginning balance/The Same period of last year
Associated enterprise:		
Total carrying value of investment	5,708,256,236.06	5,340,671,797.22
The total of following items according		

Item	Ending balance/Reporting Period	Beginning balance/The Same period of last year
to the shareholding proportions		
--Net profit	60,936,191.32	27,682,427.99
--Other comprehensive income	-38,929.34	
--Total comprehensive income	60,897,261.98	27,682,427.99

IX. The Risk Related to Financial Instruments

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

1. Various Risk Management Objectives and Policies

The goals of the Company engaged in the risk management is to achieve the proper balance between the risks and benefits, reduced the negative impact to the Company operating performance risk to a minimum, maximized the profits of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determine and analyze the various risks faced by the Company, set up the bottom line of risk and conducted appropriate risk management, and timely supervised various risks in a reliable way and controlled the risk within the range of limit.

(1) Market Risk

1) Foreign Exchange Risk

Foreign exchange risk refers to the risks that may lead to losses due to fluctuation in exchange rate. The foreign exchange risk borne by the Company is related to USD. Except the procurement and sales in USD of the Company's subsidiaries Hong Kong Konka, Hongdin Trading, Chain Kingdom Memory Technologies, Hongjet and Jiali, the Company's other primary business activities are settled in RMB. The currency risk arising from the assets and liabilities of such balance in USD may affect the Group's operating results. As at 30 June 2022, the Company's assets and liabilities were mainly the balance in RMB except for the assets or liabilities of a balance in USD as listed below.

Item	Ending balance	Opening balance
------	----------------	-----------------

Item	Ending balance	Opening balance
Monetary Assets	77,214,921.83	104,127,945.47
Accounts Receivable	99,275,413.45	150,964,132.67
Other Receivables	114,917,428.94	97,035,927.80
Short-term borrowings	51,764,004.17	89,678,741.45
Accounts payable	26,802,690.35	35,718,564.93
Other payables	532,849.98	
Interest payable	28,048.58	106,816.56

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

2) Interest Rate Risk

The Company bears interest rate risk due to interest rate changes of interest-bearing financial assets and liabilities. The Company's interest bearing financial assets are mainly bank deposits, of which the variable interest rate is mostly short-term, while the interest bearing financial liabilities are mainly bank loans and corporate bonds. The Company's long-term borrowings from banks and corporation bonds are at fixed interest rates. The risk of cash flow changes of financial instruments caused by interest rate changes is mainly related to short-term borrowings from banks with floating interest rates. The Company's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As at 30 June 2022, the balance of such short-term borrowings was RMB339,068,997.54.

(2) Credit Risk

As at 30 June 2022, the maximum credit risk exposure that may cause financial losses to the Company mainly came from losses generated from the Company's financial assets due to failure of the other party in a contract to perform its obligations and the financial guarantee undertaken by the Company, including:

The carrying amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects their risk exposure, but not the maximum risk exposure, and the maximum risk exposure will change with the change of future fair value.

In order to reduce credit risk, the Company has set up a group to determine the credit limit, conduct

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

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

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

(3) Liquidity Risk

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

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

Amount as at 30 June 2022:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial assets					
Monetary Assets	6,534,638,395.86				6,534,638,395.86
Trading Financial Assets					
Notes Receivable	934,842,104.68				934,842,104.68
Accounts Receivable	2,506,800,876.82	201,993,590.82	663,374,977.67	459,386.20	3,372,628,831.51
Other Receivables	866,491,967.46	469,612,386.01	469,773,586.67	4,383,863.74	1,810,261,803.88
Long-term Receivables		10,430,400.00			10,430,400.00
Other Current Assets	3,342,866,416.60				3,342,866,416.60
Financial liabilities					
Short-term borrowings	10,090,194,886.59				10,090,194,886.59
Notes payable	1,133,188,165.45				1,133,188,165.45
Accounts payable	2,192,583,979.74	263,468,989.22	184,516,934.58	2,856,906.88	2,643,426,810.42
Other payables	964,345,498.07	94,909,009.20	285,321,124.01	47,569,782.59	1,392,145,413.87
Payroll payable	181,829,820.35				181,829,820.35
Non-current liabilities due within one year	1,071,913,219.84				1,071,913,219.84

Long-term borrowings		7,283,243,427.74	691,764,652.55	270,437,976.97	8,245,446,057.26
Bonds Payable		1,497,340,146.81	798,238,993.69		2,295,579,140.50
Long-term payables		126,886,493.60	9,514,021.06		136,400,514.66

2. Sensitivity analysis

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

(1) Sensitivity analysis of foreign exchange risk

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

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

Item	Exchange rate fluctuations	30 June 2022	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	13,340,578.96	8,723,696.39
USD	Depreciation of 1% against RMB	-13,340,578.96	-8,723,696.39

(2) Sensitivity Analysis of Interest Rate Risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

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

Item	Interest rate	30 June 2022
------	---------------	--------------

	fluctuations	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest rates	Up 0.5%	-1,311,538.20	-1,220,696.86
Borrowings at floating interest rates	Down 0.5%	1,311,538.20	1,220,696.86

X. The Disclosure of Fair Value

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

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement				
i. Trading Financial Assets				
1. Financial assets measured at fair value through profit and loss for the current period				
(II) Accounts receivable financing		9,926,723.80		9,926,723.80
(II) Other equity investments				
(III) Other equity instrument investment			23,841,337.16	23,841,337.16
(IV) Investment properties				
(V) Biological assets				
(V) Other non-current financial assets			2,460,095,518.48	2,460,095,518.48
The total amount of assets consistently measured at fair value		9,926,723.80	2,483,936,855.64	2,493,863,579.44
Total amount of liabilities at fair value				

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

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

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

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

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

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

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

XI. Related Party and Related-party Transaction

(I) Relationship of Related Party

1. Controlling Shareholder and the Ultimate Controller

(1) Controlling Shareholder and the Ultimate Controller

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

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

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

Controlling shareholders	Opening balance	Increase	Decrease	Ending balance
OCT Group Co. Ltd.	12,000,000,000.00			12,000,000,000.00

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

Controlling shareholders	Shareholding amount	Shareholding percentage (%)
--------------------------	---------------------	-----------------------------

	Ending balance	Opening balance	Ending percentage	Opening percentage
OCT Group Co. Ltd.	722,383,542.00	722,383,542.00	29.999997	29.999997

2. Subsidiary

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

3. Associated Enterprises and Joint Ventures

Refer to Note VIII-2. (1) Significant Associated Enterprises for details of significant associated enterprises of the Company. Information on other joint ventures or associated enterprises occurring connected transactions with the Company in Reporting Period, or forming balance due to connected transactions made in previous period:

Name	Relationship with the Company
Shenzhen Yaode Technology Co., Ltd.	Associated enterprise
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associated enterprise
Shenzhen Kanghongxing Smart Technology Co., Ltd.	Associated enterprise
Shenzhen Konda E-display Co., Ltd.	Associated enterprise
Shenzhen Jielunte Technology Co., Ltd.	Associated enterprise
Shenzhen Kaiyuan Shengshi Technology Co., Ltd.	Associated enterprise
Puchuang Jiakang Technology Co, Ltd.	Associated enterprise
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Associated enterprise
Wiselite International (HK) Limited	Associated enterprise
Feidi Technology (Shenzhen) Co., Ltd.	Associated enterprise
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associated enterprise
Dongguan Guankang Hongyu Investment Co., Ltd.	Associated enterprise
Yantai Kangyun Industrial Development Co., Ltd.	Associated enterprise
Shandong Econ Technology Co., Ltd.	Associated enterprise
Sichuan Chengrui Real Estate Co., Ltd.	Associated enterprise

Name	Relationship with the Company
Dongguan Kangjia New Materials Technology Co., Ltd.	Associated enterprise
Dongguan Kangzhihui Electronics Co., Ltd.	Associated enterprise
Shenzhen Jielunte Technology Co., Ltd.	Associated enterprise
Panxu Intelligence Co., Ltd.	Associated enterprise
Sichuan Aimijiakang Technology Co., Ltd.	Associated enterprise
Konka Industrial Development (Wuhan) Co., Ltd.	Associated enterprise
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	Associated enterprise
E3info (Hainan) Technology Co., Ltd.	Associated enterprise
Hefei KONSEMI Storage Technology Co., Ltd.	Associated enterprise
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associated enterprise
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Associated enterprise
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	Associated enterprise
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Associated enterprise

4. Information on Other Related Parties

Name	Relationship with the Company
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Subsidiary of associated enterprise
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
HOHOELECTRICAL&FURNITURECO.,LIMITED	Minority shareholder of subsidiary
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary

Name	Relationship with the Company
Hu Zehong	Minority shareholder of subsidiary
Dai Rongxing	Close family members of minority shareholders
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Chongqing Ruiyin Renewable Resources Co., Ltd.	The ultimate controller of the minority shareholders of the subsidiary

(II) Related-party Transactions

1. Related-party transactions of purchase and sale of goods, provision and acceptance of services

(1) Purchasing goods/receiving services

Related party	Content	Reporting Period	Same period of last year
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	Purchase of goods and services	541,543,811.51	1,503,638,982.86
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	181,578,952.60	207,875,193.30
Puchuang Jiakang Technology Co, Ltd.	Purchase of goods	150,151,893.73	163,541,409.57
OCT Group Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	25,346,178.36	23,801,411.18
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods and services	18,805,740.79	39,114,787.43
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Purchase of goods	13,992,143.62	22,652,611.58
Dongguan Kangzhihui Electronics Co., Ltd.	Purchase of goods	13,821,902.86	15,400,576.70
HOHO ELECTRICAL & FURNITURE CO., LIMITED	Purchase of goods	9,072,974.63	13,904,763.96

Related party	Content	Reporting Period	Same period of last year
Shenzhen Konda E-display Co., Ltd.	Purchase of goods and services	8,959,207.84	26,475,410.20
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Purchase of goods and services	8,145,702.87	
Dongguan Kangjia New Materials Technology Co., Ltd.	Purchase of goods and services	6,976,616.01	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchase of goods	21,234.50	7,817,518.74
Subtotal of other related parties	Purchase of goods and services	2,468,604.98	738,830.75

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

Related party	Content	Reporting Period	Same Period of last year
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of goods and render labor service	133,512,390.92	78,699,287.26
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and render labor service	117,013,253.39	181,904,680.78
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Sales of goods and render labor service	86,686,831.47	86,107,536.96
Hefei KONSEMI Storage Technology Co., Ltd.	Sales of goods	42,085,293.63	
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and render labor service	35,546,108.63	30,402,393.78

Related party	Content	Reporting Period	Same Period of last year
Sichuan Aimijiakang Technology Co., Ltd.	Sales of goods and render labor service	25,833,743.92	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods and render labor service	21,685,823.71	33,094,053.38
HOHO ELECTRICAL & FURNITURE CO., LIMITED	Sales of goods	15,922,314.20	35,832,964.53
Shenzhen Konda E-display Co., Ltd.	Sales of goods and render labor service	14,036,782.18	23,556,672.37
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	Render labor service	14,150,943.39	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Sales of goods and render labor service	13,440,177.22	23,197,082.93
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods	12,773,438.03	18,874,703.89
Dongguan Kangzhihui Electronics Co., Ltd.	Sales of goods and render labor service	12,592,625.44	11,344,197.37
Shenzhen Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and render labor service	8,803,735.07	
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and render labor service	563,757.57	5,124,776.56
Subtotal of other related parties		6,726,787.89	6,321,489.21

2. Information on Related-party Lease

(1) Lease situation

Lessee	Lessee's name	Category	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last year
OCT Group Co. Ltd. And its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	755,425.60	683,385.60
OCT Group Co. Ltd. And its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	11,610,366.36	10,456,131.42

3. Information on Related-party Guarantee

(1) The Company was guarantor

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Anhui Tongchuang	6,000.00	5,000.00	CNY	2021-7-16	2022-7-16	Not
Anhui Tongchuang	3,000.00	3,000.00	CNY	2021-10-28	2022-10-27	Not
Anhui Tongchuang	5,000.00		CNY	2022-4-14	2023-4-14	Not
Anhui Tongchuang	3,000.00	3,000.00	CNY	2022-6-2	2023-6-1	Not
Electronics Technology	7,000.00	7,729.95	CNY	2021-10-18	2022-11-14	Not
Electronics Technology	1,500.00		CNY	2022-4-12	2022-11-14	Not

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Electronics Technology	50,000.00	50,000.00	CNY	2021-11-5	2022-7-16	Not
Sichuan Konka	4,000.00	4,000.00	CNY	2022-3-22	2023-3-21	Not
Boluo Precision	2,480.11	958.33	CNY	2020-8-19	2023-8-19	Not
Boluo Precision	12,449.00	2,221.00	CNY	2021-7-6	2023-7-5	Not
Hong Kong Konka	11,000.00	10,402.67	CNY	2021-9-8	2021-11-6	Not
Hong Kong Konka	10,000.00	9,731.53	CNY	2022-2-9	2022-9-5	Not
Dongguan Konka	5,000.00	5,000.00	CNY	2022-3-18	2023-3-17	Not
Dongguan Konka	80,000.00	20,167.98	CNY	2021-6-23	2031-5-7	Not
Telecommunication Technology	7,500.00	2,610.57	CNY	2022-5-20	2023-5-20	Not
Konka Circuit	20,000.00	5,426.60	CNY	2021-5-24	2024-11-30	Not
Mobile Interconnection	5,000.00	4,582.81	CNY	2021-8-11	2022-8-11	Not
Konka Xinyun Semiconductor	6,000.00	1,000.00	CNY	2022-5-26	2024-5-25	Not
Konka Xinyun Semiconductor	20,000.00	8,277.66	CNY	2021-7-12	2022-7-11	Not
Liaoyang Kangshun Smart	2,000.00	2,000.00	CNY	2021-12-23	2022-12-22	Not

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Liaoyang Kangshun Smart	5,000.00	3,000.00	CNY	2022-1-19	2023-1-18	Not
Yibin Smart	980.00	980.00	CNY	2022-3-31	2023-3-30	Not
XingDa HongYe	5,800.00	5,288.44	CNY	2022-2-23	2024-2-23	Not
XingDa HongYe	2,000.00	1,081.17	CNY	2020-12-25	2023-12-25	Not
XingDa HongYe	750.00	443.24	CNY	2021-5-31	2023-8-31	Not
Jiangxi Konka	10,000.00	3,000.00	CNY	2020-11-6	2023-12-1	Not
Jiangxi Konka	6,000.00	2,500.00	CNY	2022-6-26	2023-6-25	Not
Jiangxi Konka	5,500.00	456.80	CNY	2019-6-26	2022-6-25	Not
Jiangxi Konka	6,500.00	1,077.81	CNY	2019-10-30	2022-10-30	Not
Jiangxi Konka	990.00	990.00	CNY	2022-3-10	2024-3-9	Not
Jiangxi Konka	10,000.00	5,089.18	CNY	2020-9-29	2023-9-29	Not
Jiangxi Konka	5,000.00	4,600.00	CNY	2020-12-21	2022-12-31	Not
Jiangxi Konka	1,000.00	504.99	CNY	2020-12-30	2023-12-30	Not
Xinfeng Microcrystalline	5,000.00	1,742.17	CNY	2020-5-19	2023-5-19	Not

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Xinfeng Microcrystalline	3,478.85	662.37	CNY	2020-5-29	2022-11-29	Not
Xinfeng Microcrystalline	2,100.00	1,068.57	CNY	2020-12-8	2023-12-8	Not
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	2021-12-27	2022-12-26	Not
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	2022-6-29	2023-6-28	Not
Jiangxi High Transparent Substrate	10,000.00	830.39	CNY	2019-6-26	2022-6-26	Not
Jiangxi High Transparent Substrate	5,000.00	1,320.79	CNY	2020-1-8	2023-1-8	Not
Jiangxi High Transparent Substrate	5,000.00	889.08	CNY	2019-12-20	2022-12-20	Not
Jiangxi High Transparent Substrate	990.00	990.00	CNY	2022-3-10	2024-3-9	Not
Jiangxi High Transparent Substrate	5,975.00	1,054.60	CNY	2020-5-29	2022-11-29	Not
Jiangxi High Transparent Substrate	6,000.00	2,450.09	CNY	2020-7-14	2023-7-14	Not
Ningbo Kanghr Electrical Appliance	6,000.00	2,880.00	CNY	2020-10-15	2022-7-26	Not

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Ningbo Kanghr Electrical Appliance	6,000.00	3,000.00	CNY	2021-7-12	2022-7-11	Not
Yibin Kangrun	10,000.00	10,000.00	CNY	2020-11-13	2024-12-31	Not
Anhui Konka	20,000.00	3,000.00	CNY	2021-3-25	2022-3-25	Not
Anhui Konka	5,500.00	366.45	CNY	2021-4-2	2022-4-2	Not
Anhui Konka	12,000.00	5,000.00	CNY	2021-4-25	2022-4-25	Not
Anhui Konka	28,000.00	7,760.95	CNY	2021-8-10	2031-7-15	Not
Anhui Konka	7,000.00	7,000.00	CNY	2021-10-29	2026-10-26	Not
Yibin OCT Sanjiang Properties Co., Ltd.	14,000.00	7,658.00	CNY	2019-9-29	2022-9-28	Not
Econ Technology	1,748.80	1,748.80	CNY	2022-5-19	2023-5-18	Not
Econ Technology	3,747.44	3,747.44	CNY	2022-5-17	2023-5-16	Not
Econ Technology	4,996.58	4,996.58	CNY	2022-5-18	2023-5-17	Not
Econ Technology	249.83	249.83	CNY	2022-6-28	2023-6-27	Not
Anhui Electrical Appliance	13,500.00	12,500.00	CNY	2020-7-3	2023-7-1	Not

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Shenzhen Overseas Chinese Town Co., Ltd.	10,000.00	580.00	CNY	2022-5-31	2023-5-30	Not
Foshan Zhujiang Media Creative Park Culture Development Co., Ltd.	980.00	300.47	CNY	2022-5-17	2023-3-21	Not

(2) The Company was secured party

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Electronics Technology	50,000.00	CNY	2021-8-17	2022-8-16	Not
OCT Group Co. Ltd.	70,000.00	CNY	2019-7-22	2022-7-22	Not
OCT Group Co. Ltd.	100,000.00	CNY	2021-1-8	2024-1-8	Not
OCT Group Co. Ltd.	50,000.00	CNY	2021-5-21	2024-5-21	Not
OCT Group Co. Ltd.	80,000.00	CNY	2021-7-9	2024-7-9	Not
OCT Group Co. Ltd.	100,000.00	CNY	2022-6-22	2024-6-21	Not
OCT Group Co. Ltd.	149,500.00	CNY	2021-6-24	2024-6-23	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	2,591.34	CNY	2022-2-23	2024-2-23	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur rency	Start date	End date	Execution accomplished or not
Hu Zehong, Liang Ruiling, Dai Yaojin	529.77	CN Y	2020-12-25	2023-12-25	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	217.19	CN Y	2021-5-31	2023-8-31	Not
Zhu Xinming	1,470.00	CN Y	2020-11-6	2023-12-1	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	1,225.00	CN Y	2022-6-29	2023-6-28	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	223.83	CN Y	2019-6-26	2022-6-25	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	528.12	CN Y	2019-10-30	2022-10-30	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CN Y	2022-3-10	2024-3-9	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,493.70	CN Y	2020-9-29	2023-9-29	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,254.00	CN Y	2020-12-21	2022-12-31	Not
Zhu Xinming	247.44	CN Y	2020-12-30	2023-12-30	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	853.66	CN Y	2020-5-19	2023-5-19	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	324.56	CN Y	2020-5-29	2022-11-29	Not
Zhu Xinming	523.60	CN Y	2020-12-8	2023-12-8	Not
Zhu Xinming	2,940.00	CN Y	2021-12-27	2022-12-26	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	2,940.00	CN Y	2022-6-29	2023-6-28	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	406.89	CN	2019-6-26	2022-6-26	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur rency	Start date	End date	Execution accomplished or not
Estate Co., Ltd.		Y			
Zhu Xinming	647.19	CN Y	2020-1-8	2023-1-8	Not
Zhu Xinming	435.65	CN Y	2019-12-20	2022-12-20	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CN Y	2022-3-10	2024-3-9	Not
Jiangxi Xinzixin Real Estate Co., Ltd.	516.75	CN Y	2020-5-29	2022-11-29	Not
Zhu Xinming	1,200.54	CN Y	2020-7-14	2023-7-14	Not
Econ Technology	3,300.00	CN Y	2020-11-13	2024-12-31	Not
Chuzhou State-owned Assets Management Co., Ltd.	660.00	CN Y	2021-3-25	2022-3-25	Not
Chuzhou State-owned Assets Management Co., Ltd.	80.62	CN Y	2021-4-2	2022-4-2	Not
Chuzhou State-owned Assets Management Co., Ltd.	1,100.00	CN Y	2021-4-25	2022-4-25	Not
Chuzhou State-owned Assets Management Co., Ltd.	1,707.41	CN Y	2021-8-10	2031-7-15	Not
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CN Y	2021-10-29	2026-10-26	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	2,450.00	CN Y	2018-7-1	2025-12-31	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	4,899.02	CN Y	2018-7-1	2025-12-31	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur rency	Start date	End date	Execution accomplished or not
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CN Y	2018-1-1	2022-12-31	Not
Suiyong Rongxin Asset Management Co., Ltd.	980.00	CN Y	2018-1-1	2022-12-31	Not
Suiyong Rongxin Asset Management Co., Ltd.	1,862.00	CN Y	2018-1-1	2022-12-31	Not
Zhu Xinming	6,223.00	CN Y	2021-10-15	2022-10-14	Not
Zhu Xinming	4,900.00	CN Y	2021-10-15	2022-10-14	Not
Zhu Xinming	1,323.00	CN Y	2021-10-15	2022-10-14	Not
Zhu Xinming	443.45	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	283.32	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	235.95	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	13,249.19	CN Y	2022-2-19	2023-2-18	Not
Zhu Xinming	6,860.00	CN Y	2022-3-1	2023-2-28	Not
Zhu Xinming	2,330.54	CN Y	2022-3-9	2023-3-8	Not
Zhu Xinming	44.05	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	443.45	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	278.55	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	231.91	CN	2022-1-5	2022-12-31	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur renc y	Start date	End date	Execution accomplishe d or not
		Y			
Zhu Xinming	1,225.00	CN Y	2022-6-1	2022-8-31	Not
Zhu Xinming	44.05	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	224.27	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	214.50	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	262.79	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	649.29	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	298.90	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	490.00	CN Y	2022-1-5	2023-2-27	Not
Zhu Xinming	224.27	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	210.90	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	224.27	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	260.25	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	210.90	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	298.90	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	224.27	CN Y	2022-1-5	2022-12-31	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur rency	Start date	End date	Execution accomplished or not
Zhu Xinming	4.58	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	223.85	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	171.33	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	93.12	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	223.85	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	171.33	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	93.12	CN Y	2022-1-5	2022-12-31	Not
Zhu Xinming	1,470.00	CN Y	2022-6-1	2022-8-31	Not
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CN Y	2022-5-19	2023-5-19	Not
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,083.96	CN Y	2022-5-19	2023-5-19	Not
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	6,370.00	CN Y	2020-8-19	2025-10-31	Not
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd.	488.37	CN Y	2018-1-1	2021-12-31	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur renc y	Start date	End date	Execution accomplishe d or not
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd.	552.72	CN Y	2018-1-1	2021-12-31	Not
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd., Shenzhen Baili Yongxing Technology Co., Ltd.	735.00	CN Y	2018-1-1	2021-12-31	Not
Konka Ventures Development (Shenzhen) Co., Ltd.	1,322.54	CN Y	2021-12-16	2022-12-15	Not
AUJET INDUSTRY LIMITED	3,316.81	US D	2021-5-1	2023-12-31	Not
AUJET INDUSTRY LIMITED	1,029.00	US D	2020-9-1	2023-12-31	Not
Guizhou Huajinrun Technology Co. Ltd., Guizhou Jiaguida Technology Co., Ltd., Guangan Ouqishi Electronic Technology Co., Ltd.	879.80	US D	2018-1-1	2021-12-31	Not

Guarantor:	Guarantee amount (RMB'0,000)	Cur rency	Start date	End date	Execution accomplished or not
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,869.84	US D	2021-6-21	2022-12-31	Not
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,112.30	US D	2021-6-22	2022-12-31	Not
Wu Guoren and Xiao Yongsong	6,933.50	US D	2019-12-31	2024-12-31	Not

4. Borrowings of Funds

Name of related parties	Amount	Cur rency	Start date	Maturity date
Borrowing:				
OCT Group Co. Ltd.	510,910,000.00	CN Y	2021-10-9	2024-2-25
OCT Group Co. Ltd.	200,000,000.00	CN Y	2021-11-16	2024-2-25
OCT Group Co. Ltd.	1,500,000,000.00	CN Y	2022-1-10	2024-2-25
OCT Group Co. Ltd.	500,000,000.00	CN Y	2022-5-19	2024-2-25
OCT Group Co. Ltd.	700,000,000.00	CN Y	2022-5-26	2024-2-25
Chuzhou Hanshang Electric Appliance Co., Ltd.	105,350,000.00	CN Y	2022-2-1	2023-1-31
Chuzhou Hanshang Electric Appliance Co., Ltd.	4,900,000.00	CN Y	2022-5-30	2023-5-29
Konka Industrial Development (Wuhan) Co., Ltd.	4,500,000.00	CN Y	2022-5-25	2023-5-24
Total	3,525,660,000.00			
Lending:				

Name of related parties	Amount	Cur ren cy	Start date	Maturity date
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	188,430,000.00	CN Y	2020-11-25	2021-11-24
Yantai Kangyue Investment Co., Ltd.	128,527,000.00	CN Y	2021-12-16	2022-12-15
Chuzhou Kangxin Health Industry Development Co., Ltd.	152,880,000.00	CN Y	2021-12-18	2022-12-17
Chuzhou Kangxin Health Industry Development Co., Ltd.	7,350,000.00	CN Y	2022-1-6	2023-1-4
Chuzhou Kangxin Health Industry Development Co., Ltd.	167,580,000.00	CN Y	2022-3-26	2023-3-24
Chuzhou Kangxin Health Industry Development Co., Ltd.	13,592,600.00	CN Y	2022-3-22	2023-3-20
Chuzhou Kangjin Health Industrial Development Co., Ltd.	58,800,000.00	CN Y	2021-9-16	2022-9-15
Chuzhou Kangjin Health Industrial Development Co., Ltd.	74,436,380.39	CN Y	2022-2-26	2022-8-31
Yantai Kangyun Industrial Development Co., Ltd.	100,200,000.00	CN Y	2021-11-23	2022-11-22
Yantai Kangyun Industrial Development Co., Ltd.	9,490,000.00	CN Y	2021-11-22	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	13,940,000.00	CN Y	2021-12-8	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	3,230,000.00	CN Y	2021-12-29	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	5,640,000.00	CN Y	2022-1-12	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	10,200,000.00	CN Y	2022-3-17	2023-1-19
Yantai Kangyun Industrial Development Co., Ltd.	34,000,000.00	CN Y	2022-5-23	2022-12-30
Yantai Kangyun Industrial Development Co., Ltd.	25,000,000.00	CN	2022-6-1	2022-12-30

Name of related parties	Amount	Currency	Start date	Maturity date
Development Co., Ltd.		Y		
Dongguan Guankang Hongyu Investment Co., Ltd.(Original name: Dongguan Konka Investment Co., Ltd.)	196,000,000.00	CNY	2021-8-6	2022-8-5
Sichuan Chengrui Real Estate Co., Ltd.	147,245,000.00	CNY	2022-1-21	2022-12-7
Chongqing Liangshan Industrial Investment Co., Ltd.	100,000,000.00	CNY	2021-12-2	2022-11-28
Chongqing Liangshan Industrial Investment Co., Ltd.	75,247,953.20	CNY	2021-12-24	2022-12-23
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	20,272,400.00	CNY	2022-1-5	2022-9-30
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	200,000.00	CNY	2022-1-18	2022-9-30
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	1,640,000.00	CNY	2022-4-18	2022-9-30
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	1,051,700,000.00	CNY	2022-5-17	2022-9-30
Shandong Econ Technology Co., Ltd.	50,000,000.00	CNY	2022-3-22	2022-12-31
Shandong Econ Technology Co., Ltd.	83,191,149.03	CNY	2022-3-28	2022-12-31
Shandong Econ Technology Co., Ltd.	49,960,000.00	CNY	2022-3-30	2022-12-31
Total	2,768,752,482.62			

5. Information on Assets Transfer and Debt Restructuring by Related Party

Name	Content	Reporting Period	Same period of last year
OCT Group and its subsidiaries and associates	Transfer of patents, software copyrights	12,843,396.23	

	and trademarks		
Total		12,843,396.23	

5. Information on Remuneration for Key Management Personnel

Item	Reporting Period (RMB'0,000)	Same period of last year (RMB'0,000)
Total remuneration	737.41	1,000.44

(III) Balances with Related Party

1. Accounts Receivable

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Accounts receivable:				
OCT Group Co., Ltd. and its subsidiaries and associates	236,582,796.81	5,082,435.61	112,295,325.56	2,448,228.43
Shenzhen Yaode Technology Co., Ltd.	137,931,418.85	68,528,250.38	131,032,162.46	65,516,081.23
HOHO ELECTRICAL & FURNITURE CO., LIMITED	118,073,849.53	9,374,854.36	113,606,433.75	7,481,903.77
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	95,060,834.88	5,641,125.48	148,730,451.88	8,135,088.28
Shenzhen Kanghongxing Smart Technology Co., Ltd.	39,956,322.21	14,883,305.61	39,940,213.90	6,151,331.52
Chuzhou Hanshang Electric Appliance Co., Ltd.	20,187,948.19	411,834.14	45,393,066.82	926,018.56

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Shenzhen Konda E-display Co., Ltd.	11,165,355.20	227,773.25	12,099,780.90	247,013.76
Korea Electric Group Co., Ltd. and its subsidiaries	11,324,072.76	231,011.08	7,104,826.83	144,938.56
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	9,497,073.90	193,740.31	22,468,132.66	458,349.90
Subtotal of other related parties	21,772,079.57	480,578.77	20,262,488.58	438,909.17
Total	701,551,751.90	105,054,908.99	652,932,883.34	91,947,863.18
Financing accounts receivable/notes receivable:				
Korea Electric Group Co., Ltd. and its subsidiaries	51,300,000.00		15,000,000.00	
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,000,000.00		14,000,000.00	
Shenzhen Kaiyuan Shengshi Technology Co., Ltd.	5,676,044.81			
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	92,560.46		1,815,713.26	
Total	59,068,605.27		30,815,713.26	

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Other receivables:				
Chongqing Liangshan Industrial Investment Co., Ltd.	179,857,668.24	3,669,096.43	223,196,349.34	4,553,205.53
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	52,729,155.43	93,512,640.31	52,729,155.43
Dai Rongxing	81,507,850.71	81,507,850.71	79,974,500.96	52,816,781.04
Shenzhen Kanghongxing Smart Technology Co., Ltd.	36,522,782.39	22,998,096.70	36,670,149.78	23,809,925.53
OCT Group Co., Ltd. and its subsidiaries and associates	35,009,433.26	20,189,768.54	30,429,787.06	19,968,912.07
Huanjia Group Co., Ltd.	25,083,675.53	17,507,082.35	25,083,675.53	17,302,185.43
HOHO ELECTRICAL & FURNITURE CO., LIMITED	2,354,929.59	235,963.94	2,237,153.78	224,162.83
Hu Zehong	2,314,963.85	47,225.26		
Subtotal of other related parties	625,877.36	11,890.29	117,002.15	46,468.84
Total	456,789,821.24	198,896,129.65	491,221,258.91	171,450,796.70
Prepayments:				
OCT Group Co., Ltd. and its subsidiaries and associates	17,939,748.00			
Puchuang Jiakang Technology Co, Ltd.	12,349,525.00			

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Shenzhen Kanghongxing Smart Technology Co., Ltd.	4,298,225.15		4,298,225.15	
HOHO ELECTRICAL & FURNITURE CO., LIMITED	2,968,378.45			
Shenzhen Kangying Semiconductor Technology Co., Ltd.	2,637,436.84			
Wiselite International (HK) Limited			1,534,918.13	
Subtotal of other related parties	616,553.49		961,888.99	
Total	40,809,866.93		6,795,032.27	
Current portion of non-current assets:				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	3,283,943.14		10,395,523.78	
Total	3,283,943.14		10,395,523.78	
Other current assets:				
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	1,073,812,400.00			

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Chuzhou Kangxin Health Industry Development Co., Ltd.	352,232,224.99		339,338,066.67	
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	212,842,153.29		205,263,079.97	
Dongguan Guankang Hongyu Investment Co., Ltd. (formerly known as Dongguan Konka Investment Co., Ltd.)	209,746,028.99		211,662,473.43	
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	205,395,866.69		127,164,360.00	
Shandong Econ Technology Co., Ltd. and its subsidiaries	183,456,400.95		427,620,131.62	
Yantai Kangyue Investment Co., Ltd.	155,032,123.56		149,862,482.00	
Sichuan Chengrui Real Estate Co., Ltd.	152,513,098.89			
OCT Group Co., Ltd. and its subsidiaries and associates	135,296,201.13		163,287,310.66	

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Total	2,680,326,498.49		1,624,197,904.35	
Long-term receivables:				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries			565,099.14	
Total			565,099.14	

2. Accounts Payable

Related party	Ending carrying balance	Opening carrying balance
Accounts payable:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	33,265,817.40	46,950,863.88
OCT Group Co., Ltd. and its subsidiaries and associates	16,728,947.13	9,087,624.55
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	15,933,984.76	30,500,867.67
Korea Electric Group Co., Ltd. and its subsidiaries	10,557,590.91	9,047,641.17
Shenzhen Konda E-display Co., Ltd.	7,125,686.93	15,522,755.99
Dongguan Kangjia New Materials Technology Co., Ltd.	5,387,512.62	2,133,853.64
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,368,888.21	4,370,387.10
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	4,143,953.82	10,737,902.34
Dongguan Kangzhihui Electronics Co., Ltd.	3,186,815.31	6,435,302.72
Subtotal of other related parties	9,665,201.04	9,864,760.22
Total	110,364,398.13	144,651,959.28
Notes payable:		
Puchuang Jiakang Technology Co, Ltd.	12,690,179.40	22,412,418.23
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	11,803,197.61	8,933,479.14
Korea Electric Group Co., Ltd. and its subsidiaries	9,642,827.80	15,984,491.27

Related party	Ending carrying balance	Opening carrying balance
Panxu Intelligence Co., Ltd. and its subsidiaries	9,436,111.19	4,782,566.22
Dongguan Kangjia New Materials Technology Co., Ltd.	6,251,201.46	6,265,841.17
Chuzhou Hanshang Electric Appliance Co., Ltd.	5,000,000.00	
Total	54,823,517.46	58,378,796.03
Contractual liabilities/other current liabilities:		
OCT Group Co., Ltd. and its subsidiaries and associates	43,369,937.39	46,611,404.78
Sichuan Aimijiakang Technology Co., Ltd.	6,668,541.05	6,360,494.53
Shenzhen Konda E-display Co., Ltd.	4,165,137.82	
Subtotal of other related parties	1,754,465.28	1,175,786.84
Total	55,958,081.54	54,147,686.15
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	138,144,081.59	130,054,989.90
Shandong Econ Technology Co., Ltd. and its subsidiaries	33,477,708.16	20,241,596.71
Korea Electric Group Co., Ltd. and its subsidiaries	7,563,796.72	2,340,545.36
OCT Group Co., Ltd. and its subsidiaries and associates	5,637,591.13	4,008,920.58
Shenzhen Kanghongxing Smart Technology Co., Ltd.	5,348,030.00	1,354,030.00
Konka Industrial Development (Wuhan) Co., Ltd.	4,520,876.71	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	2,137,895.10	6,503,608.50
Dongguan Kangjia New Materials Technology Co., Ltd.	209,400.00	4,923,662.92
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	150,383.08	50,166,438.36
Guangdong Wanrun Tongheng Cultural & Tourism Development Co., Ltd.		120,212,000.00
Subtotal of other related parties	11,178,550.28	8,616,834.78
Total	208,368,312.77	348,422,627.11

XII. Contingency

(1) Before the Company acquired Jiangxi Konka New Material, Jiangxi Konka New Material and its subsidiaries Xinfeng Microcrystalline and Jiangxi High Transparent Substrate (formerly known as Nano-Grystallized Glass) provided joint and several liability guarantee for the loans from Nanchang Rural Commercial Bank Co., Ltd. to Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology, related parties of

former controlling shareholders of Jiangxi Konka New Material, and Nanchang Rural Commercial Bank Co., Ltd. then transferred the claims to China Great Wall AMC Jiangxi Branch. For the failure of Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the borrowings on time, China Great Wall AMC Jiangxi Branch filed a lawsuit requesting Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the loan principal amounting to RMB300 million and the liquidated damage and interest arising from it and guarantors Jiangxi Konka New Material, Xinfeng Microcrystalline and Jiangxi High Transparent Substrate to bear joint and several liability for such debts.

On October 31, 2019, Jiangxi Provincial Superior People's Court ruled in the first instance that Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology should repay to China Great Wall AMC Jiangxi Branch the loan principal of RMB300 million and the interest and liquidated damage arising from it within 10 days from the effective date of the judgment, and Jiangxi Konka New Material, Zhu Xinming, Leng Sumin, Nano-Grystallized Glass, Xinfeng Microcrystalline should bear joint and several liability for all debts recognized in this judgment. The defendants appealed against the first-instance judgment and the Supreme People's Court accepted the appeal. On March 24, 2021, the Supreme People's Court of the People's Republic of China made the following ruling: I. Civil Judgment (2018) G.M.CH. No. 110 made by Jiangxi Provincial Superior People's Court is abrogated; II. This case is remanded to Jiangxi Provincial Superior People's Court for retrial. As of the date of issuance of this report, the case is still being tried in the first instance.

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

(2) As for the dispute of the Company with Luo Zaatong, Luo Jingxia, Luo Zongyin, Luo Zongwu and Shenzhen Yaode Technology Co., Ltd. on share repurchase, since the other party did not actively perform the repurchase obligation, the Company filed a lawsuit with the People's Court of Nanshan District, Shenzhen. The amount of the subject matter involved in the lawsuit is RMB249 million. On November 22, 2021, the Company applied to Shenzhen Nanshan District

People's Court for property preservation. As at the date of issuance of this report, no valid judgment has been made for this case.

(3) As the acceptor failed to pay the commercial acceptance bills held by the Company upon maturity, the Company, as the plaintiff, requested debtors Hongtu Sanpower Technology Co., Ltd., Jiangsu Hongtu High Technology Co., Ltd., Sanpower Group Co., Ltd., Nanjing Jiongjiang Electronic Technology Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. to bear joint and several liability for the bills and the overdue interest. In July 2019, the company filed a lawsuit with the court, and the court has preserved the defendant's corresponding property. As at the date of issuance of this report, property execution is ongoing.

(4) The amount of the subject matter involved in the dispute between the Company and Wuhan Jialian Agricultural Technology Development Co., Ltd., Peng Chaojun, He Jiaguo, He Jiayi, Liang Xiangzhou, Xu Yizheng, He Fan, Pang Huasheng, Song Liangming, and Liang Xiangmei over the right of recourse for bills is RMB200 million and the corresponding interest. In September 2020, the Company filed a lawsuit with Wuhan Intermediate People's Court, and the Court order the defendant to pay Konka Group the bills and interest. As of the date of this report, the case is closed.

(5) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Unifortune and Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Co., Ltd., Shenzhen Xiangrui Yingtong Investment Management Co., Ltd., Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong and Luo Saiyin over contracts is RMB155 million. On January 24, 2022, the Intermediate People's Court of Shenzhen Municipality, Guangdong, a public announcement on serving Civil Ruling (2021) Y. 03 M.CH. No. 5253 and the notice on sealing, distraining and freezing of properties to the other party because some principals of the other party were missing. The Court ruled to seal, distrain and freeze the properties of RMB155 million held by the respondents Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Co., Ltd., Shenzhen Xiangrui Yingtong Investment Management Co., Ltd., Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zotong and Luo Saiyin. As of the date of issuance of this report, the case is still under trial.

(6) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit to the court on the matured bills amounting to RMB300 million, requesting the bill acceptor Shanghai Huaxin and prior parties involved to bear joint and several liability for the bills and liquidated damage and interest. As at the date of issuance of this report, the case is on the stage of execution.

(7) The amount of the subject matter involved in the dispute between the Company's subsidiaries Frestec Refrigeration, Anhui Konka, Konka Material and Anhui Tongchuang (plaintiff) and Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin

Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd. and Puning Junlong Trade Co., Ltd. (defendant) over contracts is RMB380 million. As at the date of issuance of this report, no valid judgment has been made for this case.

(8) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Investment (plaintiff) and Elion Resources Group Co., Ltd. and Elion Ecological Co., Ltd. (defendant) over capital increase is RMB98 million. The court of arbitration issued an award on 27 January 2022. On 16 February 2022, the enforcement has been filed. On 20 July 2022, the recoveries of RMB15 million were received. And at the date of issuance of this report, this case is in still in progress.

(9) A case has been filed on the dispute over the sales and purchase contracts between the Company's subsidiary Konka Huanjia (plaintiff) and 38 companies (defendant) including Huanjia Group Co., Ltd. and Dalian Jinshunda Material Recycling Co., Ltd., etc. The amount of the subject matter involved in it is RMB890 million. Konka Huanjia has applied for the court to seal up and freeze the defendant's corresponding property. As of the date of issuance of this report, no effective judgment has been issued for this case.

(10) The amount of the subject matter involved in the dispute between the Company's subsidiary Dongguan Konka (plaintiff) and Dongguan Gaoneng Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd. and Huang Zhihao (defendant) over sales and purchase contracts is RMB90 million. In December 2020, the Company filed a lawsuit to the court. As of the date of issuance of this report, no effective judgment has been issued for this case.

(11) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit to the court on the matured bills amounting to RMB78 million, requesting the court to order Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the Company the bills and the interest for default, and applied for property preservation. As at the date of issuance of this report, the Court has ordered the defendant to pay Konka Group the bills and corresponding interest, and the case is in execution.

(12) The amount of the subject matter involved in the dispute between the Company's subsidiary Konka Factoring (the plaintiff) and Tahoe Group Co., Ltd., Fuzhou Taijia Enterprise Co., Ltd. and Xiamen Lianchuang Micro-electronics Co., Ltd. (the defendants) over the right of recourse for bills is RMB50 million and the corresponding interest. On September 1, 2021, the Intermediate People's Court of Xiamen Municipality, Fujian, ordered the defendants to pay the plaintiff e-commercial acceptance bills of RMB50 million and the corresponding interest. As of the date of issuance of this report, the case is in the execution stage.

(13) The amount of the subject matter involved in the dispute between the Company (plaintiff) and China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping Enterprise Co., Ltd. and Shenzhen Qianhai Baoying Commercial Factoring Co., Ltd. (defendant) over the right of recourse for bills is RMB50 million and the corresponding interest. In September 2018, the Company filed a lawsuit with Shenzhen Intermediate People’s Court, which has preserved the defendant’s corresponding property. The judgment of this case has come into effect. The Court ordered China Energy Electric Fuel Co., Ltd. and other defendants to pay the Company the bills of RMB50 million and the interest. As at the date of issuance of this report, the case is in execution, and the Company has applied to the court for adding shareholders of the person subject to enforcement as co-person subject to enforcement.

(14) The amount of the subject matter involved in the dispute between the Company's subsidiary Anhui Konka (plaintiff) and Makena Electronic (Hong Kong) (defendant) over the sales and purchase contract is RMB5,440,200. On December 7, 2021, Anhui Konka filed an arbitration with the Shenzhen Court of International Arbitration. As at the date of issuance of this report, no valid judgment has been made for this case.

(15) The amount of the subject matter involved in the dispute between the Company's subsidiary Anhui Konka (plaintiff) and Shanghai Likai Logistics Co., Ltd. Shenzhen Branch and Shanghai Likai Logistics Co., Ltd. (defendant) over freight forwarding contracts in maritime and open sea waters is RMB38 million. On April 26, 2021, Anhui Konka applied to Shanghai Maritime Court for compulsory execution. On June 7, 2021, the Court accepted the case and numbered it {2021} H. 72 ZH. No. 205. On 14 October 2021, Shanghai Maritime Court issued an executive order and ended this execution. As at the date of issuance of this report, the case is in the final stage of execution.

XIII. Commitment

1. Capital Commitments

Item	Ending balance	Beginning balance
Contract signed but hasn’t been recognized in financial statements		
-Commitment on construction and purchase of long-lived assets		
-Large amount contract	1,477,088,701.23	954,751,938.62
-Foreign investment commitments		
Total	1,477,088,701.23	954,751,938.62

2. Other Commitments

As of 30 June 2022, there were no other significant commitments for the Company to disclose.

XIV. Events after Balance Sheet Date

1. No significant non-adjusted events

2. Sales returns

No such cases in the Reporting Period.

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

XV. Other Significant Events

The Company has no other significant events.

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

1. Accounts Receivable

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

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	961,378,586.17	14.96	659,442,459.30	68.59	301,936,126.87
Accounts receivable of expected credit					

Category	Ending balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withd rawal proportion (%)	
losses withdrawn by portfolio					
Of which: Aging portfolio	520,881,762.23	8.10	188,182,787.20	36.13	332,698,975.03
Rel ated party group	4,945,431,882.58	76.94			4,945,431,882.58
Subtotal of portfolios	5,466,313,644.81	85.04	188,182,787.20	3.44	5,278,130,857.61
Total	6,427,692,230.98	100.00	847,625,246.50	13.19	5,580,066,984.48

(Continued)

Category	Opening balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Propor tion (%)	Amount	Withd rawal proportion (%)	
Accounts receivable of expected credit	963,517,996.45	18.14	660,600,525.26	68.56	302,917,471.19

Category	Opening balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
losses withdrawn individually					
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	666,828,622.16	12.56	181,017,964.57	27.15	485,810,657.59
Related party group	3,679,956,748.33	69.30			3,679,956,748.33
Subtotal of portfolios	4,346,785,370.49	81.86	181,017,964.57	4.16	4,165,767,405.92
Total	5,310,303,366.94	100.00	841,618,489.83	15.85	4,468,684,877.11

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

Name	Ending balance			
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason

Name	Ending balance			Withdrawal proportion (%)	Withdrawal reason
	Carrying balance	Bad debt provision	Withdrawal proportion (%)		
Shanghai Huaxin International Group Co., Ltd.	299,136,676.70	270,016,218.90	90.27	Debt default	
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization	
Tewoo Group Co., Ltd.	200,000,000.00	100,000,000.00	50.00	Judicial reorganization	
Zhongfu Tiangong Construction Group Co., Ltd.	71,689,096.65	46,662,912.82	65.09	Expected to be difficult to recover in full	
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	48,915,975.00	88.24	Expected to be difficult to recover in full	
China Energy Electric Fuel Co., Ltd.	50,000,000.00	42,500,000.00	85.00	Expected to be difficult to recover in full	
Others	85,114,707.82	71,347,352.58	83.82	Expected to be difficult to recover in full	
Total	961,378,586.17	659,442,459.30	68.59		

1) Bad debt provision for accounts receivable made as per portfolio

① Among Groups, Withdrawal of Expected Credit Loss by Aging

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Within 1 year	312,348,662.67	6,371,912.64	2.04
1 to 2 years	19,685,880.67	1,972,525.26	10.02

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
2 to 3 years	1,835,208.46	416,408.80	22.69
3 to 4 years	21,611,816.47	14,021,746.54	64.88
Over 4 years	165,400,193.96	165,400,193.96	100.00
Total	520,881,762.23	188,182,787.20	36.13

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

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Related party group	4,945,431,882.58		
Total	4,945,431,882.58		

(3) Accounts Receivable Listed by Aging Portfolio

Aging	Ending balance
Within 1 year	4,331,772,218.44
1 to 2 years	792,569,876.16
2 to 3 years	381,345,049.07
3 to 4 years	747,219,290.52
Over 4 years	174,785,796.79
Subtotal	6,427,692,230.98
Less: bad debt provision	847,625,246.50
Total	5,580,066,984.48

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

Category	Beginning balance	Changed amount	
		Withdrawn	Collected or reversed
Bad debt provision of accounts receivable	841,618,489.83	6,006,756.67	
Total	841,618,489.83	6,006,756.67	

(Continued)

Category	Changed amount		Ending balance
	Write-off or verified	Other	
Bad debt provision of accounts receivable			847,625,246.50
Total			847,625,246.50

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

(6) Receivables with Top 5 Ending Balance Collected by Arrears Party

The total amount of receivables with top 5 ending balance collected by arrears party for the Reporting Period was RMB4,947,822,271.69, accounting for 76.98% of the total ending balance of accounts receivable. The total ending balance of bad debt provision correspondingly withdrawn was RMB270,016,218.91.

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

(8) There Was No Asset and Liability Formed due to the Transfer of Accounts Receivable and Continued Involvement in the Reporting Period.

2. Other Receivables

Item	Ending balance	Beginning balance
Interest receivable	2,907,863.11	2,002,526.91
Dividends receivable	388,722,154.83	383,943,256.80
Other receivables	9,859,342,231.28	10,539,120,447.82
Total	10,250,972,249.22	10,925,066,231.53

2.1 Interest Receivable

(1) Category of Interests Receivable

Item	Ending balance	Beginning balance
Term deposits	2,907,863.11	2,002,526.91
Total	2,907,863.11	2,002,526.91

2.2 Dividends Receivable

(1) Category of Dividends Receivable

Investee	Ending balance	Opening balance
Hong Kong Konka Limited	108,722,154.83	103,943,256.80
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
Total	388,722,154.83	383,943,256.80

2.3 Other Receivables

(1) Classified by Account Nature

Nature	Ending carrying balance	Opening carrying balance
Intercourse funds among subsidiaries	10,906,646,965.40	11,464,671,000.88
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related parties	54,312,816.73	50,667,315.53
Deposit and margin	11,983,388.91	10,533,532.11
Others	143,193,401.14	253,002,153.59
Total	11,257,685,722.18	11,920,423,152.11

(2) Withdrawal of Bad Debt Provision for Other Receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 1 January 2022	2,036,471.61	54,584,345.62	1,324,681,887.06	1,381,302,704.29
In the Reporting Period, Carrying amount of other receivables	-37,962.09	37,962.09		

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
on 1 January 2022				
- Transferred to the Phase II	-37,962.09	37,962.09		
- Transferred to the Phase III				
- Transferred back to the Phase II				
- Transferred back to the Phase I				
Withdrawal	-904,284.12	964,524.72	16,980,546.01	17,040,786.61
Recovery				
Write-off				
Verification				
Other changes				
Balance on 30 June 2022	1,094,225.40	55,586,832.43	1,341,662,433.07	1,398,343,490.90

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

Category	Ending balance		
	Carrying amount	Bad debt provision	Carrying value

	Amount	Proportion (%)	Amount	With drawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,928,623,498.02	17.13	1,341,662,433.07	69.57	586,961,064.95
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio :					
Aging portfolio	139,585,436.26	1.24	51,785,550.23	37.10	87,799,886.03
Low-risk portfolio	18,460,535.94	0.16	4,895,507.60	26.52	13,565,028.34
Related party	9,171,016,251.96	81.46			9,171,016,251.96

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
group					
Subtotal of portfolios	9,329,062,224.16	82.87	56,681,057.83	0.61	9,272,381,166.33
Total	11,257,685,722.18	100.00	1,398,343,490.90	12.42	9,859,342,231.28

(Continued)

Category	Beginning balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,917,144,244.04	16.08	1,324,681,887.06	69.10	592,462,356.98
Other receivables of					

Category	Beginning balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
bad debt provision withdrawn by credit risk characteristic portfolios:					
Aging portfolio	188,615,848.46	1.58	52,782,559.62	27.98	135,833,288.84
Low-risk portfolio	17,318,036.76	0.15	3,838,257.61	22.16	13,479,779.15
Related party group	9,797,345,022.85	82.19			9,797,345,022.85
Subtotal of portfolios	10,003,278,908.07	83.92	56,620,817.23	0.57	9,946,658,090.84
Total	11,920,423,152.11	100.00	1,381,302,704.29	11.59	10,539,120,447.82

(4) Other Receivables Listed by Aging

Aging	Ending balance
Within 1 year	5,107,628,848.08
1 to 2 years	4,077,800,371.98
2 to 3 years	325,840,422.22
3 to 4 years	1,387,777,872.27
4 to 5 years	68,404,107.69
Over 5 years	290,234,099.94
Subtotal	11,257,685,722.18
Less: bad debt provision	1,398,343,490.90
Total	9,859,342,231.28

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision for the Reporting Period was RMB17,040,786.61, and other receivables actually written off in this period were RMB0.00.

(6) Other Receivables Actually Written off for the Reporting Period

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

(7) Other Receivables with Top 5 Ending Balances Collected by Arrears Party

The total amount of other receivables with top 5 ending balance collected by arrears party this year was RMB7,721,891,966.19, accounting for 68.59% of the total ending balance of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB1,154,255,128.49.

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

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

3. Long-term Equity Investment

(1) Category of Long-term Equity Investment

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	6,823,951,033.98	431,911,933.01	6,392,039,100.97	6,697,991,519.67	442,644,418.70	6,255,347,100.97
Investment to associates and joint ventures	2,771,232,922.34	238,255,149.48	2,532,977,772.86	2,618,520,670.18	240,725,547.51	2,377,795,122.67
Total	9,595,183,956.32	670,167,082.49	8,925,016,873.83	9,316,512,189.85	683,369,966.21	8,633,142,223.64

(2) Investment to Subsidiaries

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Konka Ventures	2,550,000.00			2,550,000.00		
Anhui Konka	122,780,937.98			122,780,937.98		
Konka Factoring	300,000,000.00			300,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Konka Unifortune	15,300,000.00			15,300,000.00		
Wankaida	10,000,000.00			10,000,000.00		
Dongguan Konka	274,783,988.91			274,783,988.91		
Konka Europe	3,637,470.00			3,637,470.00		
Telecommunication Technology	360,000,000.00			360,000,000.00		
Mobile Interconnection	100,000,000.00			100,000,000.00		
Anhui Tongchuang	779,702,612.22			779,702,612.22		
Kangjiatong	29,349,800.00	1,400,000.00		30,749,800.00		
Pengrun Technology	25,500,000.00			25,500,000.00		
Beijing Konka Electronic	200,000,000.00			200,000,000.00		
Konka Circuit	287,650,000.00			287,650,000.00		
Hong Kong Konka	781,828.61			781,828.61		
Konka Investment	500,000,000.00			500,000,000.00		
Electronics	1,000,000,000.00			1,000,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Technology						
Konka Huanjia						91,800,000.00
Shanghai Konka	40,000,000.00			40,000,000.00		
Jiangxi Konka	349,568,066.99			349,568,066.99		340,111,933.01
Shenzhen Nianhua	30,000,000.00			30,000,000.00		
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka Industrial Park	200,000,000.00			200,000,000.00		
Konka Ronghe	5,100,000.00			5,100,000.00		
Suining Electronic Technological Innovation	200,000,000.00			200,000,000.00		
Shenzhen Chuangzhi Electrical	10,000,000.00			10,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Appliances						
Kanghong (Yantai) Environmental Protection	1,025,100.00			1,025,100.00		
Chongqing Kangxingrui	25,500,000.00			25,500,000.00		
Chongqing Optoelectronic Technology Research Institute	933,333,333.33			933,333,333.33		
Kowin Memory (Shenzhen)	92,520,000.00			92,520,000.00		
Jiangkang (Shanghai) Technology	90,000,000.00			90,000,000.00		
Ningbo Kanghr Electrical Appliance	510.00			510.00		
Konka Intelligent Manufacturing	10,000,000.00			10,000,000.00		

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Yibin Kangrun	67,000,000.00			67,000,000.00		
Konka Material	9,205,452.93			9,205,452.93		
Industrial and Trade Technology	50,000,000.00			50,000,000.00		
Konka Huazhong	30,000,000.00			30,000,000.00		
Sichuan Chengrui	8,000.00	19,992,000.00	20,000,000.00			
Guizhou Kanggui Material Technology		70,000,000.00		70,000,000.00		
Nantong Kanghai		15,300,000.00		15,300,000.00		
Jiangxi Konka High-tech Park		50,000,000.00		50,000,000.00		
Shangrao Konka Electronic Technology Innovation						
Zhejiang Konka Electronic						

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this period	Ending balance of depreciation reserve
Zhejiang Konka Technology Industry						
Total	6,255,347,100.97	156,692,000.00	20,000,000.00	6,392,039,100.97		431,911,933.01

(3) Investment to Joint Ventures and Associated Enterprises

Investee	Closing Balance of Last Period	Increase/decrease			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,400,738.44				
Kunshan Kangsheng Investment Development Co., Ltd.	222,683,160.16			-4,747,257.35	
Chutian Dragon Co., Ltd.	647,490,626.94		82,158,766.96	13,641,260.41	
Helongjiang Longkang Zhijia Technology Co., Ltd.	1,157,647.82		1,157,647.82		

Investee	Closing Balance of Last Period	Increase/decrease			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	14,113,227.58			183,461.77	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.					
Shenzhen Zhongbin Konka Technology Co., Ltd.					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	3,921,788.17			725,889.93	
Shenzhen Bosser New Materials Co., Ltd.	60,453,041.58			1,324,755.44	
Shenzhen Yaode Technology Co., Ltd.					
Wuhan Tianyuan Environmental Protection Co., Ltd.	325,645,840.91			11,179,621.33	
Shenzhen KONKA E-display Co., Ltd.	13,097,210.11			-1,564,990.77	
Chuzhou Konka Technology Industry Development Co., Ltd.	5,899,324.39			-1,305,129.50	
Chuzhou Kangjin Health Industrial	15,251,484.01	24,500,000.00			

Investee	Closing Balance of Last Period	Increase/decrease			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Development Co., Ltd.					
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	14,610,460.04			-588,275.99	
Shenzhen Kangyue Enterprise Co., Ltd.	3,102,893.60			-70,623.90	
Dongguan Guankang Yuhong Investment Co., Ltd.	17,762,197.93			-12,145,407.83	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	-261,753.11			261,753.11	
Chuzhou Kangxin Health Industry Development Co., Ltd.	12,801,830.75			-1,370,767.86	
E3info (Hainan) Technology Co., Ltd.	36,574,609.73				
Shenzhen Kangpeng Digital Technology Co., Ltd.	5,702,518.20			-1,164,839.41	
Yantai Kangyun Industrial Development Co., Ltd.	8,536,245.03			-2,011,566.36	
Shandong Econ Technology Co., Ltd.	823,028,634.77			59,671,172.50	

Investee	Closing Balance of Last Period	Increase/decrease			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Dongguan Kangjia New Materials Technology Co., Ltd.	3,919,896.55			-451,280.15	
Shenzhen E2info Network Technology Co., Ltd.	124,903,499.07			17,622,654.08	
Sichuan Chengrui Real Estate Co., Ltd.		12,250,023.10		-2,702,345.77	
Total	2,377,795,122.67	36,750,023.10	83,316,414.78	76,488,083.68	

(Continued)

Investee	Increase/decrease				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Kunshan Kangsheng Investment Development Co., Ltd.					217,935,902.81	

Investee	Increase/decrease				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Chutian Dragon Co., Ltd.	-2,854,608.30	4,410,993.60			571,707,518.49	
Helongjiang Longkang Zhijia Technology Co., Ltd.						
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					14,296,689.35	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongbin Konka Technology Co., Ltd.						
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					4,647,678.10	
Shenzhen Bosser New Materials Co., Ltd.					61,777,797.02	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.		2,770,200.00			334,055,262.24	
Shenzhen KONKA E-display Co., Ltd.					11,532,219.34	

Investee	Increase/decrease				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Chuzhou Konka Technology Industry Development Co., Ltd.					4,594,194.89	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					39,751,484.01	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					14,022,184.05	
Shenzhen Kangyue Enterprise Co., Ltd.					3,032,269.70	
Dongguan Guankang Yuhong Investment Co., Ltd.					5,616,790.10	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.					11,431,062.89	
E3info (Hainan) Technology Co., Ltd.					36,574,609.73	
Shenzhen Kangpeng Digital Technology Co., Ltd.					4,537,678.79	

Investee	Increase/decrease				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Yantai Kangyun Industrial Development Co., Ltd.					6,524,678.67	
Shandong Econ Technology Co., Ltd.	135,296,760.09				1,017,996,567.36	
Dongguan Kangjia New Materials Technology Co., Ltd.					3,468,616.40	
Shenzhen E2info Network Technology Co., Ltd.					142,526,153.15	
Sichuan Chengrui Real Estate Co., Ltd.					9,547,677.33	
Total	132,442,151.79	7,181,193.60			2,532,977,772.86	238,255,149.48

4. Operating Revenue and Cost of Sales

(1) Operating Revenue and Cost of Sales

Item	Reporting Period		Same Period of last year	
	Revenue	Cost	Revenue	Cost
Main operations	795,988,114.95	904,792,276.47	1,049,267,610.79	1,005,212,983.03
Other operations	141,186,691.51	50,784,505.04	152,113,795.91	74,048,575.31
Total	937,174,806.46	955,576,781.51	1,201,381,406.70	1,079,261,558.34

5. Investment Income

Item	Reporting Period	Same Period of last year
Long-term equity investment income accounted by equity method	76,488,083.68	6,396,453.37
Investment income from disposal of long-term equity investment	152,614,987.18	167,692,365.06
Investment income from disposal of financial assets at fair value through profit or loss		21,845,500.00
Interest income from holding of debt obligation investments	2,010,000.00	860,000.00
Total	231,113,070.86	196,794,318.43

XVII. Approval of Financial Statements

The financial statement was approved on 23 August 2022 by the Board of Directors.

XVIII. Supplementary Materials

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

Item	Amount	Note
Gains/losses from the disposal of non-current assets	657,751,392.73	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	335,987,367.04	
Dispossession surcharge to non-financial institutions included in the current profit and loss		
Profits arising from business combination when the combined cost is less than the recognized fair value of net assets of the merged company		
Gain/Loss on non-monetary asset swap		
Gain/Loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Gain/Loss from debt restructuring		
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.		
Gain/Loss on the part over the fair value due to transactions with distinctly unfair prices		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Gains and losses arising from contingencies unrelated to the normal operation of the company's business		
Gain/loss from change of fair value of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment gains from disposal of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment in other obligatory rights, other than valid hedging related to the Company's common businesses	32,966,971.77	
Reversal of provision for impairment test of receivables		

Item	Amount	Note
and contract assets impairment		
Gain/loss on entrustment loans	54,416,927.25	
Gain/loss on change in fair value of investment property of which the follow-up measurement is carried out adopting fair value method		
Effect on current profit or loss when a one-off adjustment is made to current profit or loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custodian fees earned from entrusted operation		
Other non-operating income and expense other than the above	26,896,814.20	
Other profit and loss items in line with the definition of non-recurring gains and losses		
Subtotal	1,108,019,472.99	
Less: Income tax effects	135,264,660.61	
Minority shareholders' equity impact (after tax)	57,580,191.84	
Total	915,174,620.54	

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

Item	Amount	Reason
Software tax refund	7,949,955.87	Government subsidies which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount
Total	7,949,955.87	

2. Return on Equity and Earnings Per Share

Profit in Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary	1.87%	0.0718	0.0718

Profit in Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
shareholders of the Company as the Parent			
Net profit attributable to ordinary shareholders of the Company as the Parent before exceptional gains and losses	-8.03%	-0.3083	-0.3083

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

(1) Net Profit and Equity under CAS and IFRS

Applicable Not applicable

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

Applicable Not applicable