Konka Group Co., Ltd.

FINANCIAL REPORT

For the Six Months Ended 30 June 2026

（Un-audited）

Legal representative: Wu Jianjun
Head of the accounting work:Yu Huiliang
Head of the accounting department: WANG Linhu

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

I. Independent Auditor's Report

Whether the semi-annual report has been audited

□ Yes √ No

The semi-annual financial report of the Company was unaudited.

II. Financial Statements

Unit of the currency for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by: Konka Group Co., Ltd. June 30, 2026

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	2,687,943,074.33	6,313,941,885.05
Settlement reserve		
Interbank loans granted		
Trading financial assets	138,775,929.60	202,027,000.00
Derivative financial assets		
Notes receivable	156,921,039.72	77,316,985.56
Accounts receivable	1,036,383,168.85	1,086,929,012.15
Receivables financing	95,040,616.25	155,957,556.43
advances to suppliers	40,491,336.94	96,105,739.60
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	947,515,719.09	942,267,792.91
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	1,474,853,179.97	1,662,246,630.58
Including: Data resources		
Contract assets	1,779,920.48	1,892,306.30
Assets held for sale		
Current portion of non-current assets		
Other current assets	719,531,026.32	761,567,941.76
Total current assets	7,299,235,011.55	11,300,252,850.34
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,423,931,783.68	2,026,038,156.99

Other equity instrument investments	10,213,810.20	10,213,810.20
Other non-current financial assets	1,041,679,477.77	1,161,781,213.03
Investment properties	960,362,019.52	866,051,475.13
Fixed assets	4,158,003,825.17	4,405,958,959.37
Construction in progress	517,665,830.25	516,337,481.93
Productive biological assets		
Oil and gas assets		
Right-of-use assets	103,619,972.26	130,076,544.83
Intangible assets	756,880,492.41	772,231,958.52
Including: Data resources		
Development costs		
Including: Data resources		
Goodwill		
Long-term deferred expenses	417,125,489.68	453,962,117.69
deferred tax assets	107,731,524.60	106,993,555.63
Other non-current assets	622,331,617.60	601,006,137.59
Total non-current assets	11,119,545,843.14	11,050,651,410.91
Total assets	18,418,780,854.69	22,350,904,261.25
Current liabilities:		
Short-term borrowings	2,472,464,288.88	4,575,915,552.66
Borrowings from the central bank		
Interbank loans obtained		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	739,788,094.34	943,817,767.91
Accounts payable	1,800,540,624.79	1,977,736,371.29
Advances from customers	3,027,128.01	3,426,361.65
Contract liabilities	168,122,219.32	256,506,499.39
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	237,633,221.18	223,175,513.10
Taxes payable	48,221,985.90	71,276,255.42
Other payables	4,345,738,069.13	6,565,100,788.16
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities held for sale		
Non-current liabilities maturing within one year	2,094,203,324.48	3,650,840,615.21
Other current liabilities	39,035,790.28	46,377,272.29

Total current liabilities	11,948,774,746.31	18,314,172,997.08
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	10,124,730,184.53	6,537,926,737.54
Bonds payable	788,721,094.30	1,596,674,876.37
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	75,622,339.07	96,858,968.75
Long-term payables	1,152,239.17	2,033,227.02
Long-term employee benefits payable	4,477,769.97	4,519,491.87
Estimated liabilities	851,290,214.61	852,722,866.97
Deferred income	405,756,847.37	408,175,795.51
deferred tax liabilities	95,997,312.74	114,475,054.80
Other non-current liabilities	201,898,911.52	283,739,354.36
Total non-current liabilities	12,549,646,913.28	9,897,126,373.19
Total liabilities	24,498,421,659.59	28,211,299,370.27
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments	5,000,000,000.00	5,000,000,000.00
Including: Preferred shares		
Perpetual bonds	5,000,000,000.00	5,000,000,000.00
Capital reserves	406,579,870.80	406,579,870.80
Less: Treasury stock		
Other comprehensive income	22,268,973.36	-1,866,392.91
Specific reserve	21,613,041.45	17,197,144.62
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General risk reserves		
Retained earnings	-15,329,888,380.30	-15,157,108,084.70
Total equity attributable to owners of the parent company	-6,227,300,722.45	-6,083,071,689.95
Minority equity	147,659,917.55	222,676,580.93
Total owners' equity	-6,079,640,804.90	-5,860,395,109.02
Total liabilities and owners' equity	18,418,780,854.69	22,350,904,261.25

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

2. Balance sheet of the parent company

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	730,117,099.49	4,870,422,479.05
Trading financial assets	138,775,929.60	202,027,000.00
Derivative financial assets		
Notes receivable	50,031,888.30	

Accounts receivable	2,644,190,616.66	3,546,031,483.05
Receivables financing		
advances to suppliers	4,638,856,661.94	3,312,810,262.72
Other receivables	6,786,028,631.88	6,564,549,497.34
Including: Interest receivable		
Dividends receivable	390,420,640.53	394,828,312.64
Inventories	42,950,332.94	165,333,867.28
Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	271,669,438.70	287,171,986.89
Total current assets	15,302,620,599.51	18,948,346,576.33
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	7,925,699,157.28	7,947,033,374.38
Other equity instrument investments	10,213,810.20	10,213,810.20
Other non-current financial assets	202,032,067.00	202,032,067.00
Investment properties	573,889,747.03	586,120,252.57
Fixed assets	366,046,154.72	375,367,331.52
Construction in progress	9,714,015.01	13,474,434.20
Productive biological assets		
Oil and gas assets		
Right-of-use assets	285,787.48	347,027.65
Intangible assets	19,793,958.62	23,160,095.54
Including: Data resources		
Development costs		
Including: Data resources		
Goodwill		
Long-term deferred expenses	16,414,046.28	20,782,020.29
deferred tax assets		
Other non-current assets	1,507,362.30	1,467,871.30
Total non-current assets	9,125,596,105.92	9,179,998,284.65
Total assets	24,428,216,705.43	28,128,344,860.98
Current liabilities:		
Short-term borrowings	1,481,999,969.45	1,519,153,294.44
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,381,306.52	25,163,192.12
Accounts payable	1,627,965,735.26	3,796,563,874.96

Advances from customers		
Contract liabilities	3,375,152,448.27	2,699,707,593.73
Employee benefits payable	36,994,007.22	37,672,994.15
Taxes payable	8,185,920.33	25,675,833.17
Other payables	5,320,571,757.75	7,700,994,198.52
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	1,910,377,191.90	3,387,594,563.88
Other current liabilities	6,339,303.75	7,497,034.93
Total current liabilities	13,768,967,640.45	19,200,022,579.90
Non-current liabilities:		
Long-term borrowings	9,031,540,000.00	5,535,100,000.19
Bonds payable	788,721,094.30	1,596,674,876.37
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	300,661.51	367,441.04
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities	346,428,842.60	346,428,842.60
Deferred income	31,572,314.78	33,164,619.14
deferred tax liabilities	31,376,895.49	42,603,809.42
Other non-current liabilities	53,070,823.11	52,346,890.08
Total non-current liabilities	10,283,010,631.79	7,606,686,478.84
Total liabilities	24,051,978,272.24	26,806,709,058.74
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments	5,000,000,000.00	5,000,000,000.00
Including: Preferred shares		
Perpetual bonds	5,000,000,000.00	5,000,000,000.00
Capital reserves	214,160,914.80	214,160,914.80
Less: Treasury stock		
Other comprehensive income	-1,360,579.00	-1,360,579.00
Specific reserve		
Surplus reserves	1,260,024,039.76	1,260,024,039.76
Retained earnings	-8,504,531,350.37	-7,559,133,981.32
Total owners’ equity	376,238,433.19	1,321,635,802.24
Total liabilities and owners' equity	24,428,216,705.43	28,128,344,860.98

3. Consolidated income statement

Unit: RMB

Item	First half of 2026	First half of 2025
I. Total operating revenue	3,851,571,370.34	5,247,507,849.27

Including: Operating revenue	3,851,571,370.34	5,247,507,849.27
Interest revenue		
Premiums earned		
Service fee and commission income		
II. Total operating costs	4,629,629,377.57	6,113,653,586.34
Including: Cost of sales	3,604,823,925.05	4,982,943,214.69
Interest expense		
Service fee and commission expense		
Surrenders		
Net claims paid		
Net change in insurance reserves		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	49,683,161.07	52,857,828.76
Selling expense	208,584,200.47	305,525,414.66
Administrative expense	303,383,408.92	273,646,470.76
R&D expense	168,365,167.60	187,951,295.68
Finance costs	294,789,514.46	310,729,361.79
Including: Interest expense	312,546,386.07	350,360,105.59
Interest revenue	105,092,356.22	72,105,599.49
Add: Other income	19,188,325.77	40,970,737.77
Investment income ("-" for loss)	430,062,360.56	540,347,018.43
Including: Investment income from associates and joint ventures	428,284,698.54	-42,498,270.14
Income from the derecognition of financial assets at amortized cost	-1,192,931.11	-2,541,005.90
Exchange gains ("-" for loss)		
Net gains on exposure hedges ("-" for loss)		
Gains from changes in fair value ("-" for loss)	62,041,331.96	173,409,194.85
Credit impairment loss ("-" for loss)	26,251,836.14	-117,092,417.76
Asset impairment loss ("-" for loss)	-34,741,399.30	-85,403,855.86
Gains from disposal of assets ("-" for loss)	-105,935.16	31,513,481.94
III. Operating profit ("-" for loss)	-275,361,487.26	-282,401,577.70
Add: non-operating revenue	6,832,779.85	9,302,209.51
Less: Non-operating expenses	3,897,492.47	3,650,200.98
IV. Total profit ("-" for total loss)	-272,426,199.88	-276,749,569.17
Less: Income tax expense	-8,544,396.99	220,369,507.92
V. Net profit ("-" for net loss)	-263,881,802.89	-497,119,077.09
(I) By operating continuity		
1. Net profit from continuing operations ("-" for net loss)	-263,881,802.89	-497,119,077.09
2. Net profit from discontinued operations ("-" for net loss)		
(II) By ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net loss)	-172,780,295.60	-383,328,019.43

2. Minority interests ("-" for net loss)	-91,101,507.29	-113,791,057.66
VI. Other comprehensive income (net of tax)	49,690,521.61	-3,731,546.01
Other comprehensive income attributable to owners of the parent company (net of tax)	24,135,366.27	-3,317,264.68
(I) Other comprehensive income not reclassified to gains/losses		
1. Remeasurement of defined benefit plans		
2. Other comprehensive income not reclassified to gains/losses under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Other comprehensive income reclassified to gains/losses	24,135,366.27	-3,317,264.68
1. Other comprehensive income reclassified to gains/losses under the equity method		35,170.29
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements	24,135,366.27	-3,352,434.97
7. Others		
Other comprehensive income attributable to the minority shareholders (net of tax)	25,555,155.34	-414,281.33
VII. Total comprehensive income	-214,191,281.28	-500,850,623.10
Total comprehensive income attributable to owners of the parent company	-148,644,929.33	-386,645,284.11
Total comprehensive income attributable to non-controlling interests	-65,546,351.95	-114,205,338.99
VIII. Earnings per share:		
(I) Basic earnings per share	-0.0718	-0.1592
(II) Diluted earnings per share	-0.0718	-0.1592

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

4. Income Statement of the parent company

Unit: RMB

Item	First half of 2026	First half of 2025
I. Operating revenue	815,867,619.82	568,971,528.57
Less: Cost of sales	784,529,846.90	543,252,254.22
Taxes and surcharges	7,399,143.62	8,147,414.25
Selling expense	21,190,100.86	40,412,184.01
Administrative expense	71,903,221.22	75,195,768.11

R&D expense	9,974,438.99	10,354,660.50
Finance costs	290,324,999.08	265,906,735.02
Including: Interest expense	265,183,656.17	346,218,969.22
Interest revenue	59,960,215.77	106,403,950.57
Add: Other income	2,158,043.46	6,411,326.39
Investment income ("-" for loss)	-8,949,477.75	581,639,183.08
Including: Investment income from associates and joint ventures	-5,463,564.17	-11,151,203.25
Income from the derecognition of financial assets at amortized cost ("-" for loss)		-226,103.98
Net gains on exposure hedges ("-" for loss)		
Gains from changes in fair value ("-" for loss)	52,832,385.60	177,700,537.82
Credit impairment loss ("-" for loss)	-614,177,400.82	-2,794,258.52
Asset impairment loss ("-" for loss)	-18,588,430.61	3,124,627.22
Gains from disposal of assets ("-" for loss)		11,624,645.93
II. Operating profit ("-" for loss)	-956,179,010.97	403,408,574.38
Add: non-operating revenue	-105,540.28	536,714.33
Less: Non-operating expenses	339,731.73	642,354.53
III. Total profit ("-" for total loss)	-956,624,282.98	403,302,934.18
Less: Income tax expense	-11,226,913.93	210,569,242.38
IV. Net profit ("-" for net loss)	-945,397,369.05	192,733,691.80
(I) Net profit from continuing operations ("-" for net loss)	-945,397,369.05	192,733,691.80
(II) Net profit from discontinued operations ("-" for net loss)		
V. Other comprehensive income (net of tax)		
(I) Other comprehensive income not reclassified to gains/losses		
1. Remeasurement of defined benefit plans		
2. Other comprehensive income not reclassified to gains/losses under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Other comprehensive income reclassified to gains/losses		
1. Other comprehensive income reclassified to gains/losses under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	-945,397,369.05	192,733,691.80

VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB

Item	First half of 2026	First half of 2025
I. Cash flows from operating activities:		
Proceeds from the sale of commodities and rendering of services	3,113,799,133.37	4,368,084,284.49
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 in proceeds received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, service fee, and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	79,993,694.96	56,567,647.38
Cash generated from other operating activities	229,303,501.81	215,519,884.28
Subtotal of cash generated from operating activities	3,423,096,330.14	4,640,171,816.15
Cash paid for commodities and services	2,922,027,764.37	4,056,223,786.07
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments in cash for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, service fee, and commissions paid		
Policy dividends paid		
Cash paid to and for employees	656,326,369.69	735,398,262.13
Taxes paid	81,667,301.31	172,911,436.91
Cash used in other operating activities	299,229,566.16	351,261,761.97
Subtotal of cash used in operating activities	3,959,251,001.53	5,315,795,247.08
Net cash generated from/used in operating activities	-536,154,671.39	-675,623,430.93
II. Cash flows from investing activities:		
Proceeds from disinvestment	260,473,243.54	210,644,253.53
Return on investment in cash	2,772,232.30	12,662,010.65
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,198,243.90	73,915,123.88
Net proceeds from the disposal of subsidiaries and other business units		4,221,401.00
Cash generated from other investing activities		858,150.68
Subtotal of cash generated from investing activities	265,443,719.74	302,300,939.74

Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	79,173,324.38	230,479,770.06
Cash paid for investments		
Net increase in pledged loans granted		
Net payments in cash for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	48,483.53	21,122,140.00
Subtotal of cash used in investing activities	79,221,807.91	251,601,910.06
Net cash generated from/used in investing activities	186,221,911.83	50,699,029.68
III. Cash flows from financing activities:		
Proceeds in cash from disinvestment		3,000,000.00
Including: Capital contributions by non-controlling interests to subsidiaries		3,000,000.00
Borrowings raised in cash	5,830,707,833.34	5,540,288,536.51
Cash generated from other financing activities	1,136,592,037.28	1,386,679,814.26
Subtotal of cash generated from financing activities	6,967,299,870.62	6,929,968,350.77
Repayment of borrowings	6,657,582,475.33	5,026,999,842.01
Cash payments for distribution of dividends or profit and interest	285,802,000.23	268,919,859.68
Including: Dividends and profits paid to minority shareholders by subsidiaries		926,283.41
Cash used in other financing activities	2,806,431,209.99	1,296,921,506.67
Subtotal of cash used in financing activities	9,749,815,685.55	6,592,841,208.36
Net cash generated from/used in financing activities	-2,782,515,814.93	337,127,142.41
IV. Effect of foreign exchange rates changes on cash and cash equivalents	-12,730,906.25	7,018,961.86
V. Net increase in cash and cash equivalents	-3,145,179,480.74	-280,778,296.98
Add: Cash and cash equivalents, beginning of the period	5,020,469,510.26	2,783,177,476.45
VI. Cash and cash equivalents, end of the period	1,875,290,029.52	2,502,399,179.47

6. Statement of Cash Flows of the Parent Company

Unit: RMB

Item	First half of 2026	First half of 2025
I. Cash flows from operating activities:		
Proceeds from the sale of commodities and rendering of services	3,179,734,932.31	1,982,717,488.59
Tax rebates	9,894,201.88	0.00
Cash generated from other operating activities	20,051,778.28	52,168,761.02
Subtotal of cash generated from operating activities	3,209,680,912.47	2,034,886,249.61
Cash paid for commodities and services	3,558,920,511.97	2,346,004,439.65
Cash paid to and for employees	61,365,101.86	70,698,995.67
Taxes paid	5,798,790.75	8,574,471.84
Cash used in other operating activities	131,545,018.08	199,281,847.85
Subtotal of cash used in operating activities	3,757,629,422.66	2,624,559,755.01
Net cash generated from/used in operating activities	-547,948,510.19	-589,673,505.40
II. Cash flows from investing activities:		

Proceeds from disinvestment	113,015,103.00	209,745,654.53
Return on investment in cash	2,772,232.30	11,248,820.28
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	167,286.40	27,269,795.73
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	1,088,681,021.48	939,791,023.76
Subtotal of cash generated from investing activities	1,204,635,643.18	1,188,055,294.30
Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	390,978.43	3,253,950.15
Cash paid for investments	3,334,800.00	
Net payments in cash for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,848,553,286.99	767,252,140.00
Subtotal of cash used in investing activities	1,852,279,065.42	770,506,090.15
Net cash generated from/used in investing activities	-647,643,422.24	417,549,204.15
III. Cash flows from financing activities:		
Proceeds in cash from disinvestment		
Borrowings raised in cash	4,979,000,000.00	4,003,609,738.88
Cash generated from other financing activities	3,566,657,077.42	4,122,175,002.73
Subtotal of cash generated from financing activities	8,545,657,077.42	8,125,784,741.61
Repayment of borrowings	5,081,184,583.33	3,579,806,940.27
Cash payments for distribution of dividends or profit and interest	268,099,865.22	296,315,030.56
Cash used in other financing activities	5,894,094,807.71	4,068,154,539.15
Subtotal of cash used in financing activities	11,243,379,256.26	7,944,276,509.98
Net cash generated from/used in financing activities	-2,697,722,178.84	181,508,231.63
IV. Effect of foreign exchange rates changes on cash and cash equivalents	-3,563,669.90	2,283,185.17
V. Net increase in cash and cash equivalents	-3,896,877,781.17	11,667,115.55
Add: Cash and cash equivalents, beginning of the period	4,224,451,561.79	1,581,749,278.38
VI. Cash and cash equivalents, end of the period	327,573,780.62	1,593,416,393.93

7. Consolidated Statements of Changes in Owners' Equity

Current amount

Unit: RMB

Item	First half of 2026														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Balance as at the end of the previous year	2,407,945,408.00		5,000,000,000.00		406,579,870.80		-1,866,392.91	17,197,144.62	1,244,180,364.24		-15,157,108,084.70		-6,083,071,689.95	222,676,580.93	-5,860,395,109.02
Add: Changes in accounting policies															
Correction of previous error															
Others															
II. Balance at the beginning of the year	2,407,945,408.00		5,000,000,000.00		406,579,870.80		-1,866,392.91	17,197,144.62	1,244,180,364.24		-15,157,108,084.70		-6,083,071,689.95	222,676,580.93	-5,860,395,109.02
III. Changes in the current period ("-" for decrease)							24,135,366.27	4,415,896.83			-172,780,295.60		-144,229,032.50	-75,016,663.38	-219,245,695.88
(I) Total comprehensive income							24,135,366.27				-172,780,295.60		-148,644,929.33	-65,546,351.95	-214,191,281.28
(II) Capital increased and reduced by the owner														-11,000,000.00	-11,000,000.00
1. Ordinary shares contributed by owners														-11,000,000.00	-11,000,000.00
2. Capital increased by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserves															

2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Transfers within owners' equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus reserves															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other comprehensive income converted into retained earnings															
6. Others															
(V) Special reserves								4,415,896.83					4,415,896.83	1,529,688.57	5,945,585.40
1. Appropriated in the current period								5,215,909.48					5,215,909.48	1,850,661.55	7,066,571.03
2. Used in the current period								800,012.65					800,012.65	320,972.98	1,120,985.63
(VI) Others															
IV. Balance at the end of the current period	2,407,945,408.00		5,000,000,000.00		406,579,870.80		22,268,973.36	21,613,041.45	1,244,180,364.24		-15,329,888,380.30	-	-6,227,300,722.45	147,659,917.55	-6,079,640,804.90

Amount of last year

Unit: RMB

Item	First half of 2025														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Balance as at the end of the previous year	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		-1,797,506,898.08		2,369,668,838.10	-135,017,154.31	2,234,651,683.79

Add: Changes in accounting policies															
Correction of previous error											-777,201,329.82		-777,201,329.82		-777,201,329.82
Others															
II. Balance at the beginning of the year	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		-2,574,708,227.90		1,592,467,508.28	-135,017,154.31	1,457,450,353.97
III. Changes in the current period ("-" for decrease)					-124,520,949.66		-3,317,264.68	3,262,875.34			-383,188,678.18		-507,764,017.18	-109,343,235.34	-617,107,252.52
(I) Total comprehensive income							-3,317,264.68				-383,328,019.43		-386,645,284.11	-114,205,338.99	-500,850,623.10
(II) Capital increased and reduced by the owner					-124,520,949.66						139,341.25		-124,381,608.41	2,798,342.84	-121,583,265.57
1. Ordinary shares contributed by owners														2,987,476.54	2,987,476.54
2. Capital increased by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others					-124,520,949.66						139,341.25		-124,381,608.41	-189,133.70	-124,570,742.11
(III) Profit distribution														926,283.41	926,283.41
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)														926,283.41	926,283.41
4. Others															
(IV) Transfers within owners' equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus reserves															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other comprehensive income converted into retained earnings															
6. Others															
(V) Special reserves								3,262,875.34					3,262,875.34	1,137,477.40	4,400,352.74
1. Appropriated in the current period								4,266,750.42					4,266,750.42	1,637,242.18	5,903,992.60
2. Used in the current period								1,003,875.08					1,003,875.08	499,764.78	1,503,639.86

(VI) Others															
IV. Balance at the end of the current period	2,407,945,408.00				388,319,626.07		-12,357,555.00	14,512,553.87	1,244,180,364.24		-2,957,896,906.08		1,084,703,491.10	-244,360,389.65	840,343,101.45

8. Statements of Changes in Owners’ Equity of the parent company

Current amount

Unit: RMB

Item	First half of 2026											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners’ equity
		Preferred shares	Perpetual bonds	Others								
I. Balance as at the end of the previous year	2,407,945,408.00		5,000,000,000.00		214,160,914.80	-	-1,360,579.00		1,260,024,039.76	-7,559,133,981.32		1,321,635,802.24
Add: Changes in accounting policies												
Correction of previous error												
Others												
II. Balance at the beginning of the year	2,407,945,408.00		5,000,000,000.00		214,160,914.80	-	-1,360,579.00		1,260,024,039.76	-7,559,133,981.32		1,321,635,802.24
III. Changes in the current period ("-" for decrease)					-					-945,397,369.05		-945,397,369.05
(I) Total comprehensive income										-945,397,369.05		-945,397,369.05
(II) Capital increased and reduced by the owner												
1. Ordinary shares contributed by owners												
2. Capital increased by holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution												
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others												
(IV) Transfers within owners’ equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income converted into retained earnings												

Item	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners’ equity
6. Others												
(V) Special reserves												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	2,407,945,408.00		5,000,000,000.00		214,160,914.80		-1,360,579.00		1,260,024,039.76	-8,504,531,350.37		376,238,433.19

Amount of last year

Unit: RMB

Item	First half of 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners’ equity
		Preferred shares	Perpetual bonds	Others								
I. Balance as at the end of the previous year	2,407,945,408.00				339,889,142.56		-1,281,096.83		1,260,024,039.76	-1,199,867,554.61		2,806,709,938.88
Add: Changes in accounting policies												
Correction of previous error										-443,004,797.05		-443,004,797.05
Others												
II. Balance at the beginning of the year	2,407,945,408.00				339,889,142.56		-1,281,096.83		1,260,024,039.76	-1,642,872,351.66		2,363,705,141.83
III. Changes in the current period ("-" for decrease)					-126,029,421.25					192,749,983.59		66,720,562.34
(I) Total comprehensive income										192,733,691.80		192,733,691.80
(II) Capital increased and reduced by the owner					-126,029,421.25							-126,029,421.25
1. Ordinary shares contributed by owners												
2. Capital increased by holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others					-126,029,421.25							-126,029,421.25
(III) Profit distribution										16,291.79		16,291.79
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others										16,291.79		16,291.79
(IV) Transfers within owners’ equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income converted into retained earnings												

6. Others												
(V) Special reserves												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	2,407,945,408.00				213,859,721.31		-1,281,096.83		1,260,024,039.76	-1,450,122,368.07		2,430,425,704.17

III. Company profile

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

2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of June 30, 2026, 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. Nature of the Company's business and main operating activities

The Group was mainly engaged in consumer electronics and semiconductor businesses, conducting the production and sales of colour TVs, white TVs, optoelectronic display, storage and printed circuit Boards, etc.

4. The financial statements were approved for issue by the Board of Directors of the Company on August 27, 2026.

IV. Scope of the consolidated financial statements

The scope of the Group's consolidated financial statements covers 104 subsidiaries, such as Shenzhen Konka Electronics Technology Co., Ltd., Anhui Konka Electronics Co., Ltd., and Dongguan Konka Electronics Co., Ltd.

For details, please refer to Note X "Changes in the Consolidation Scope" and Note XI "Equity in Other Entities" herein.

Checklist of Company Name and Abbreviations in this Report

No.	Company name	Abbreviation

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

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

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

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

V. Basis for preparation of financial statements

1. Basis for preparation

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

2. Going concern

The Group evaluated its ability to continue as a going concern for the 12 months from the end of the Reporting Period and found no matters or circumstances that raised significant doubts about its ability to continue as a going concern. Therefore, the financial statements have been presented on a going concern basis.

VI. Significant accounting policies and accounting estimates

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

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

The financial statements prepared by the Group are in compliance with the Accounting Standards for Business Enterprises, which factually, accurately and completely present the Company's and the Group's financial positions on June 30, 2026, business results and cash flows, and other relevant information for the half year of 2026.

2. Fiscal period

The Group's fiscal period starts from January 1 to December 31 of the Gregorian calendar.

3. Operating cycle

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

4. Recording currency

The Company uses RMB as the recording currency. Subsidiaries of the Group determine their functional currency according to the main economic environment in which they operate. When preparing the financial statements, the Group converts them into RMB according to the method described in VI. 10(2) Conversion of foreign currency financial statements.

5. Determination methods and selection basis for materiality threshold

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

Disclosures involving materiality standard judgments	**Location of disclosure of this matter in the notes to the present financial statements**	**Methodology for Determining Materiality Criteria and Basis for Selection**
Significant individually bad debt provisioned receivables	Note VIII.4. Accounts receivable (2)	Individual amount exceeding RMB50,000,000
Receivables with significant amount of bad debt provision recovered or reversed during the current period	Note VIII.4. Accounts receivable (3)	Individual amount exceeding RMB10 million
Write-off of significant receivables in the current period	Note VIII.4. Accounts receivable (4)	Individual amount exceeding RMB10 million
Significant accounts payable aged over 1 year	Note VIII.26. Accounts payable	Individual amount exceeding RMB10 million
Significant receipts in advance and contractual liabilities/projected liabilities/other payables aged over 1 year	Note VIII.27; Note VIII.28; Note VIII.29; Note VIII.39	Individual amount exceeding RMB10 million
Significant construction in	Note VIII.16. Construction in	Increase or decrease in a single asset during the current

Disclosures involving materiality standard judgments	Location of disclosure of this matter in the notes to the present financial statements	Methodology for Determining Materiality Criteria and Basis for Selection
progress projects	progress (2)	period or a balance exceeding RMB0.1 billion

6. Accounting treatments for business combinations under common control and those not under common control

(1) Business combinations under common control

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

As the combining party, the assets and liabilities obtained by the Group in a business combination under the same control shall be measured on the basis of their book value in the final controlling party on the combining date. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination (or the total par value of the shares issued) is used to adjust the capital reserves; In case the capital reserves are insufficient to cover the difference, the retained earnings will be adjusted.

(2) Business combinations not under common control

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

As purchaser, the identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business combination under different control shall be measured at fair value on the acquisition date. The difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree shall be recognized as goodwill; If the combination costs are less than the fair value of the identifiable net assets acquired from the acquiree in the combination, the fair values of the identifiable assets, liabilities and contingent liabilities acquired from the combination and the combination costs shall be reviewed first. After review, if the combination costs are still less than the fair value, the difference shall be included in the current non-operating revenue of the combination.

7. Criteria for determining control and preparation methods for consolidated financial statements

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

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

The impact of internal transactions between the Company and its subsidiaries, as well as between subsidiaries and each other, was offset in consolidation. The shares of the subsidiary's owner's equity that do not belong to the parent Group and the shares of minority shareholders' equity in current net profit and loss, other comprehensive income and total comprehensive income shall be respectively listed in the consolidated financial statement "Minority shareholders' equity, minority shareholders' profit and loss, other comprehensive income that belongs to minority shareholders and total comprehensive income that belongs to minority shareholders".

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

Where equity interests in an investee under common control are acquired step by step through multiple transactions, ultimately resulting in a business combination, the accounting treatment applied in the consolidated financial statements shall be additionally disclosed in the reporting period in which control is obtained. For example, where the equity of an investee under common control is acquired in stages through multiple transactions, ultimately resulting in a business combination, when preparing the consolidated financial statements, adjustments are made as if the entity had existed in its current state from the time the ultimate controlling party obtained control. When preparing comparative financial statements, the relevant assets and liabilities of the acquiree are consolidated into the Group's comparative consolidated financial statements, limited to a point in time not earlier than when both the Group and the acquiree were under the control of the same ultimate controlling party. The net assets increased as a result of the combination are used to adjust the relevant items under owner's equity in the comparative financial statements. To avoid double-counting the value of the acquiree's net assets, for any long-term equity investment held by the Group before the combination is achieved, the related profit or loss, other comprehensive income, and other changes in net assets recognized from the later of the date the original equity was acquired and the date the Company and the acquiree came under the control of the same ultimate controlling party, up to the combination date, shall be offset against the opening retained earnings and current profit or loss of the comparative reporting 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.

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

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

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

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

8. Classification of joint venture arrangements and accounting treatments for

joint operations

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

9. Cash and cash equivalents

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

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions of the Group are initially recognized at the exchange rate at the beginning of the month of the transaction date (usually referring to the middle rate of the foreign exchange rate announced by the People's Bank of China on the day, the same below), converting the foreign currency amount into the functional currency amount. On the balance sheet date, the monetary items in foreign currency were converted into RMB at the spot exchange rate on balance sheet date. Except the exchange difference arising from special foreign-currency borrowing for the purpose of construction or production of assets meeting capitalization conditions treated in the principle of capitalization, the conversion difference was directly included in the current gains/losses.

(2) Translation of foreign currency financial statements

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

11. Financial instruments

(1) Recognition and derecognition of financial instruments

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

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

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

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

(2) Classification and measurement method of financial assets

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

The Group 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 are initially measured at fair value, and relevant transaction cost is included into the initially recognized amount; subsequent measurement is carried out 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 classifies the financial assets meeting the following conditions simultaneously as financial assets measured at fair value through other comprehensive income: ① the business model for managing this financial asset aims at both collecting contractual cash flows and selling the financial asset. 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, any other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange profit or loss, and interest on the financial asset calculated using the effective interest rate method, is included in other comprehensive income; When financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the current 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-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Such designation, once made, may not be revoked. The non-trading equity instrument investments designated by the Group to be measured at fair value through other comprehensive income are initially measured at fair value, and the relevant transaction costs are included in the initial recognition amount; Except for dividends obtained (except for the recovery of investment costs) which are included in the current profit and loss, other relevant gains and losses (including exchange profit or loss) are included in other comprehensive income and shall not be subsequently transferred to the current profit or loss. 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.

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

(3) Classification, recognition basis and measurement method 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.

(4) Impairment of financial instruments

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

1) Measurement of expected credit loss

Expected credit losses refer to the weighted average of credit losses of financial instruments that are weighted by the risk of default. 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.

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

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

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

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

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

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

2) Portfolio category and determination basis of provision for impairment made by portfolio with credit risk characteristics

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

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

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

4) Write-off of provision for impairment

When the Group no longer reasonably expects to recover all or part of the cash flows from financial asset contracts, the Group directly reduces the carrying amount of the financial asset. If a written-off financial asset is recovered subsequently, the recovered amount is recognized in profit or loss for the period of recovery as a reversal of impairment loss.

(5) Recognition basis and measurement method of financial asset transfers

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

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

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

(6) Distinction between financial liabilities and equity instruments and related treatment methods

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

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

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

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

(7) Offset of financial assets and financial liabilities

The Group's financial assets and liabilities shall be separately presented in the balance sheet and not set off each other. However, when the following conditions are met simultaneously, the net amount after mutual offset is presented in the balance sheet: (1) the Group has the legal right to offset the recognized amount, and such legal right is currently enforceable; (2) the Group plans to settle them on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

12. Notes receivable

For notes receivable, the Group shall measure the provision for loss based on the 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 Bills	The Accepter shall be the bank with high credit level and low risks
Trade Acceptance	Classified by credit risk of accepters (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 Portfolio	This portfolio is accounts receivable with aging as the credit risk feature

Item	Basis
Related Party Portfolio	The accounts receivable from the other entities within the consolidation scope

14. Receivables 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 provision for losses of other receivables as below: ① for financial assets with no significant increase in credit risk since initial recognition, the Group measures the provision for loss according to the amount of expected credit loss in the next 12 months; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures the provision for loss at an amount equivalent to the expected credit loss of the financial instrument during the entire lifespan; ③ for purchased or internally generated financial assets which have undergone credit impairment, the Group measures the provision for loss at an amount equivalent to the expected credit loss over the entire lifespan. Except other receivables whose credit risks shall be separately evaluated, the Group shall divide them into different combinations based on the specific credit risk features:

Item	Basis
Aging Portfolio	This portfolio is other receivables with aging as the credit risk feature
Low-Risk Portfolio	This portfolio's credit risk characteristics are other receivables with extremely low risk, such as petty cash, security deposits, and deposits
Related Party Portfolio	Other receivables from the other entities within the consolidation scope

16. Contract assets

(1) Recognition methods and standards for contract assets

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

(2) Determination methods and accounting treatments of expected credit losses of contract assets

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

The Group calculates the expected credit loss of contract assets on the balance sheet date. If the expected credit loss is greater than the book amount of the current provision for impairment of contract assets, the Group recognizes the difference as an impairment loss by debiting “impairment loss on assets” and crediting “provision for impairment of contract assets”. 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 loss and determines that the relevant contract assets cannot be recovered, and the write-off is approved, the "provision for impairment of contract assets" is debited and the "contract assets" is credited according to the approved write-off amount. If the write-off amount is greater than the provision for losses that has been made, the difference is debited into "losses from asset impairment".

17. Inventories

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

The perpetual inventory system is adopted, and inventories are valued at actual cost upon acquisition; the actual cost of inventories that have undergone requisition and dispatch is determined by weighted average method. Low-value consumables and packaging are amortized through the one-off charge-off method.

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

The net realizable value refers, in the ordinary course of business, to the 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 the 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 book value; 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. 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 Portfolio	Regarding the long-term receivables related to the financing lease as the credit risk characteristics

19. Long-term equity investments

The Group's long-term equity investments are mainly investments in subsidiaries and associates.

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

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 before the purchase date is designated as the financial assets measured at fair value through other comprehensive income, the cumulative gains or losses of the equity originally recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in retained earnings; For financial assets measured at fair value through current profit or loss, the gains or losses of the equity originally included in the profit or loss from changes in fair value need not be transferred to investment income. If the equity held prior to the purchase date is an investment for other equity instruments, the changes in fair value of the equity investment accumulated in other comprehensive income before the purchase date shall be transferred to the retained earnings.

Except above long-term equity investments obtained through business combinations, long-term equity investments obtained through cash payments are recognized as investment costs based on the actual purchase price paid; For long-term equity investments acquired by issuing equity securities, the fair value of the issued equity securities is taken as the investment cost; For long-term equity investments invested by investors, the value agreed in the investment contract or agreement shall be taken as the investment cost.

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

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. In recognizing the share of net profit or loss of an investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for recognizing the net profit of the investee in accordance with the Group's accounting policies and accounting periods, with the offsetting of the portion of gains and losses on internal transactions with associates and joint ventures that are attributable to the investor based on the proportion of the investor's ownership interest, and the net profit of the investee is recognized after adjustments are made to the net profit of the investee.

For the 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.

If common control or significant influence over an investee is lost due to the disposal of a portion of the equity investment, etc., the remaining equity interest after disposal is reclassified to be accounted for in accordance with the relevant provisions of the guidelines for the recognition and measurement of financial instruments, and the difference between the fair value of the remaining equity interest at the date of the loss of common control or significant influence and its book value is recognized in current profit or loss. 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 that the control over the investee is lost due to the disposal of part of the long-term equity investments, if the remaining equity after disposal can exercise joint control or significant influence on the investee, the accounting method is changed to equity method. The difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income, and the remaining equity is adjusted as if it were accounted for using the equity method from the time of acquisition; if the remaining equity after disposal is insufficient for exercising joint control or significant influence on the investee, accounting treatment shall be made in accordance with the relevant provisions of the recognition and measurement standards for financial instruments. The difference between the book value of the disposed equity and the disposal consideration shall be included in the investment income, and the difference between the fair value and the book value of the remaining equity on the date of loss of control is included in the current profit or loss.

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.

20. Investment properties

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. For subsequent expenses related to the investment property, if the economic benefits related to the asset are likely to flow in and the cost can be measured reliably, they are included in the cost of the investment property. Other subsequent expenses are included in the current profit or loss when 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 VI. 26. "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. When a property is converted to an investment property measured using the cost model, the book value before conversion is taken as the entry value after conversion; When a property is converted into an investment property measured at fair value, the fair value on the conversion date is recognized as the entry value after conversion.

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

21. 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 straight-line depreciation method (SLD) is adopted. The classified depreciation life, estimated net residual value rate and depreciation rate of the Group's fixed assets are as follows:

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

22. Construction in progress

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

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

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

Item	Criteria for carrying forward fixed assets
Housing and building	The main construction project and ancillary projects are substantially completed, meeting the predetermined design requirements. Upon joint acceptance by the Company's Engineering Department and units

Item	Criteria for carrying forward fixed assets
	esponsible for surveying, design, construction, supervision, etc., and government departments such as the Fire Services Department and the Housing Authority, and reaching the predetermined usable state following process approval, it is transferred to fixed assets.
Machinery equipment	The equipment management department and the equipment manufacturer are jointly responsible for the installation and commissioning of the equipment, including hardware debugging, process conditions debugging, etc. Upon completion of debugging and reaching the predetermined usable state following process approval, it is transferred to fixed assets.

23. Borrowing costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets as part of the cost of those assets. Other borrowing costs are recognized as expenses in the current period. The assets that meet the capitalization conditions determined by the Group include the borrowing costs of fixed assets, investment real estate and inventories that need more than one year of acquisition and construction or production activities to reach the expected serviceable or marketable status. Capitalization starts when asset expenditures have been incurred, borrowing costs have been incurred, or necessary purchasing, construction, or production activities have begun to bring the assets to their intended usable or marketable status; when the acquired and constructed, or produced assets that meet the capitalization conditions have reached the working condition for their intended use or sale, the capitalization is ceased, and the borrowing costs incurred thereafter is included in the current profit or loss. If there is an abnormal interruption in the acquisition, construction or production of assets that meet the capitalization conditions and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs will be suspended until the acquisition, construction or production of assets starts again.

During each accounting period within the capitalization process, the Group recognizes the capitalization amount of borrowing costs using the following method: for specialized borrowings, the capitalization amount is based on the actual interest expenses incurred in the current period, after deducting the interest income earned from unused borrowing funds deposited in the bank or investment income earned from temporary investments; where general borrowings are used, they shall be determined by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings, and the capitalization rate is calculated and determined according to the weighted average interest rate of the general borrowings.

24. 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: ① initial measurement amount of the lease liabilities; ② lease payment amount paid on or before the start date of the lease term. If there is any lease incentives, the lease incentives that have been enjoyed are deducted; ③ the initial direct costs incurred, i.e. the incremental costs incurred in obtaining the lease agreement; ④ the cost expected to be incurred for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed upon in the lease terms, except for those incurred for the production of inventory.

(2) Subsequent measurement

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

(3) Depreciation of right-of-use assets

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

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

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

(4) Impairment of right-of-use assets

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

25. Intangible assets

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

(1) Service life and basis for determination, estimates, amortization method or review procedure

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

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

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

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

①The Group has assessed the technical feasibility of completing the intangible asset so that it will be available for use or sale;

② The Group intends to complete the intangible asset and use or sell it;

③ It is probable that the intangible asset will generate future economic benefits.

④ The Group has the adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset;

⑤ The expenditure attributable to the development phase of the intangible asset can be measured reliably. Development phase expenditures not meeting these capitalization criteria are recognized in profit or loss for the current period when incurred.

26. Impairment of long-term assets

For non-current non-financial Assets of fixed assets, projects under construction, intangible assets with limited service life, investing real estate with cost model, long-term equity investment of subsidiaries, cooperative enterprises and joint ventures, the Group should judge whether decrease in value exists on the date of balance sheet. Recoverable amounts should be tested for decrease in value if it exists. Goodwill, intangible assets with uncertain service life and other non-accessible intangible assets should be tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

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

If the recoverable amount is less than book 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. The fair value of the assets is determined according to the sales agreement price in fair transactions; If there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's offer for the asset; If there is neither sales agreement nor an active market for the asset, the fair value is estimated based on the accessible optimum information. 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.

27. Impairment of goodwill

In impairment test, book value of the business reputation in financial report should be shared to beneficial asset group and asset group combination in collaboration of business combinations. 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 book value of business reputation of asset group or asset group combination, then deduct book value of all assets according to proportions of other book value of above assets in asset group or asset group combination except business reputation.

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

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 or 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 recognized 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 dismissal welfare, remuneration and liabilities produced from the dismissal welfare should be determined and included in current profits and losses when determining the costs of dismissal welfare and recombination. However, dismissal welfare not fully paid within 12 months after annual reporting period should be handled the same as other long-term employees' payrolls.

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

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

31. Lease liabilities

（1） Initial measurement

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

1) Lease payments

Lease payment amount refers to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: ① fixed payment amount and substantially fixed payment amount, with lease incentives (if any) deducted from the relevant amount; ② The amount of variable lease payments that depend on an index or ratio, which is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ The exercise price of the call option when the Group reasonably determines that the call option will be exercised; ④ The amount needs to be paid for exercising the lease termination option when the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ The amount expected to be paid according to the residual value of the guarantee provided by the Group.

2) Rate of discount

When calculating the present value of the lease payments, the Group uses the interest rate implicit in lease as the rate of discount, which is the interest rate at which the sum of the present value of the lessor's lease receipts and the present value of the unsecured residual value equals the sum of the fair value of the leased asset and the lessor's initial direct expenses. If the Group fails to determine the interest rate implicit in lease, the incremental 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: ① the Group's own situation, that is, the company's solvency and credit status; ② the term of the "borrowings", i.e. the lease term; ③ The amount of "borrowed" funds, i.e. the amount of the lease liability; ④ "Collateral conditions", i.e. the nature and quality of the subject assets; ⑤ Economic circumstances, including the jurisdiction in which the lessee is located, pricing currency, time of contract signing, etc. The incremental borrowing rate is based on the Group's latest asset-based lending interest rate for similar assets and adjusted to take into account the above factors.

（2） Subsequent measurement

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

The Group calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them (except those that shall be capitalized) in 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 lease commencement date, the Group re-measures the lease liability based on the present value of the changed lease payment and adjusts the book value of the right-of-use assets accordingly when the following circumstances occur. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in profit or loss for the current period. ① there have been changes in substantially fixed payments (in which case the original discount rate is adopted); ② there have been changes in the estimated payable amount of the guarantee residual value (in which case, the original discount rate is adopted); ③ there have been changes in the index or ratio used to determine the lease payments (in which case the revised discount rate is adopted); ④ there have been changes in the valuation results of the call option (in which case the revised discount rate is adopted); ⑤ there have been changes in the evaluation results or actual exercise of the option to renew or terminate the lease (in which case, the revised discount rate is adopted).

32. Estimated liabilities

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

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

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

33. Preferred shares, perpetual bonds and other financial instruments

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

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

34. Income

(1) General principles

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

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

① The customer obtains and consumes the economic benefits brought by the Group's performance at the same time as the Group performs the contract;

② The customer is capable of controlling the goods under construction during the performance of the Group;

③ The goods produced during the performance of the Group have irreplaceable uses, and the Group is entitled 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 in time when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control over goods, the Group considers the following indications:

① The Group has the current right to receive the payment for the goods, that is, the customer has the current obligation to pay for the goods;

② The Group has transferred the legal ownership of the goods to the customer, that is, the customer already has legal ownership of the goods;

③ The Group has physically transferred the goods to the customer, that is, the customer has physically taken possession of the goods;

④ The Group has transferred the significant risks and rewards pertaining to the ownership of the goods to the customer, that is, the customer has obtained the significant risks and rewards;

⑤ The customer has accepted the good or service, etc.;

⑥ Other signs indicating that the customer has gained control of the goods.

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

(2) Income measurement principles

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

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

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

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

5)For sales with sales return clauses, when the customer obtains control of the relevant goods, the Group recognizes the revenue at the amount of consideration expected to be received due to the transfer of goods to the customer, and recognizes the amount expected to be refunded due to sales return as estimated liabilities; In addition, the balance of the expected book value of the returned goods at the time of transfer less the expected cost of recovering the goods (including the impairment of the value of the returned goods) is recognized as an asset, i.e. the return cost receivable. The net amount of the above asset cost is carried forward according to the book value of the transferred goods at the time of assignment. On each balance sheet date, the Group re-estimates the future sales returns and re-measures the aforementioned assets and liabilities.

6) If there is a significant financing component in the contract, the Group shall determine the transaction prices according to the payable amount that is assumed to be paid in cash by the customer when the customer obtains the right of control over goods or service. The difference between the transaction price and the promised consideration in the contract is amortized over the contract period using the effective interest method, with the discount rate being the one that discounts the nominal amount of the contract consideration to the cash selling price of the goods. On the starting date of the contract, the Group expects that the time between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year, regardless of the significant financing components in the contract.

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

8) When a contract modification occurs between the Group and a customer: ① if the modification adds distinct construction services and the contract price increases by an amount that reflects the standalone selling price of the additional construction services, the Group accounts for the contract modification as a separate contract; ② If the contract modification does not meet the criteria in ①, and the construction services transferred before the modification date are distinct from those not yet transferred, the Group accounts for the modification as a termination of the original contract. The remaining performance obligations of the original contract and the modification are combined and treated as a new contract. ③ If the contract modification does not meet the criteria in①, and the construction services transferred before the modification date are not distinct from those not yet transferred, the Group accounts for the modification as part of the original contract. The effect of the modification on revenue previously recognized is recognized as an adjustment to revenue in the period in which the modification occurs.

(3) Specific method

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

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.

② Income confirmed according to the performance progress

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

35. Contract costs

(1) 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.

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

Contract acquisition cost refers to the incremental cost incurred by the Group to obtain the contract that are expected to be recovered. It is recognized as an asset under contract acquisition cost; if the amortization period of the asset does not exceed one year, the asset is included in the current profit or loss when the amortization occurs. Incremental cost refers to the cost (such as sales commission, etc.) that the Group will not incur without obtaining the contract. The Group's expenses incurred in obtaining the contract, other than the expected 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 determining the impairment loss of assets related to contract costs, the Group first determines the impairment loss of other assets related to the contract recognized in accordance with other relevant accounting standards for business enterprises; if its book value is higher than the difference between the remaining consideration expected to be obtained by the Group from the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the relevant goods, the excess shall be provided for impairment and recognized as asset impairment loss.

If the 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.

36. Government subsidies

The government grants of the Group are divided into asset-based government grants and income-based government grants. Specifically, asset-based government grants refer to the government grants obtained by the Group for the purpose of purchasing, constructing or otherwise forming long-term assets; income-based government grants refer to those other than asset-based government grants. If the beneficiaries are not specified in government documents, the Group will make the distinction according to the aforesaid principle. Beneficiaries which are difficult to categorize shall be classified as income-based government grants as a whole.

If the government subsidies are monetary assets, they shall be measured at the amount actually received. For a subsidy allocated according to a fixed quota standard, or when there is conclusive evidence at the end of the year that the relevant conditions stipulated in the financial support policies can be met and the financial support funds are expected to be received, the subsidy shall be measured according to the amount receivable; if the government grants are non-monetary assets, they are measured at fair value. Where the fair value cannot be reliably obtained, the grant is measured at a nominal amount (RMB1).

Asset-based grants shall be used to offset the book value of related assets or presented as deferred income, and shall, over the life of the related asset, be included in the current 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 revenue and expenditure.

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

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

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

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

1) If the book value of an asset is offset on initial recognition, the book value will be adjusted.

2) If there is a related deferred income, the carrying balance of the related deferred income shall be offset, and any excess shall be recognized in profit or loss for the current period.

3) Under any other circumstances, the grants will be included in profit or loss in the current period.

37. Deferred tax assets/deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base and 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 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 tax assets and deferred tax liabilities are not recognized. On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

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

38. Leases

（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 a Lessee

1) Lease Recognition

On the lease commencement date, 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 VI "24. Right-of-use assets" and "31. Lease liabilities".

2) Lease Modification

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

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group amortizes the consideration of the contract after the change in accordance with the relevant provisions of the lease standards and re-determine the lease term after the change; the revised discount rate is used to discount the changed lease payment to remeasure the lease liabilities. When calculating the present value of the lease payment after the change, the Group uses the interest rate implicit in the lease for the remaining lease period as the discount rate; where the interest rate implicit in the lease for the remaining lease term cannot be determined, the Group adopts the lessee's incremental borrowing rate on the effective date of the lease change as the discount rate. 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: ① 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. ② 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 a lessor

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

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

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

1) Accounting treatment for finance leases

Initial measurement

On the commencement date of the lease term, the Group recognizes the finance lease receivables for the finance lease and derecognizes the leased asset of the finance lease. 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 receipts refer to the amount that the lessee shall collect from the lessee due to the transfer of the right to use the leased asset during the lease term, including: ① fixed payments and substantially fixed payments to be paid by the lessee; If there are lease incentives, the relevant amount of lease incentives shall be deducted; ② The amount of variable lease payments dependent on an index or ratio. This amount is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ The exercise price of a purchase option, if it is reasonably certain that the lessee will exercise that option; ④ The amount to be paid by the lessee for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise of the option to terminate the lease; ⑤ The residual value of the guarantee provided by the lessee, the party related to the lessee, or an independent third party economically capable of fulfilling the guarantee obligation to the lessor.

Subsequent measurement

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

Accounting treatment of lease change

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

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

2) Accounting treatment for operating leases

Treatment of rent

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

Incentives provided

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

Initial direct expenses

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

Depreciation

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

Variable lease payments

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.

39. Fair value measurement

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

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

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

40. Major changes in accounting policies and accounting estimates

(1) Major changes in accounting policies

The Group had no changes in accounting policies during the current period

(2) Major changes in accounting estimates

The Group had no changes in accounting estimates during the current period

VII. Taxation

1. Main tax types and tax rates

Taxation	Tax basis	Tax rate
Value-added tax	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	5%, 7% / See 2. Tax Preference for details
Education surcharge	The circulating tax actually paid	3% / See 2. Tax Preference for details
Local education surcharge	The circulating tax actually paid	2% / See 2. Tax Preference for details
Enterprise income tax	Taxable income	25% / See 2. Tax Preference for details

Notes to the taxpayers with different enterprise income tax rates

Name of entity	Income tax rate
Electronic Technology, Anhui Konka, Anhui Tongchuang, Xingda Hongye, Bokang Precision, Chengdu Konka Electronic	15%
Hong Kong Konka, Hongdin Trading, Jiali International, Hongjet, Jiaxin Technology, Hongdin Invest, Konka Mobility, Zhongkang Storage Technology, Kowin Memory (Hong Kong)	16.50%
Konka Europe	15%
Kanghao Technology	22.50%
Konka North America	21%

Parent company and other subsidiaries	25%

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

2. Tax incentives

(1) According to the announcement of the State Taxation Administration No. 12 of 2023: small low-profit enterprises shall reduce the taxable income amount by 25% and pay the enterprise income tax at the tax rate of 20%, which shall be continued until 31 December 2027. Resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), farm land occupation tax, education surcharge and local education surcharge shall be levied by half on small-scale VAT taxpayers, small low-profit enterprises and individually-owned businesses from January 1, 2023 to December 31, 2027. The Company's subsidiaries, Yibin Konka Intelligent, Anlu Konka, Kangjiatong, Nantong Konka, Digital Technology, Xiaojia Technology, Shanghai Konka, Guizhou Konka New Materials, Ji'an Konka, Xi'an Konka Intelligent, Zhejiang Konka Technology Industry, Konka North China, Zhitong Technology, Songyang Konka Intelligent, and Liaoyang Kangshun Renewable enjoyed the aforementioned tax incentive policies during the Reporting Period.

(2) On October 28, 2025, Anhui Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Service of the State Taxation Administration, with the certificate number GR202534004181, which is valid for three years. According to relevant tax regulations, Anhui Konka will enjoy the relevant tax incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

(3) On October 28, 2025, Anhui Tongchuang, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Service of the State Taxation Administration, with the certificate number GR202534002702, which is valid for three years. According to relevant tax regulations, Anhui Tongchuang will enjoy the relevant tax

incentives for high-tech enterprises for three consecutive years from 2025 to 2027, paying enterprise income tax at a preferential rate of 15%.

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

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

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

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

(8) According to the CS [2011] No. 100 published by the Ministry of Finance and the State Taxation Administration, for the VAT general taxpayers who sell their self-developed and produced software

products, the VAT shall be levied at the rate of 13%, and then the portion of the actual VAT burden exceeding 3% shall be refunded immediately upon collection. The Company's subsidiary, Electronic Technology, enjoys this preferential policy.

VIII. Notes to items in consolidated financial statements

1. Monetary funds

Item	Ending balance	Beginning balance
Cash on hand		
Bank deposits	2,037,866,049.15	5,169,889,627.52
Other monetary assets	650,077,025.18	1,144,052,257.53
Total	**2,687,943,074.33**	**6,313,941,885.05**
Of which: Total amount of funds deposited overseas	29,392,457.65	1,131,315.16

2. Financial assets held for trading

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	138,775,929.60	202,027,000.00
Including: Investment in equity instruments	138,775,929.60	202,027,000.00
Total	**138,775,929.60**	**202,027,000.00**

3. Notes receivable

(1) Presentation of notes receivable by category

Item	Ending balance	Beginning balance
Bank Acceptance Bills	132,760,150.46	50,977,695.45
Trade Acceptance	24,160,889.26	26,339,290.11
Total	**156,921,039.72**	**77,316,985.56**

(2) Listed by withdrawal methods for provision for bad debts

Type	Ending balance		
	Book balance	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio	157,424,186.04	100.00	503,146.32	0.32	156,921,039.72
Of which: Bank acceptance bills	132,760,150.46	84.33			132,760,150.46
Trade Acceptance	24,664,035.58	15.67	503,146.32	2.04	24,160,889.26
Total	**157,424,186.04**	**100.00**	**503,146.32**	**0.32**	**156,921,039.72**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio	77,865,496.73	100.00	548,511.17	0.70	77,316,985.56
Of which: Bank acceptance bills	50,977,695.45	65.47			50,977,695.45
Trade Acceptance	26,887,801.28	34.53	548,511.17	2.04	26,339,290.11
Total	**77,865,496.73**	**100.00**	**548,511.17**	**0.70**	**77,316,985.56**

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

Name	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	24,664,035.58	503,146.32	2.04
Total	**24,664,035.58**	**503,146.32**	2.04

(3) Provision for bad debts accrued, recovered or reversed for the current period

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovered or reversed	Charge-off or write-off	Others	
Trade Acceptance	548,511.17	495,534.77	540,899.62			503,146.32
Total	**548,511.17**	**495,534.77**	**540,899.62**			**503,146.32**

(4) The Company's pledged notes receivable at the end of the period

No notes receivable were pledged at the end of the current period.

(5) Notes receivable endorsed or discounted by the Company and not yet due on the balance sheet date at the end of the period

Item	Ending derecognized amount	Ending un-derecognized amount
Bank Acceptance Bills	841,845,519.92	300,000.00
Trade Acceptance		23,699,692.56
Total	**841,845,519.92**	**23,999,692.56**

(6) Actual write-off of notes receivable for the current period

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

4. Accounts receivable

(1) Accounts receivable listed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	1,006,565,494.60	872,534,288.66
1-2 years	16,666,024.97	33,230,346.13
2-3 years	215,086,078.61	416,551,776.82
3-4 years	52,952,776.22	92,779,205.23
4-5 years	143,183,926.78	114,178,358.99
Over 5 years	1,436,753,750.51	1,445,571,151.66
Total	**2,871,208,051.69**	**2,974,845,127.49**

(2) Listed by withdrawal methods for provision for bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	1,533,714,952.74	53.42	1,528,067,007.07	99.63	5,647,945.67
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	1,337,493,098.95	46.58	306,757,875.77	22.94	1,030,735,223.18
Subtotal of portfolio	1,337,493,098.95	46.58	306,757,875.77	22.94	1,030,735,223.18
Total	**2,871,208,051.69**	**100.00**	**1,834,824,882.84**	**63.90**	**1,036,383,168.85**

(Continued)

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

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

Name	Beginning balance	Ending balance

	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
CEFC Shanghai International Group Limited	298,280,558.37	298,280,558.37	298,073,128.27	298,073,128.27	100.00	Not expected to be recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Luxiao Group Co., Ltd.	159,702,611.45	159,702,611.45	159,702,611.45	159,702,611.45	100.00	Not expected to be recoverable
Shenzhen Yaode Technology Co., Ltd.	144,454,581.31	144,454,581.31	139,976,261.62	139,976,261.62	100.00	Not expected to be recoverable
Guang'an Ouqishi Electronic Technology Co., Ltd.	113,139,940.86	110,965,942.46	113,139,940.86	110,965,942.46	98.08	Expected to be difficult to recover
Zhongfu Tiangong Construction Group Co., Ltd.	71,289,096.65	71,289,096.65	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	65,221,300.00	65,221,300.00	100.00	Not expected to be recoverable
Gome Customization (Tianjin) Home Appliances Co., Ltd.	57,021,975.73	57,021,975.73	57,021,975.73	57,021,975.73	100.00	Not expected to be recoverable

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Xingda Hongye (HK) Limited	51,902,301.95	51,902,301.95	51,902,301.95	51,902,301.95	100.00	Not expected to be recoverable
Dongguan High Energy Polymer Materials Co., Ltd.	50,699,037.70	32,893,535.66	35,866,471.02	32,893,535.66	91.71	Not expected to be recoverable
Others	362,161,976.72	345,511,516.64	341,521,865.19	341,020,853.28	99.85	Expected to be difficult to recover
Total	**1,573,873,380.74**	**1,537,243,420.22**	**1,533,714,952.74**	**1,528,067,007.07**	**99.63**	

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

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	1,002,154,193.21	20,443,945.58	2.04
1-2 years	16,666,024.97	1,669,935.73	10.02
2-3 years	29,882,254.15	6,780,283.42	22.69
3-4 years	31,113,085.29	20,186,169.71	64.88
4-5 years	75,185,549.88	75,185,549.88	100.00
Over 5 years	182,491,991.45	182,491,991.45	100.00
Total	**1,337,493,098.95**	**306,757,875.77**	**22.94**

(3) Provision for bad debts accrued, recovered or reversed for the current period

Type	Beginning balance	Changes in the current period	
		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	1,887,916,115.34	15,093,788.21	55,655,984.86

Type	Beginning balance	Changes in the current period	
		Provision	Recovered or reversed
Total	**1,887,916,115.34**	**15,093,788.21**	**55,655,984.86**

(Continued)

Type	Changes in the current period		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable		-12,529,035.85	1,834,824,882.84
Total		**-12,529,035.85**	**1,834,824,882.84**

Remarks: The amount of other changes during the current period includes a decrease of RMB 12,529,035.85 resulting from foreign exchange rate movements.

(4).Actual write-off of accounts receivable for the current period

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

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

The total amount of accounts receivable with top five ending balance categorized by debtors in the current period was RMB 1,086,005,807.89, accounting for 37.82% of the total ending balance of accounts receivable. The total ending balance of provision for bad debts correspondingly set aside was RMB 803,666,036.71.

5. Contract assets

(1) Details of contract assets

Item	Ending balance			Beginning balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Warranty	2,194,100.57	414,180.09	1,779,920.48	2,194,100.57	301,794.27	1,892,306.30
Total	**2,194,100.57**	**414,180.09**	**1,779,920.48**	**2,194,100.57**	**301,794.27**	**1,892,306.30**

(2) Listed by withdrawal methods for provision for bad debts

Type	Ending balance		
	Book balance	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,194,100.57	100.00	414,180.09	18.88	1,779,920.48
Subtotal of portfolio	2,194,100.57	100.00	414,180.09	18.88	1,779,920.48
Total	**2,194,100.57**	**100.00**	**414,180.09**	**18.88**	**1,779,920.48**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,194,100.57	100.00	301,794.27	13.75	1,892,306.30
Subtotal of portfolio	2,194,100.57	100.00	301,794.27	13.75	1,892,306.30
Total	**2,194,100.57**	**100.00**	**301,794.27**	**13.75**	**1,892,306.30**

Provision set aside for bad debts of contract assets by portfolio

Name	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year			
1-2 years	660,310.39	66,163.10	10.02
2-3 years	1,533,790.18	348,016.99	22.69
Total	**2,194,100.57**	**414,180.09**	**18.88**

(Continued)

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

(3) Provision for bad debts accrued, recovered or reversed for the current period

Item	Beginning Balance	Changes in the current period				Ending Balance	Reason
		Current period Provision	Recovered or reversed for the current period	Write-off/ cancellation after verification for the current period	Others Change		
Warranty	301,794.27	112,385.82				414,180.09	Normal provision
Total	**301,794.27**	**112,385.82**				**414,180.09**	

(4).Actual write-off of contract assets for the current period

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

6. Receivables financing

Item	Ending balance	Beginning balance
Notes receivable	95,040,616.25	155,957,556.43
Total	**95,040,616.25**	**155,957,556.43**

7. Other receivables

Item	Ending balance	Beginning balance

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	947,515,719.09	942,267,792.91
Total	**947,515,719.09**	**942,267,792.91**

(1) Classification of other receivables by nature

Nature of funds	Ending book balance	Beginning book balance
Deposit and margin	360,196,852.73	333,603,706.26
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	173,714,171.72	173,714,171.72
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Intercourse funds with related parties	3,691,631,889.48	3,691,383,944.24
Others	995,408,985.51	1,022,177,199.12
Total	**5,373,351,241.44**	**5,373,278,363.34**

(2) Other receivables listed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	1,495,441,812.42	1,467,251,543.63
1-2 years	351,616,659.98	348,839,519.04
2-3 years	190,635,638.22	204,016,070.83
3-4 years	88,259,481.31	110,032,898.45
4-5 years	386,439,326.34	670,561,586.84
Over 5 years	2,860,958,323.17	2,572,576,744.55
Total	**5,373,351,241.44**	**5,373,278,363.34**

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

Type	Ending balance		
	Book balance	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	4,940,834,493.88	91.95	4,206,675,772.05	85.14	734,158,721.83
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	189,202,997.43	3.52	156,638,249.42	82.79	32,564,748.01
Low-Risk Portfolio	243,313,750.13	4.53	62,521,500.88	25.70	180,792,249.25
Subtotal of portfolio	432,516,747.56	8.05	219,159,750.30	50.67	213,356,997.26
Total	**5,373,351,241.44**	**100.00**	**4,425,835,522.35**	**82.37**	**947,515,719.09**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	4,975,343,588.38	92.59	4,221,263,474.95	84.84	754,080,113.43
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	174,594,933.66	3.25	155,935,224.70	89.31	18,659,708.96
Low-Risk Portfolio	223,339,841.30	4.16	53,811,870.78	24.09	169,527,970.52
Subtotal of portfolio	397,934,774.96	7.41	209,747,095.48	52.71	188,187,679.48
Total	**5,373,278,363.34**	**100.00**	**4,431,010,570.43**	**82.46**	**942,267,792.91**

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

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	59,178,138.81	850,072.98	1.44
1-2 years	113,359,793.29	3,816,034.22	3.37
2-3 years	7,165,515.09	1,179,013.39	16.45
3-4 years	31,357,650.00	9,546,499.07	30.44
4-5 years	37,256,422.74	19,568,903.01	52.52
Over 5 years	184,199,227.63	184,199,227.63	100.00
Total	**432,516,747.56**	**219,159,750.30**	**50.67**

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

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2026	455,455.39	209,291,640.09	4,221,263,474.95	**4,431,010,570.43**
Balance as of January 1, 2026 in the current period				
-- Transfer to Stage II	-1,195,101.69	1,195,101.69		
-- Transfer to Stage III				
-- Reversal to Stage II				
-- Reversal to Stage I				
Provision for the current period	1,589,719.30	8,045,078.26	4,720,927.80	**14,355,725.36**
Reversal in this period				
Charge-off in the current period				
Write-off in the current period				

Provision for bad debts	Phase I Expected credit loss for the next 12 months	Phase II Expected credit loss during the whole outstanding maturity (without credit impairment)	Phase III Expected credit loss during the whole outstanding maturity (with credit impairment)	Total
Other changes		-222,142.74	-19,308,630.70	**-19,530,773.44**
Balance as of June 30, 2026	850,073.00	218,309,677.30	4,206,675,772.05	**4,425,835,522.35**

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

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

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

(4) Provision for bad debts accrued, recovered or reversed for the current period

Type	Beginning balance	Changes in the current period	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	4,431,010,570.43	14,355,725.36	
Total	**4,431,010,570.43**	**14,355,725.36**	

(Continued)

Type	Changes in the current period		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of other receivables		-19,530,773.44	4,425,835,522.35
Total		**-19,530,773.44**	**4,425,835,522.35**

Remarks: The amount of other changes during the current period includes a decrease of RMB 19,530,773.44 resulting from foreign exchange rate movements.

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

There were no other receivables actually written off in the current period.

(6) Other receivables of the top five ending balances collected by debtor

The total amount of other receivables with top five ending balance categorized by debtors in the current period was RMB 3,375,742,641.27, accounting for 62.82% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB 2,966,580,596.02.

8. Advances to suppliers

(1) Advances to suppliers are listed by aging

Item	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	36,158,824.66	89.30	43,005,753.50	44.75
1-2 years	2,966,776.15	7.33	52,405,587.00	54.53
2-3 years	755,481.96	1.87	122,638.58	0.13
Over 3 years	610,254.17	1.50	571,760.52	0.59
Total	**40,491,336.94**	**100.00**	**96,105,739.60**	**100.00**

Remarks: The amount of advances to suppliers of the Group aged over one year at the end of the period was RMB 4,332,512.28, accounting for 10.70% of the total ending balance of advances to suppliers, which are mainly unreceived goods or unsettled payments.

(2) Advances to suppliers status of the top five year-end balances collected by prepaid objects

The total amount of the top five advances to suppliers in the ending balance categorized by payees in the current period was RMB 26,809,853.77, accounting for 66.21% of the total ending balance of advances to suppliers.

9. Inventories

(1) Inventories Classification

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Raw materials	522,460,235.37	147,392,207.13	375,068,028.24
Semi-finished products	105,620,729.21	61,062,868.77	44,557,860.44
Commodities in stock	1,701,282,761.31	819,837,791.49	881,444,969.82

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Commissioned products			
Development costs	33,007,613.87	13,632,674.11	19,374,939.76
Development products	192,836,422.71	38,429,041.00	154,407,381.71
Total	**2,555,207,762.47**	**1,080,354,582.50**	**1,474,853,179.97**

(Continued)

Item	Beginning balance		
	Book balance	Provision for impairment	Book value
Raw materials	535,044,975.99	161,547,556.59	373,497,419.40
Semi-finished products	110,173,191.36	61,564,204.04	48,608,987.32
Commodities in stock	1,946,864,898.54	893,886,141.81	1,052,978,756.73
Commissioned products	1,248,253.88		1,248,253.88
Development costs	30,197,755.10	13,632,674.11	16,565,080.99
Development products	207,777,173.26	38,429,041.00	169,348,132.26
Total	**2,831,306,248.13**	**1,169,059,617.55**	**1,662,246,630.58**

(2) Provision for inventory depreciation

Item	Beginning balance	Increase in the current period	
		Provision or reversal	Others
Raw materials	161,547,556.59	-1,648,753.00	
Semi-finished products	61,564,204.04	1,243,646.28	
Commodities in stock	893,886,141.81	35,003,356.74	
Commissioned products			
Development costs	13,632,674.11		
Development products	38,429,041.00		
Total	**1,169,059,617.55**	**34,598,250.02**	

(Continued)

Item	Decrease in the current period	Ending balance

	Charge-off	Others	
Raw materials	9,890,562.32	2,616,034.14	147,392,207.13
Semi-finished products	1,727,538.32	17,443.23	61,062,868.77
Commodities in stock	79,906,408.22	29,145,298.84	819,837,791.49
Commissioned products			
Development costs			13,632,674.11
Development products			38,429,041.00
Total	**91,524,508.86**	**31,778,776.21**	**1,080,354,582.50**

Note: Other decreases for the year were due to exchange rate movements.

Specific basis for determining the realizable net value and reasons for reversal or write-off of the provision for inventory depreciation and impairment provision for contract performance costs during the current period:

Item	Specific basis for provision for inventory depreciation	Reasons for write-off of provision for inventory depreciation in the current period
Raw materials	The realizable net value was lower than the book value	Sold or used in the current period
Semi-finished products	The realizable net value was lower than the book value	Sold or used in the current period
Commodities in stock	The realizable net value was lower than the book value	Sold in the current period
Development products	The realizable net value was lower than the book value	Sold in the current year

10. Other current assets

Item	Ending balance	Beginning balance
Prepayments and deductible taxes, and refund of tax for export receivable	580,922,395.67	619,195,913.75
Principal and interests of entrusted loans to associated enterprises	242,633,579.39	235,601,218.08
Deferred expenses	7,392,006.38	14,313,545.63
Cost of goods returned receivable	6,451,881.10	10,287,129.13
Others	395,607.16	434,578.55

Item	Ending balance	Beginning balance
Less: Impairment provision for other current assets	118,264,443.38	118,264,443.38
Total	**719,531,026.32**	**761,567,941.76**

11. Other equity instrument investments

(1) Other equity instrument investments

Item	Beginning balance	Increase/decrease in this period					Ending balance	Dividend income recognized during the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Additional investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Beijing Huyu Entertainment Digital Technology Co., Ltd.										6,000,000.00	Long-term holding based on strategic purpose
Feihong Electronics Co., Ltd.										1,300,000.00	Long-term holding based on strategic purpose
Shenzhen Association of Enterprises with Foreign Investment										100,000.00	Long-term holding based on strategic purpose
Shenzhen Chuangce Investment										485,000.00	Long-term holding based on strategic

Item	Beginning balance	Increase/decrease in this period					Ending balance	Dividend income recognized during the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Additional investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Development Co., Ltd.											purpose
Shenzhen Tianyilian Science & Technology Co., Ltd.										4,800,000.00	Long-term holding based on strategic purpose
Shanlian Information Technology Engineering Center Co., Ltd.	1,860,809.20						1,860,809.20			3,139,190.80	Long-term holding based on strategic purpose
Shenzhen CIU Science & Technology Co., Ltd.	953,000.00						953,000.00			200,000.00	Long-term holding based on strategic purpose
Shanghai National Engineering Research Center of	2,400,000.00						2,400,000.00				Long-term holding based on strategic purpose

Item	Beginning balance	Increase/decrease in this period					Ending balance	Dividend income recognized during the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Additional investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Digital TV Co., Ltd.											
Guangdong Bohua Ultra High Definition Innovation Center Co., Ltd.	5,000,001.00						5,000,001.00				Long-term holding based on strategic purpose
Total	**10,213,810.20**						**10,213,810.20**			**16,024,190.80**	

(2) Derecognition in the current period

During the Reporting Period, the Group had no derecognition of other equity instrument investments.

12、Long-term equity investments

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Associates:						
Kangkong Venture Capital (Shenzhen) Co., Ltd.	5,180,793.01				-69,352.93	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	2,017,886.19				30,133.79	
Feidi Technology (Shenzhen) Co., Ltd.	21,415,487.46			12,000,000.00	2,036,425.18	
Shenzhen Kangyue Industrial Co., Ltd.		24,977,328.88				
Kangkai Technology Service (Chengdu) Co., Ltd.	81,113.09					
Puchuang Jiakang Technology Co., Ltd.	6,297,491.71				216,147.50	
Shenzhen Jielunte Technology Co., Ltd.	80,165,191.30				-4,702,155.99	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	8,616,183.96				-136,000.00	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	164,890,885.04				-159,840.00	
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.	3,530,017.06					

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Shenzhen RF-Llink Technology Co., Ltd.		85,656,027.35				
Anhui Kaikai Shijie E-commerce Co., Ltd.	26,987,982.96	447,882,708.28			-3,085,702.70	
Kunshan Kangsheng Investment Development Co., Ltd.	73,270,834.48				-3,371,200.00	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	152,670.80				-113,422.50	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		12,660,222.73				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				
Chuzhou Konka Technology Industry Development Co., Ltd.		24,293,066.22				
Chuzhou Kangjin Health Industrial Development Co., Ltd.	162,873,657.63				-1,974,700.00	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.		68,800,523.55				
Chuzhou Kangxin Health Industry Development		176,837,544.74				

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Co., Ltd.						
Dongguan Guankang Yuhong Investment Co., Ltd.		457,019,657.61				
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Econ Technology	718,478,701.02	471,120,597.05			-1,257,918.18	
Dongguan Kangjia New Materials Technology Co., Ltd.		4,908,736.25				
Chongqing ypfun Technology Co., Ltd.	474,346,899.10	1,968,503,947.36				
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.		14,000,000.00				
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	2,448,605.88				-445,859.65	
Shenzhen KONKA E-display Co., Ltd.	97,221,710.07				1,575,000.00	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.		25,740,000.00				
Shenzhen Kangpeng Digital Technology Co., Ltd.	980,300.31				-800.00	
Yantai Kangtang Construction Development Co.,	1,123,420.70				-20,953.92	

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Ltd.						
Dongguan Konka Smart Electronic Technology Co., Ltd.	13,484,252.90				-1,587,600.00	
Beijing Konka Jingyuan Technology Co., Ltd.	621,527.36				-9,690.00	
Chongqing Liangshan Enterprise Management Co., Ltd.	310,307.48					
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	1,050,893.44				20,614.71	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.		245,911.63				
Guangdong Kangyuan Semiconductor Co., Ltd.	6,001,292.24				306,035.64	
Chongqing Kangyiqing Technology Co., Ltd.	145,424.39				-82,142.95	
Zhejiang Kangying Semiconductor Technology Co., Ltd.	32,126,636.38				409,000,000.00	
KK Smartech Limited	1,601,969.45				-29,791.27	
Chongqing Kangjian Photoelectric Technology Co., Ltd.						

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Anhui Kangta Supply Chain Management Co., Ltd.	16,548,557.56			16,460,999.37	-87,558.19	
Wuhan Kangtang Information Technology Co., Ltd.	977,229.62				206,236.16	
Sichuan Chengrui Real Estate Co., Ltd.		22,357,187.48				
Jiakang Industrial Development (Wuhan) Co., Ltd.		37,867,228.83				
Hefei KONSEMI Storage Technology Co., Ltd.	102,019,381.83				32,109,693.84	
Sichuan Hongxinchen Real Estate Development Co., Ltd.		53,934,595.60				
Konka Huanjia Environmental Technology Co., Ltd.		91,800,000.00				
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.	1,070,852.57				-80,900.00	
Total	**2,026,038,156.99**	**4,203,164,752.91**		**28,460,999.37**	**428,284,698.54**	

Investee	Increase/decrease in this period	Ending balance	Provision for impairment

	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Associates:						
Kangkong Venture Capital (Shenzhen) Co., Ltd.					5,111,440.08	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					2,048,019.98	
Feidi Technology (Shenzhen) Co., Ltd.				-1,343,802.29	10,108,110.35	
Shenzhen Kangyue Industrial Co., Ltd.						24,977,328.88
Kangkai Technology Service (Chengdu) Co., Ltd.					81,113.09	
Puchuang Jiakang Technology Co., Ltd.					6,513,639.21	
Shenzhen Jielunte Technology Co., Ltd.					75,463,035.31	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					8,480,183.96	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)					164,731,045.04	
Tongxiang Wuzhen Kunyu Venture Capital					3,530,017.06	

Co., Ltd.						
Shenzhen RF-Llink Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.					23,902,280.26	447,882,708.28
Kunshan Kangsheng Investment Development Co., Ltd.					69,899,634.48	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.					39,248.30	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						12,660,222.73
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Chuzhou Konka Technology Industry Development Co., Ltd.						24,293,066.22
Chuzhou Kangjin Health Industrial Development Co., Ltd.					160,898,957.63	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.						68,800,523.55
Chuzhou Kangxin Health Industry Development Co., Ltd.						176,837,544.74
Dongguan Guankang Yuhong Investment Co., Ltd.						457,019,657.61
Shenzhen Morsemi Semiconductor						

Technology Co., Ltd.						
Econ Technology					717,220,782.84	471,120,597.05
Dongguan Kangjia New Materials Technology Co., Ltd.						4,908,736.25
Chongqing ypfun Technology Co., Ltd.				-586,270.19	473,760,628.91	1,968,503,947.36
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.						14,000,000.00
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					2,002,746.23	
Shenzhen KONKA E-display Co., Ltd.					98,796,710.07	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						25,740,000.00
Shenzhen Kangpeng Digital Technology Co., Ltd.					979,500.31	
Yantai Kangtang Construction Development Co., Ltd.					1,102,466.78	
Dongguan Konka Smart Electronic Technology Co., Ltd.					11,896,652.90	
Beijing Konka Jingyuan Technology Co., Ltd.					611,837.36	
Chongqing Liangshan Enterprise Management Co., Ltd.					310,307.48	

Shenzhen Kangxi Technology Innovation Development Co., Ltd.					1,071,508.15	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.						245,911.63
Guangdong Kangyuan Semiconductor Co., Ltd.					6,307,327.88	
Chongqing Kangyiqing Technology Co., Ltd.					63,281.44	
Zhejiang Kangying Semiconductor Technology Co., Ltd.					441,126,636.38	
KK Smartech Limited					1,572,178.18	
Chongqing Kangjian Photoelectric Technology Co., Ltd.						
Anhui Kangta Supply Chain Management Co., Ltd.						
Wuhan Kangtang Information Technology Co., Ltd.					1,183,465.78	
Sichuan Chengrui Real Estate Co., Ltd.						22,357,187.48
Jiakang Industrial Development (Wuhan) Co., Ltd.						37,867,228.83
Hefei KONSEMI Storage Technology Co., Ltd.					134,129,075.67	
Sichuan Hongxinchen Real Estate						53,934,595.60

Development Co., Ltd.						
Konka Huanjia Environmental Technology Co., Ltd.						91,800,000.00
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.					989,952.57	
Total				**-1,930,072.48**	**2,423,931,783.68**	**4,203,164,752.91**

13. Other non-current financial assets

Item	Ending balance	Beginning balance
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	93,030,890.40	119,414,203.99
China Asset Management-Jiayi Overseas Designated Plan	200,732,067.00	200,732,067.00
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	108,092,581.71	178,532,220.44
Yibin OCT Sanjiang Properties Co., Ltd.	174,770,775.80	175,054,364.03
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	122,593,706.14	145,591,716.60
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	135,767,513.50	135,763,664.30
Daye Trust - Hui Libao No. 19		
CCB Trust-Cai Die No. 6 Property Rights Trust Scheme	300,000.00	300,000.00
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	58,967,986.53	58,967,986.53
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)		

Item	Ending balance	Beginning balance
Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)		
Tianjin Huacheng Property Development Co., Ltd.	1,000,000.00	1,000,000.00
Shenzhen Kanghuijia Technology Co., Ltd.		1,033.45
Subtotal of equity investments	**895,255,521.08**	**1,015,357,256.34**
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	120,874,956.69	120,874,956.69
Nanjing Kangfeng Dejia Asset Management Partnership (Limited Partnership)		
Shenzhen Zitang No.1 Enterprise Consulting Management Partnership (Limited Partnership)		
Shenzhen Beihu Technology Partnership (Limited Partnership)	15,000,000.00	15,000,000.00
Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)	7,520,520.00	7,520,520.00
Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)	3,028,480.00	3,028,480.00
Subtotal of debt investments	**146,423,956.69**	**146,423,956.69**
Total	**1,041,679,477.77**	**1,161,781,213.03**

14. Investment properties

（1） Investment properties measured at cost

Item	Properties and buildings	Land use right	Total
I. Original book value			
1. Beginning balance	1,687,296,692.92	97,210,555.38	1,784,507,248.30
2. Increase in the current period	121,317,082.21		121,317,082.21
(1) Purchase			

Item	Properties and buildings	Land use right	Total
(2) Transfer-in of inventories\fixed assets\construction in progress\intangible assets	121,317,082.21		121,317,082.21
3. Decrease in the current period	146,226.41		146,226.41
(1) Disposal			
(2) Other transfer-out	146,226.41		146,226.41
4. Ending balance	1,808,467,548.72	97,210,555.38	1,905,678,104.10
II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	248,117,196.61	26,695,654.78	274,812,851.39
2. Increase in the current period	26,161,647.22	698,664.19	26,860,311.41
(1) Provision or amortization	18,620,156.11	698,664.19	19,318,820.30
(2) Other transfer-in	7,541,491.11		7,541,491.11
3. Decrease in the current period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance	274,278,843.83	27,394,318.97	301,673,162.80
III. Provision for impairment			
1. Beginning balance	602,125,392.90	41,517,528.88	643,642,921.78
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			

Item	Properties and buildings	Land use right	Total
(1) Disposal			
(2) Other transfer-out			
4. Ending balance	602,125,392.90	41,517,528.88	643,642,921.78
IV. Book value			-
1. Book value as at the end of the period	932,063,311.99	28,298,707.53	960,362,019.52
2. Book value as at the beginning of the period	837,054,103.41	28,997,371.72	866,051,475.13

（2） Impairment test of investment properties measured at cost

No provision for impairment of investment properties was made during the current period.

（3） Investment properties measured at fair value

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

（4） Investment property converted and measured at fair value in the current period

There was no investment property converted and measured at fair value in the current period.

（5） Investment properties for which property right certificates have not yet been issued

Item	Book value	Reason that the certificate of title was not completed
Suining Konka Electronic Product Standard Factory Project	62,882,039.64	The completion filing has not yet been processed for the project
Houses and buildings of Xi'an Kanghong	87,818,314.86	In progress
Yantai Kangjin's properties and buildings	18,957,342.60	In progress

（6） Investment properties with restricted ownership or use right

Item	Book value	Reasons for restriction
Guangming Technology Center	319,027,884.81	As collateral for loan
Houses and buildings of Xi'an Kanghong	87,818,314.86	As collateral for loan
Houses and buildings of Nantong Kanghai	56,307,870.19	As collateral for loan
Properties and buildings of Shanxi Konka Intelligent	35,479,438.81	As collateral for loan
Total	**498,633,508.67**	

15. Fixed assets

Item	Ending balance	Beginning balance
Fixed assets	4,158,003,825.17	4,405,958,959.37
Liquidation of fixed assets		
Total	**4,158,003,825.17**	**4,405,958,959.37**

(1) **Fixed assets**

Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
I. Original book value						
1. Beginning balance	4,016,044,214.07	3,485,808,298.50	294,035,532.36	48,465,154.70	188,973,460.14	8,033,326,659.77
2. Increase in the current period	143,022.99	12,321,711.11	2,403,524.59	65,486.74	1,165,917.62	16,099,663.05
(1) Purchase		10,858,082.78	1,659,260.87	26,548.69	459,722.93	13,003,615.27
(2) Transfer-in of construction in progress		1,463,628.33	744,263.72	38,938.05	706,194.69	2,953,024.79
(3) Other increase	143,022.99					143,022.99
3. Decrease in the current period	121,424,791.42	11,847,249.96	2,014,047.42	544,554.43	1,396,827.48	137,227,470.71
(1) Disposal or write-off		11,847,249.96	1,991,256.53	544,031.91	1,395,380.69	15,777,919.09
(2) Decrease for loss of controlling right						
(3) Other decreases	121,424,791.42		22,790.89	522.52	1,446.79	121,449,551.62
4. Ending balance	3,894,762,445.64	3,486,282,759.65	294,425,009.53	47,986,087.01	188,742,550.28	7,912,198,852.11
II. Accumulated depreciation						
1. Beginning balance	914,386,095.30	1,755,585,831.33	229,590,503.11	39,457,477.64	143,262,472.27	3,082,282,379.65

Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
2. Increase in the current period	45,318,637.68	89,096,594.89	8,222,379.07	948,008.62	4,696,605.42	148,282,225.68
(1) Provision	45,318,637.68	89,096,594.89	8,016,980.74	948,008.62	4,496,516.95	147,876,738.88
(2) Other increase			205,398.33		200,088.47	405,486.80
3. Decrease in the current period	7,541,491.11	10,234,746.18	1,652,086.15	381,239.77	1,117,001.57	20,926,564.78
(1) Disposal or write-off		10,234,746.18	1,631,567.08	380,769.49	1,115,699.46	13,362,782.21
(2) Decrease for loss of controlling right						
(3) Other decreases	7,541,491.11		20,519.07	470.28	1,302.11	7,563,782.57
4. Ending balance	952,163,241.87	1,834,447,680.04	236,160,796.03	40,024,246.49	146,842,076.12	3,209,638,040.55
III. Provision for impairment						
1. Beginning balance	172,108,417.28	355,999,298.32	3,439,981.55	1,939,494.74	11,598,128.86	545,085,320.75
2. Increase in the current period		30,763.46				30,763.46
(1) Provision		30,763.46				30,763.46
(2) Other increase						
3. Decrease in the current period		441,455.11	16,365.48		101,277.23	559,097.82

Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
(1) Disposal or write-off		441,455.11	16,365.48		101,277.23	559,097.82
(2) Decrease for loss of controlling right						
(3) Other decreases						
4. Ending balance	172,108,417.28	355,588,606.67	3,423,616.07	1,939,494.74	11,496,851.63	544,556,986.39
IV. Book value						
1. Book value as at the end of the period	2,770,490,786.49	1,296,246,472.94	54,840,597.43	6,022,345.78	30,403,622.53	4,158,003,825.17
2. Book value as at the beginning of the period	2,929,549,701.49	1,374,223,168.85	61,005,047.70	7,068,182.32	34,112,859.01	4,405,958,959.37

(2) Temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Housing and building	366,591,016.05	223,101,644.17	106,439,814.25	37,049,557.63
Machinery equipment	1,117,378,372.15	752,918,437.33	319,891,131.92	44,568,802.90
Electronic equipment	19,736,058.50	17,694,023.19	1,416,391.94	625,643.37
Transportation vehicle	5,000,209.00	4,551,214.62	177,480.03	271,514.35
Other equipment	36,288,637.87	32,479,724.01	3,450,958.92	357,954.94
Total	**1,544,994,293.57**	**1,030,745,043.32**	**431,375,777.06**	**82,873,473.19**

(3)Fixed assets leased out through operating leases

Item	Ending book value
Housing and building	130,490,724.77
Machinery equipment	2,004,486.58
Electronic equipment	139,076.29
Transportation vehicle	312.63
Other equipment	158,932.12
Total	**132,793,532.39**

(4) Fixed assets without certificate of title

Item	Book value	Reason that the certificate of title was not completed
Fenggang Konka Smart TV Project	400,044,150.32	In progress
Anhui Konka's properties and buildings	160,403,447.57	In progress
Standard electronic product plants in Sunning	139,460,909.69	The completion filing has not yet been processed for the project
Yikang Building property	30,225,446.45	In progress
Frestec Smart Home properties and buildings	18,800,908.47	In progress

(5) Fixed assets with restricted ownership or use right

Item	Ending book value	Reasons for restriction
Anhui Konka's properties and buildings	564,357,471.78	As collateral for loan
Properties and buildings of Shanxi Konka Intelligent	275,467,943.43	As collateral for loan
Buildings and machinery and equipment of Frestec Smart Home	226,623,748.38	As collateral for loan
Buildings of Chongqing Konka	171,758,947.82	As collateral for loan
Buildings of Anhui Tongchuang	127,953,305.69	Mortgage for invoicing
Properties and buildings of Frestec Refrigeration	68,271,535.12	As collateral for loan
Buildings of Konka Group	48,673,311.68	As collateral for loan
Buildings of Jiangsu Konka Smart	28,831,239.76	As collateral for loan
Housing and buildings of XingDa HongYe	22,477,360.51	As collateral for loan
Machinery equipment of Xinfeng Microcrystalline	183,690.00	As collateral for finance lease
Housing and buildings of Jiangxi Konka	717,464.48	Original shareholder guarantee mortgage
Machinery and equipment of Bokang Precision	80,497.40	Litigation involved
Total	**1,535,396,516.05**	

16. Construction in progress

(1) Construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangxi High-permeability Crystalisation Kiln	246,576,748.57	245,645,748.57	931,000.00	246,576,748.57	245,645,748.57	931,000.00
Construction of Suining Electronic Industrial Park Workshops	159,579,630.91	79,545,109.40	80,034,521.51	159,521,528.40	79,545,109.40	79,976,419.00
Suining Konka Hongye Plant Decoration Project	119,865,611.74		119,865,611.74	119,870,565.87		119,870,565.87
Production Line Renovation Project of Jiangxi Konka	77,761,891.85	71,639,231.85	6,122,660.00	77,761,891.85	71,639,231.85	6,122,660.00
Construction and Decoration Project of Phase I of Dongguan Konka Science and Technology Industrial Park	41,073,754.17		41,073,754.17	41,073,754.17		41,073,754.17
Other projects	354,108,174.06	84,469,891.23	269,638,282.83	352,832,974.12	84,469,891.23	268,363,082.89
Total	**998,965,811.30**	**481,299,981.05**	**517,665,830.25**	**997,637,462.98**	**481,299,981.05**	**516,337,481.93**

(2) Changes of significant construction in progress in the current period

Name	Beginning	Increase in the	Decrease in the current period	Ending balance

			Transfer to fixed assets	Other decreases	
Construction of Suining Electronic Industrial Park Workshops	159,521,528.40	58,102.51			159,579,630.91
Suining Konka Hongye Plant Decoration Project	119,870,565.87			4,954.13	119,865,611.74
Total	**279,392,094.27**	**58,102.51**		**4,954.13**	**279,445,242.65**

(Continued)

Name	Budget amount (RMB ten thousand yuan)	Proportion of the project accumulative input in budget (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Including: Capitalized amount of interest in the current period	Capitalization rate of the interests for the current period (%)	Source of funds
Construction of Suining Electronic Industrial Park Workshops	76,342.22	95	95				Self-funded
Suining Konka Hongye Plant Decoration Project	13,774.10	87	87				Own funds and bank loans
Total	**90,116.32**						

（3） Provision for impairment of construction in progress in the current period

Type	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for withdrawal
Jiangxi High-permeability Crystallisation Kiln Project	245,645,748.57			245,645,748.57	Work has been suspended and there are no future development plans
Jiangxi High-permeability Substrate Production Line Project	51,511,747.18			51,511,747.18	Work has been suspended and there are no future development plans
Jiangxi Konka Production Line Renovation Project	71,639,231.85			71,639,231.85	Work has been suspended and there are no future development plans
Suining Konka Flexible FPC Plant Equipment Installation	32,860,823.52			32,860,823.52	Work has been suspended and there are no future development plans
Construction of Suining Electronic Industrial Park Workshops	79,545,109.40			79,545,109.40	Not yet ready for use
Other projects	97,320.53			97,320.53	Work has been suspended and there are no future development plans
Total	**481,299,981.05**			**481,299,981.05**	

17. Right-of-use assets

Item	Properties and buildings	Machinery equipment	Electronic equipment	Total
I. Original book value				
1. Beginning balance	269,612,023.77	3,306,925.92	696,991.19	273,615,940.88
2. Increase in the current period	1,556,922.37			1,556,922.37
(1) Leased-in	1,556,922.37			1,556,922.37
(2) Others				
3. Decrease in the current period	44,546,886.64			44,546,886.64
(1) Decrease for loss of controlling right				
(2) Others	44,546,886.64			44,546,886.64
4. Ending balance	226,622,059.50	3,306,925.92	696,991.19	230,625,976.61
II. Accumulated depreciation				
1. Beginning balance	142,417,419.72	846,102.92	275,873.41	143,539,396.05
2. Increase in the current	22,610,974.70	500,088.82	88,699.75	23,199,763.27

Item	Properties and buildings	Machinery equipment	Electronic equipment	Total
period				
(1) Provision	22,610,974.70	500,088.82	88,699.75	23,199,763.27
(2) Others				
3. Decrease in the current period	39,733,154.97			39,733,154.97
(1) Decrease for loss of controlling right				
(2) Others	39,733,154.97			39,733,154.97
4. Ending balance	125,295,239.45	1,346,191.74	364,573.16	127,006,004.35
III. Provision for impairment				
1. Beginning balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				

Item	Properties and buildings	Machinery equipment	Electronic equipment	Total
4. Ending balance				
IV. Book value				
1. Book value as at the end of the period	101,326,820.05	1,960,734.18	332,418.03	103,619,972.26
2. Book value as at the beginning of the period	127,194,604.05	2,460,823.00	421,117.78	130,076,544.83

Remarks: The other decreases in original value and accumulated depreciation are mainly due to the termination of leases.

18. Intangible assets

（1） List of intangible assets

Item	Land use right	Trademark rights	Patent and know-how	Franchise rights	Right to use software and others	Total
I. Original book value						
1. Beginning balance	811,294,889.02	72,197,456.33	108,280,566.04	192,973,407.81	171,295,870.42	1,356,042,189.62
2. Increase in the current period					206,303.13	206,303.13
(1) Purchase					206,303.13	206,303.13
(2) Transfer-in of construction in						

Item	Land use right	Trademark rights	Patent and know-how	Franchise rights	Right to use software and others	Total
progress						
(3) Other reasons						
3. Decrease in the current period					2,791,512.02	2,791,512.02
(1) Disposal or write-off					2,785,091.01	2,785,091.01
(2) Other reasons					6,421.01	6,421.01
4. Ending balance	811,294,889.02	72,197,456.33	108,280,566.04	192,973,407.81	168,710,661.53	1,353,456,980.73
II. Accumulated amortization						
1. Beginning balance	123,811,902.10	27,582,658.39	66,102,527.03	33,012,217.26	121,220,389.80	371,729,694.58
2. Increase in the current period	8,045,274.87	2,081,757.98	21,600.00	135,876.11	5,085,032.49	15,369,541.45
(1) Provision	8,045,274.87	2,081,757.98	21,600.00	135,876.11	5,085,032.49	15,369,541.45
(2) Other reasons						
3. Decrease in the current period					2,603,284.23	2,603,284.23
(1) Disposal or write-off					2,600,610.87	2,600,610.87
(2) Other reasons					2,673.36	2,673.36
4. Ending balance	131,857,176.97	29,664,416.37	66,124,127.03	33,148,093.37	123,702,138.06	384,495,951.80

Item	Land use right	Trademark rights	Patent and know-how	Franchise rights	Right to use software and others	Total
III. Provision for impairment						
1. Beginning balance	13,304,591.99	564,705.88	42,042,439.01	155,930,200.00	238,599.64	212,080,536.52
2. Increase in the current period						
(1) Provision						
3. Decrease in the current period						
(1) Disposal						
4. Ending balance	13,304,591.99	564,705.88	42,042,439.01	155,930,200.00	238,599.64	212,080,536.52
IV. Book value						
1. Book value as at the end of the period	666,133,120.06	41,968,334.08	114,000.00	3,895,114.44	44,769,923.83	756,880,492.41
2. Book value as at the beginning of the period	674,178,394.93	44,050,092.06	135,600.00	4,030,990.55	49,836,880.98	772,231,958.52

（2） Details of land use right without certificate of title

The Group did not have land use rights for which no title deeds had been issued.

（3） Significant intangible assets

Item	Ending book value	Remaining amortization period (year)
Land use right of Dongguan Konka	175,659,152.67	43.17
Land use right of Shanxi Konka Intelligent	108,443,575.29	45.08
Land use right of Frestec Smart Home	85,440,790.85	44.25
Total	**369,543,518.81**	

（4） Intangible assets with restricted ownership or use right

Item	Ending book value	Reasons for restriction
Land use right of Dongguan Konka	175,659,152.67	As collateral for loan
Land use right of Shanxi Konka Intelligent	108,443,575.29	As collateral for loan
Land use right of Frestec Refrigeration	58,967,091.22	As collateral for loan
Land use right of Anhui Konka	50,873,316.00	As collateral for loan
Land use right of Chongqing Konka	16,438,690.50	As collateral for loan
Land use right of Anhui Tongchuang	16,232,513.95	As collateral for loan
Land use right of Jiangsu Konka Smart	12,569,664.89	As collateral for loan
Land use right of Xingda Hongye	11,941,907.80	As collateral for loan
Land use right of Konka Guangming Technology Center	3,443,531.24	As collateral for loan
Total	**454,569,443.56**	

19. Goodwill

（1） Original Book Value of Goodwill

Name of investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance

		Formed through business combinations	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
Xingda Hongye	44,156,682.25					44,156,682.25
Total	**384,268,615.26**					**384,268,615.26**

（2） Provision for goodwill impairment

Name of investee	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	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**

20. Long-term deferred expenses

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases in the current period	Ending balance
Decoration expenses	242,201,004.25	2,595,509.75	28,193,154.12	1,197,696.64	215,405,663.24
Shoppe expense	16,535,310.97	3,785,944.77	7,549,749.43		12,771,506.31
Others	195,225,802.47	24,297,348.99	30,420,752.85	154,078.48	188,948,320.13
Total	**453,962,117.69**	**30,678,803.51**	**66,163,656.40**	**1,351,775.12**	**417,125,489.68**

21. Deferred tax assets/deferred tax liabilities

（1） Deferred tax assets that have not been offset

Item	Ending balance		Beginning balance	
	Deductible temporary differences	deferred tax assets	Deductible temporary differences	deferred tax assets

Item	Ending balance		Beginning balance	
	Deductible temporary differences	deferred tax assets	Deductible temporary differences	deferred tax assets
Deductible losses	115,149,745.75	24,141,630.16	115,441,836.02	24,185,449.41
Provision for asset impairment	49,287,141.11	11,692,507.95	33,348,876.81	7,518,088.66
Deferred income	133,428,267.99	27,530,898.33	126,029,904.75	26,299,979.55
Accrued expenses	1,408,415.86	352,103.97	79,260.20	19,815.05
Unrealized profit of internal transactions	11,338,203.59	2,834,550.90	23,159,179.99	5,789,795.00
Lease liabilities	163,960,811.19	40,688,933.79	128,733,917.69	31,923,273.77
Others	1,966,186.85	490,899.50	47,323,319.31	11,257,154.20
Total	**476,538,772.34**	**107,731,524.60**	**474,116,294.77**	**106,993,555.63**

（2） Deferred tax liabilities that have not been offset

Item	Ending balance		Beginning balance	
	taxable temporary differences	deferred tax liabilities	taxable temporary differences	deferred tax liabilities
Estimated added value of assets not under the same control	128,360,039.55	28,912,483.52	131,234,455.38	28,976,378.21
Prepaid interest	8,677,666.72	2,169,416.68	16,906,513.97	4,226,628.50
Financial assets measured at fair value through current profit or loss	120,167,573.52	30,041,893.38	165,075,229.25	41,268,807.31
Right-of-use assets	105,967,380.23	26,222,119.03	125,148,918.49	31,020,361.63
Others	52,050,516.84	8,651,400.13	53,694,103.36	8,982,879.15
Total	**415,223,176.86**	**95,997,312.74**	**492,059,220.45**	**114,475,054.80**

（3） Breakdown of unrecognized deferred tax assets

Item	Ending balance	Beginning balance
Deductible losses	10,118,867,239.92	10,631,764,118.90

Item	Ending balance	Beginning balance
Deductible temporary differences	14,993,536,548.14	14,733,642,383.21
Total	**25,112,403,788.06**	**25,365,406,502.11**

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

Year	Ending amount	Beginning amount
2026	121,564,143.72	403,268,956.95
2027	771,251,909.49	1,334,876,912.27
2028	882,632,699.80	980,877,535.65
2029	1,265,082,971.23	1,311,131,269.35
2030	1,287,649,930.45	6,601,609,444.68
2031 and beyond	5,790,685,585.23	
Total	**10,118,867,239.92**	**10,631,764,118.90**

22. Other non-current assets

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Prepayment for land purchase	1,029,457,502.92	517,841,855.90	511,615,647.02
Prepayment for construction, equipment and other long-term assets	110,715,970.58		110,715,970.58
Total	**1,140,173,473.50**	**517,841,855.90**	**622,331,617.60**

(Continued)

Item	Beginning balance		
	Book balance	Provision for impairment	Book value
Prepayment for land purchase	1,029,457,502.92	517,841,855.90	511,615,647.02
Prepayment for construction, equipment and other long-term assets	89,390,490.57		89,390,490.57
Total	**1,118,847,993.49**	**517,841,855.90**	**601,006,137.59**

23. Assets with restrictions on the ownership or right of use

Item	Ending			
	Book balance	Book value	Type of restriction	Restriction details
Monetary assets	812,653,044.81	812,653,044.81	Time deposit, margins, etc.	Among them, RMB 202,348,614.05 is the margin deposit, which is pledged for borrowing or issuing bank acceptance bills; RMB 440,277,833.44 is a time deposit that cannot be withdrawn in advance; RMB 170,026,597.32 was restricted due to other reasons.
Accounts receivable	2,694,539.25	2,636,999.84	Pledge	In pledge for loan
Inventories	179,824,601.36	149,696,486.22	Mortgage	As collateral for loan
Investment properties	858,014,402.41	498,633,508.67	Mortgage	As collateral for loan
Fixed assets	2,060,863,393.14	1,535,396,516.05	Mortgage	As collateral for finance lease, loan, and former shareholder guarantee
Intangible assets	567,108,433.14	454,569,443.56	Mortgage	As collateral for loan
Total	**4,481,158,414.11**	**3,453,585,999.15**		

(Continued)

Item	Beginning			
	Book balance	Book value	Type of restriction	Restriction details
Monetary assets	1,293,472,374.79	1,293,472,374.79	Margin, time deposits, etc.	Among them, RMB 525,901,180.93 is the margin deposits which is pledged for borrowings or issuing bank acceptance bills; RMB 612,670,635.63 represents time deposits that are not available for early withdrawal and are pledged as collateral for borrowings; RMB

Item	Beginning			
	Book balance	Book value	Type of restriction	Restriction details
				154,900,558.23 was restricted due to other reasons.
Accounts receivable	1,479,824.68	1,448,244.31	Pledge	In pledge for loan
Inventories	213,889,093.11	161,827,378.00	Mortgage	As collateral for loan
Investment properties	789,216,793.66	445,326,656.45	Mortgage	As collateral for loan
Fixed assets	2,159,388,777.59	1,619,724,502.81	Mortgage	As collateral for finance lease, loan, and former shareholder guarantee
Intangible assets	567,108,433.14	486,364,529.83	Mortgage	As collateral for loan
Total	**5,024,555,296.97**	**4,008,163,686.19**		

24. Short-term borrowings

（1） Classification of short-term borrowings

Type of borrowings	Ending balance	Beginning balance
Unsecured loan	2,056,310,788.93	3,736,619,333.91
Guaranteed loan	98,647,583.30	449,087,810.41
As collateral for loan	317,505,916.65	390,208,408.34
Total	**2,472,464,288.88**	**4,575,915,552.66**

（2） Outstanding short-term borrowings overdue

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

25. Notes payable

Type of note	Ending balance	Beginning balance
Bank Acceptance Bills	538,889,419.28	653,949,070.29
Trade Acceptance	200,898,675.06	289,868,697.62
Total	**739,788,094.34**	**943,817,767.91**

26. Accounts payable

（1） List of accounts payable

Item	Ending balance	Beginning balance
Within 1 year	1,342,651,773.48	1,392,600,370.15
1 to 2 years	123,980,816.13	252,209,408.86
2 to 3 years	52,407,893.81	130,867,724.12
Over 3 years	281,500,141.37	202,058,868.16
Total	**1,800,540,624.79**	**1,977,736,371.29**

（2） Significant accounts payable with aging over 1 year or overdue

Unit	Ending balance	Reason for non-repayment or carry-over
Company A	102,759,114.76	Pending settlement
Company B	76,528,489.81	Final payment for the project not yet settled
Company C	42,192,153.10	Final payment for the project not yet settled
Company D	32,189,624.82	Pending settlement
Company E	31,236,458.00	Pending settlement
Company F	30,327,400.00	In litigation
Company G	30,159,458.13	Pending settlement
Company H	10,600,000.00	Pending settlement
Total	**355,992,698.62**	

27. Other payables

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable		
Other payables	4,345,738,069.13	6,565,100,788.16
Total	**4,345,738,069.13**	**6,565,100,788.16**

（1） Other accounts payable presented based on the fund nature

Nature of funds	Ending balance	Beginning balance
Expenses payable	739,356,871.92	792,764,274.26
Security deposit, down payment, and deposit	271,001,594.22	272,858,608.90
Trading funds	1,146,021,076.86	1,163,502,426.04
Advance payment	3,722,771.30	3,860,617.67
Related party borrowing	200,772,321.14	2,395,873,661.72
Equity payable	1,907,063,594.47	1,870,346,451.75
Others	77,799,839.22	65,894,747.82
Total	**4,345,738,069.13**	**6,565,100,788.16**

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

Unit	Ending balance	Reason for non-repayment or carry-over
Company I	1,469,134,969.86	Equity repurchase funds and interest under the IPO valuation adjustment agreements of E3
Company J	227,514,913.68	Accrued patent fees
Company K	66,082,529.10	Pending settlement
Company L	65,077,215.48	Unsettled construction payments
Company M	30,000,000.00	Performance bond
Company N	20,301,936.47	Pending settlement
Company O	18,000,000.00	Pending settlement
Company P	13,907,467.86	Installment payments
Company Q	13,618,181.08	Payment conditions not met
Company R	12,780,275.13	Pending settlement
Total	**1,936,417,488.66**	

28. Advances from customers

Type	Ending balance	Beginning balance
Rent	3,027,128.01	3,426,361.65
Total	**3,027,128.01**	**3,426,361.65**

29. Contract liabilities

（1） Contract liabilities

Item	Ending balance	Beginning balance
Sales advances received	168,122,219.32	256,506,499.39
Total	**168,122,219.32**	**256,506,499.39**

Remarks: Contract liabilities over one year are detailed in Note "VIII. 41. Other Non-current Liabilities".

（2） Significant contract liabilities with an age of more than one year

There were no significant contract liabilities with an age of more than one year in the current period.

（3） Significant changes in book value in the current period

There were no significant changes in book value in the current period.

30. Employee compensation payable

（1） List of payrolls payable

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Short-term remuneration	212,749,450.64	509,870,191.40	526,499,070.40	196,120,571.64
Post-employment benefits-defined contribution plans	1,134,850.74	50,704,431.96	49,832,864.27	2,006,418.43
Dismissal benefits	9,291,211.72	88,455,901.74	58,240,882.35	39,506,231.11
Total	**223,175,513.10**	**649,030,525.10**	**634,572,817.02**	**237,633,221.18**

（2） Short-term remuneration

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Salaries, bonuses, allowances and subsidies	206,930,190.03	441,981,209.06	459,825,368.23	189,086,030.86
Employee benefits	2,571,832.63	20,718,690.13	20,260,249.51	3,030,273.25
Social insurance premiums	534,462.57	23,840,639.25	23,773,047.91	602,053.91
Including: Medical insurance premiums	395,544.59	21,036,123.47	21,019,776.09	411,891.97

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Work injury insurance premiums	71,524.89	2,142,572.66	2,112,565.31	101,532.24
Maternity insurance premiums	67,393.09	661,943.12	640,706.51	88,629.70
Housing fund	548,265.52	18,210,798.43	17,600,553.86	1,158,510.09
Labour union funds and education funds	2,089,059.12	4,854,010.49	4,716,293.20	2,226,776.41
Others	75,640.77	264,844.04	323,557.69	16,927.12
Total	**212,749,450.64**	**509,870,191.40**	**526,499,070.40**	**196,120,571.64**

（3） Defined contribution plans

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Basic endowment management insurance	1,072,475.78	48,713,174.15	48,057,972.83	1,727,677.10
Unemployment insurance premiums	62,374.96	1,991,257.81	1,774,891.44	278,741.33
Total	**1,134,850.74**	**50,704,431.96**	**49,832,864.27**	**2,006,418.43**

31. Taxes payable

Item	Ending balance	Beginning balance
Property tax	14,923,915.86	7,873,067.23
Value-added tax	9,309,660.60	41,389,783.89
Enterprise income tax	5,581,481.56	2,902,794.24
Land value increment tax	5,126,676.88	4,541,408.65
Land use tax	4,361,936.47	2,955,305.79
Stamp duty	3,292,662.00	5,189,868.71
Personal income tax	1,798,390.21	2,404,290.78
Tariff	1,493,943.50	1,544,659.31
City construction and maintenance tax	314,442.79	1,090,729.63

Item	Ending balance	Beginning balance
Education fees and local education surcharge	283,040.15	804,441.46
Others	1,735,835.88	579,905.73
Total	**48,221,985.90**	**71,276,255.42**

32. Non-current liabilities maturing within one year

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	1,219,878,426.74	1,610,967,861.49
Bonds payable due within one year	836,087,928.67	1,997,255,226.21
Long-term payables due within one year		
Lease liabilities due within one year	38,236,969.07	42,617,527.51
Total	**2,094,203,324.48**	**3,650,840,615.21**

33. Other current liabilities

Item	Ending balance	Beginning balance
Accounts payable paid by endorsement of outstanding notes at the end of the Reporting Period	23,699,692.56	25,720,556.07
Tax to be charged off	8,695,239.60	9,709,568.79
Refunds payable	6,640,858.12	10,947,147.43
Total	**39,035,790.28**	**46,377,272.29**

34. Long-term borrowings

Type of borrowings	Ending balance	Beginning balance
Guaranteed loan	706,294,185.84	1,255,126,167.17
Unsecured loan	9,170,327,422.20	5,466,646,895.34
As collateral for loan	1,054,539,393.22	1,044,296,964.74
In pledge for loan	413,447,610.01	382,824,571.78
Less: Amount due within one year (see Note VIII.32)	1,219,878,426.74	1,610,967,861.49
Total	**10,124,730,184.53**	**6,537,926,737.54**

35. Bonds payable

(1) Classification of bonds payable

Item	Ending balance	Beginning balance
Corporate bonds	1,624,809,022.97	3,593,930,102.58
Less: Bonds payable due within one year (see Note VIII.32)	836,087,928.67	1,997,255,226.21
Total	**788,721,094.30**	**1,596,674,876.37**

(2) Changes in bonds payable

Name	Total par value	coupon rate	Issue date	Bond maturity	Issue amount	Beginning balance	Issued in the current period	Accrue interest by par value	Amortization of premium/discount	Repayment in the current period	Ending balance	Default status
24 Konka 01 (Remark ①)	1,500,000,000.00	4.00 %	2024/1/29	3 years	1,495,200,000.00	1,553,962,264.14		4,500,000.00	1,537,735.86	1,560,000,000.00		No
24 Konka 02 (Remark ②)	400,000,000.00	4.00 %	2024/3/18	3 years	398,720,000.00	412,145,073.33		3,377,777.85	477,148.82	416,000,000.00		No
24 Konka 03 (Remark ③)	400,000,000.00	4.03 %	2024/3/18	3 years	398,720,000.00	412,239,739.99		8,060,000.00	201,257.90	16,120,000.00	404,380,997.89	No
25 Konka 01 (Remark ④)	410,000,000.00	3.50 %	2025/6/23	3 years	408,688,000.00	416,556,819.71		7,175,000.00	328,000.00	14,350,000.00	409,709,819.71	No

Name	Total par value	coupon rate	Issue date	Bond maturity	Issue amount	Beginning balance	Issued in the current period	Accrue interest by par value	Amortization of premium/discount	Repayment in the current period	Ending balance	Default status
25 Konka 03 (Remark ⑤)	790,000,000.00	2.80%	2025/7/4	3 years	787,472,000.00	799,026,205.41		11,060,000.00	631,999.96		810,718,205.37	No
Total	**3,500,000,000.00**				**3,488,800,000.00**	**3,593,930,102.58**		**34,172,777.85**	**3,176,142.54**	**2,006,470,000.00**	**1,624,809,022.97**	

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

Remark ②: "24 Konka 02" holds a term of 3 years, with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year. On January 22, 2026, the Company decided to adjust the coupon rate of "24 Konka 02" to 1.00% for the last year of its duration. According to the data from the Shenzhen Office of China Securities Depository and Clearing Co., Ltd., the number of valid put bonds declared for "24 Konka 02" during the put registration period was 4,000,000.00, with 0 not put, and the put amount was RMB 400,000,000.00. As "24 Konka 02" was fully put back, it was delisted from the Shenzhen Stock Exchange after the interest from March 18, 2025 to March 17, 2026 and the put principal of "24 Konka 02" were paid on March 18, 2026.

Remark ③: On March 18, 2024, the Company issued RMB400 million of private placement corporate bonds with a duration of three years, an annual interest rate of 4.03%, and a maturity date of March 18, 2027.

Remark ④: On June 23, 2025, the Company issued RMB410 million of private placement corporate bonds with a duration of three years (with an investor's put option and an issuer's option to adjust the coupon rate at the end of the second year), an annual interest rate of 3.50%, and a maturity date of June 23, 2028.

Remark ⑤: On July 4, 2025, the Company issued RMB790 million of private placement corporate bonds with a duration of three years (with an issuer's option to adjust the coupon rate and an investor's put option at the end of the second year), an annual interest rate of 2.80%, and a maturity date of July 4, 2028.

Remark ⑥: China Resources Co., Ltd. provides a full, unconditional, and irrevocable joint and several liability guarantee for the due payment of these public and private placement corporate bonds.

36. Lease liabilities

Item	Ending balance	Beginning balance
Lease liabilities	113,859,308.14	139,476,496.26
Less: Lease liabilities due within one year (see Note VIII.32)	38,236,969.07	42,617,527.51
Total	**75,622,339.07**	**96,858,968.75**

37. Long-term payables

Item	Ending balance	Beginning balance
Accrued finance lease outlay	1,184,362.72	2,113,713.86
Less: Unrecognized financing expenses	32,123.55	80,486.84
Amount above due within one year (see Note VIII.32)		
Total	**1,152,239.17**	**2,033,227.02**

38. Long-term employee compensations payable

Item	Ending balance	Beginning balance
Termination benefits-net liabilities of defined contribution plans	4,477,769.97	4,519,491.87
Total	**4,477,769.97**	**4,519,491.87**

39. Estimated liabilities

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation	446,578,909.85	446,591,769.85	
Performance compensation, or contingent consideration	346,222,251.09	346,222,251.09	
Product quality assurance	56,209,773.54	57,824,544.20	After-sales services for home appliance products under the "Three Guarantees"

Item	Ending balance	Beginning balance	Reason for formation
			policy
Discard expenses	2,279,280.13	2,084,301.83	
Total	**851,290,214.61**	**852,722,866.97**	

40. Deferred income

(1) Classification of deferred income

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government Grants	408,175,795.51	11,830,000.00	14,248,948.14	405,756,847.37	Related to assets/income
Total	**408,175,795.51**	**11,830,000.00**	**14,248,948.14**	**405,756,847.37**	

(2) Government subsidy projects

Government subsidy items	Beginning balance	Subsidy increase in the current period	Amount recognized as non-operating revenue for the current period	Amount recognized as other income in the current period	Other changes	Ending balance	Related to assets/income
Plant construction subsidy for Yibin Konka Industrial Park	98,906,371.81			1,159,766.16		97,746,605.65	Related to assets
Medical waste centralized treatment project in Gaoxian County, Yibin City	30,700,281.06			1,173,898.01		29,526,383.05	Related to assets
Rewards and subsidies for Special Project for Supporting the Development of Advanced Manufacturing and Modern Service Industry of Henan Frestec Smart Home	29,051,630.95			1,097,680.25		27,953,950.70	Related to assets
Shenzhen Industrial Investment Project Support Program for Konka Group Headquarters	22,445,920.61			644,380.50		21,801,540.11	Related to assets
Industrial support funds for Suining Konka Industrial Park	19,536,611.66			119,968.44		19,416,643.22	Related to assets

Government subsidy items	Beginning balance	Subsidy increase in the current period	Amount recognized as non-operating revenue for the current period	Amount recognized as other income in the current period	Other changes	Ending balance	Related to assets/income
Industrial rewards and subsidies of Henan Frestec Smart Home	19,253,579.48			240,676.73		19,012,902.75	Related to assets
Shaanxi Konka Smart's equipment renewal supported by ultra-long-term special treasury bonds	19,060,000.00					19,060,000.00	Related to assets
Returned payments for land by Chongqing Konka	17,149,091.07			196,363.62		16,952,727.45	Related to assets
Plant decoration subsidy for Yibin Konka Science and Technology Industrial Park	9,771,835.06			977,183.46		8,794,651.60	Related to assets
Other government subsidies related to assets/income	142,300,473.81	11,830,000.00		8,639,030.97		145,491,442.84	Related to assets/income
Total	**408,175,795.51**	**11,830,000.00**		**14,248,948.14**		**405,756,847.37**	

41. Other non-current liabilities

Item	Ending balance	Beginning balance
Contract liabilities over one year	201,898,911.52	283,739,354.36
Total	**201,898,911.52**	**283,739,354.36**

42. Share capital

Item	Beginning balance	Changes during the period (+, -)					Ending balance
		New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00

43. Other equity instruments

Outstanding financial instruments	Beginning balance		Increase in the current year	
	Quantity	Book value	Quantity	Book value
Perpetual bonds	5,000,000,000.00	5,000,000,000.00		
Total	**5,000,000,000.00**	**5,000,000,000.00**		

(Continued)

Outstanding financial instruments	Decrease in the current year		Ending balance	
	Quantity	Book value	Quantity	Book value
Perpetual bonds			5,000,000,000.00	5,000,000,000.00
Total			**5,000,000,000.00**	**5,000,000,000.00**

Note: On December 16, 2025, the Company issued perpetual bonds to its controlling shareholder, Panshi Runchuang (Shenzhen) Information Management Co., Ltd. According to the relevant contract, the aforementioned perpetual bonds have no definite maturity date, and the Company has the right to defer interest payments. At the same time, the Company has the sole discretion to redeem the perpetual bonds and has no contractual obligation to deliver cash or other financial assets. Therefore, they are recognized as other equity instruments.

44. Capital reserve

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Other capital reserves	406,579,870.80			406,579,870.80
Total	**406,579,870.80**			**406,579,870.80**

45. Other comprehensive income

Item	Beginning balance	Amount in the current period						Ending balance
		Amount before income tax in the current period	Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified as profits or losses	-12,300,000.00							-12,300,000.00
Including: changes in fair value of other equity instrument investments	-12,300,000.00							-12,300,000.00
II. Other comprehensive income reclassified as profits and losses	10,433,607.09	49,690,521.61				24,135,366.27	25,555,155.34	34,568,973.36

Item	Beginning balance	Amount before income tax in the current period	Amount in the current period					Ending balance
			Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
Including: Other comprehensive income that can be transferred to profits or losses under the equity method	-416,169.81							-416,169.81
Exchange difference on translating foreign operations	10,849,776.90	49,690,521.61				24,135,366.27	25,555,155.34	34,985,143.17
Total of other comprehensive income	**-1,866,392.91**	**49,690,521.61**				**24,135,366.27**	**25,555,155.34**	**22,268,973.36**

46. Special reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fund	17,197,144.62	5,215,909.48	800,012.65	21,613,041.45
Total	**17,197,144.62**	**5,215,909.48**	**800,012.65**	**21,613,041.45**

47. Surplus reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	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**

48. Undistributed profits

Item	Current period	Previous period
Retained earnings as at the end of the previous period before the adjustment	**-15,157,108,084.70**	**-1,797,506,898.08**
Adjustment to total undistributed profits at the beginning of the period (+ for increase and - for decrease)		-777,201,329.82
Undistributed profits at the beginning of the period after adjustment	**-15,157,108,084.70**	**-2,574,708,227.90**
Plus: Net profit attributable to owners of the parent company in this period	-172,780,295.60	-12,582,399,856.80
Capital reserves used to offset losses		
Less: Appropriation of statutory surplus reserves		
Ordinary share dividends payable		
Balance at the end of the current period	**-15,329,888,380.30**	**-15,157,108,084.70**

49. Operating revenue and operating costs

（1） Operating revenue and cost of sales

Item	Amount in the current period	Amount in the previous period

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal activity	3,601,045,057.41	3,426,415,308.74	4,918,681,643.02	4,759,316,001.26
Other businesses	250,526,312.93	178,408,616.31	328,826,206.25	223,627,213.43
Total	**3,851,571,370.34**	**3,604,823,925.05**	**5,247,507,849.27**	**4,982,943,214.69**

（2） Information on the breakdown of operating revenue and cost of sales

Category of contracts	Amount in the current period		Amount in the previous period	
	operating revenue	Cost of sales	operating revenue	Cost of sales
Business type				
Including: White TV	1,910,578,496.64	1,809,196,805.16	2,095,189,645.55	1,973,305,089.16
Color TV	1,205,726,825.37	1,188,432,239.08	2,244,724,045.65	2,235,973,005.98
PCB business	215,705,064.25	212,005,859.93	263,122,283.88	237,844,625.04
Semiconductor and memory chip business	125,159,148.68	88,637,175.43	97,383,684.29	102,190,984.23
Other businesses	394,401,835.40	306,551,845.45	547,088,189.90	433,629,510.28
Total	**3,851,571,370.34**	**3,604,823,925.05**	**5,247,507,849.27**	**4,982,943,214.69**
Classified by operating region				
Of which: Domestic	2,712,328,151.23	2,537,337,472.26	3,538,077,644.56	3,338,376,377.57
Overseas	1,139,243,219.11	1,067,486,452.79	1,709,430,204.71	1,644,566,837.12
Total	**3,851,571,370.34**	**3,604,823,925.05**	**5,247,507,849.27**	**4,982,943,214.69**

（3） Information in relation to the trade price apportioned to the residual contract performance obligation

The amount of revenue corresponding to the performance obligations that had been signed but not yet performed or not yet completed at the end of the Reporting Period was RMB316,451,499.01, of which RMB267,049,245.50 was expected to be recognized as revenue in 2026, RMB38,133,211.98 was expected to be recognized as revenue in 2027, and RMB11,269,041.53 was expected to be recognized as revenue in 2028 and thereafter.

50. Taxes and surcharges

Item	Amount in the current period	Amount in the previous period
Property tax	24,601,454.65	24,311,180.40
Stamp duty	7,729,010.84	14,065,831.49

Item	Amount in the current period	Amount in the previous period
Land use tax	9,986,123.66	9,424,136.83
Urban maintenance and construction tax	3,418,187.37	2,012,107.89
Education surcharge	1,643,024.25	955,454.58
Local education surcharge	1,095,196.87	636,968.01
Water resources fund	228,849.27	393,355.44
Others	981,314.16	1,058,794.12
Total	**49,683,161.07**	**52,857,828.76**

51. G&A expenses

Item	Amount in the current period	Amount in the previous period
Employee Compensation	213,931,965.46	133,183,343.18
Depreciation charges	58,301,318.59	104,104,411.98
Intermediary fees	5,517,270.77	10,436,533.14
Travel expenses	1,856,916.58	2,127,820.45
Water and electricity expenses	3,357,130.99	6,399,979.25
Loss on scrapping of inventories	225,428.15	949,468.49
Others	20,193,378.38	16,444,914.27
Total	**303,383,408.92**	**273,646,470.76**

52. Selling and distribution expenses

Item	Amount in the current period	Amount in the previous period
Employee Compensation	115,930,560.15	148,789,207.61
Advertising expense	9,509,453.07	42,199,803.07
Promotional activities	40,347,829.09	52,144,952.78
Logistics fee	17,824,812.57	26,982,858.70
Travel expenses	5,004,339.87	8,395,457.65
Lease expense	4,015,758.60	3,584,938.17
Entertainment fees	1,770,973.97	4,397,168.37
Exhibition fees	1,198,514.66	794,856.72
Others	12,981,958.49	18,236,171.59
Total	**208,584,200.47**	**305,525,414.66**

53. R&D expenses

Item	Amount in the current period	Amount in the previous period
Labor costs	90,024,002.59	96,735,140.30
Depreciation and amortization expenses	55,439,467.41	59,670,273.81
New product trial production expense	1,159,885.83	900,602.57
Material expense	3,482,379.47	9,793,459.90
Commission service fee	28,728.16	134,759.46
Testing expense	1,406,384.01	1,604,963.68
Information use fee	256,060.64	308,099.64
Others	16,568,259.49	18,803,996.32
Total	**168,365,167.60**	**187,951,295.68**

54. Financial expenses

Item	Amount in the current period	Amount in the previous period
Interest expense	312,546,386.07	350,360,105.59
Less: Interest income	105,092,356.22	72,105,599.49
Add: Exchange loss	86,080,919.42	12,128,908.22
Other expenses	1,254,565.19	20,345,947.47
Total	**294,789,514.46**	**310,729,361.79**

55. Other income

Sources of other income	Amount in the current period	Amount in the previous period
Support funds	192,783.00	14,558,900.00
Rewards and subsidies	395,973.49	8,415,646.07
Transfer of deferred income	14,248,948.14	16,988,800.86
Tax rebates on software	2,578,908.20	252,760.60
Post subsidies	217,142.33	304,630.24
Subsidies for L/C exports	593,228.69	450,000.00
Others	961,341.92	
Total	**19,188,325.77**	**40,970,737.77**

56. Gains from changes in fair value

Sources of gains from changes in the fair value	Amount in the current period	Amount in the previous period
Financial assets measured at fair value through current profit or loss	62,041,331.96	173,409,194.85
Total	**62,041,331.96**	**173,409,194.85**

57. Investment income

Item	Amount in the current period	Amount in the previous period
Returns on long-term equity investments calculated by the equity method	428,284,698.54	-42,498,270.14
Return on investment arising from the disposal of long-term equity investments	6,409,898.34	-211,552.65
Conversion of long-term equity investments accounted for by the equity method to financial assets		655,666,680.89
Gains from remeasurement of residual stock rights at fair value after losing control power		51,916.92
Interest income from debt investments during the holding period	2,771,983.93	2,470,451.36
Investment income from financial assets held for trading during the holding period		420,553.86
Income from the derecognition of financial assets at amortized cost	-1,192,931.11	-2,541,005.90
Investment income from disposal of financial assets measured at fair value through profit or loss	-6,211,289.14	-73,011,755.91
Total	**430,062,360.56**	**540,347,018.43**

58. Credit loss

Item	Amount in the current period	Amount in the previous period
Bad debt loss of notes receivable	45,364.85	24,121.03
Bad debt loss of accounts receivable	40,562,196.65	-40,844,738.44
Bad debt loss of other accounts receivable	-14,355,725.36	-76,271,800.35
Total	**26,251,836.14**	**-117,092,417.76**

59. Assets impairment loss

Item	Amount in the current period	Amount in the previous period
Inventory depreciation loss and contract performance cost impairment loss	-34,598,250.02	-85,468,130.96
Impairment loss on fixed assets	-30,763.46	

Item	Amount in the current period	Amount in the previous period
Contractual asset impairment loss	-112,385.82	64,275.10
Total	**-34,741,399.30**	**-85,403,855.86**

60. Gains from disposal of assets

Item	Amount in the current period	Amount in the previous period
Gains on disposal of non-current assets	-105,935.16	31,513,481.94
Including: gains on disposal of non-current assets not classified as held-for-sale assets	-105,935.16	31,513,481.94
Including: gains on disposal of fixed assets	-105,935.16	30,906,667.28
Gains on disposal of right-of-use assets		606,814.66
Total	**-105,935.16**	**31,513,481.94**

61. Non-operating revenue

（1） Details of non-operating revenue

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Compensation and penalty income	3,056,319.77	2,742,411.30	3,056,319.77
Non-current assets damage and retirement gains	69,038.74	268,150.12	69,038.74
Others	3,707,421.34	6,291,648.09	3,707,421.34
Total	**6,832,779.85**	**9,302,209.51**	**6,832,779.85**

（2） Government grants recognized as profit or loss of the Reporting Period

The Group had no government grants included in the current profit or loss in the current period.

62. Non-operating expenses

Item	Current amount	Amount for the previous period	Amount included in the current non-recurring profit or loss
Losses on damage and scraping of non-current assets	485,922.33	1,223,752.24	485,922.33
Compensation expense	90,864.70	119,454.41	90,864.70
Others	3,320,705.44	2,306,994.33	3,320,705.44
Total	**3,897,492.47**	**3,650,200.98**	**3,897,492.47**

63. Income tax expense

(1) Income tax expense

Item	Amount in the current period	Amount in the previous period
Income tax expense in the current year	12,168,200.67	14,766,007.62
Deferred income tax expense	-20,712,597.66	205,603,500.30
Total	**-8,544,396.99**	**220,369,507.92**

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

Item	Amount in the current period
Total consolidated profit in the current period	-272,426,199.88
Income tax expense calculated at legal/applicable tax rate	-68,106,549.97
Impact of different tax rates applied by subsidiaries	11,473,101.82
Impact of income tax in the periods before adjustment	4,707,193.17
Impact of non-taxable income	-266,863,072.66
Impacts of non-deductible costs, expenses, and losses	-500,062.16
Impact of using deductible losses on the deferred tax assets not recognized previously	-5,802,957.00
Effect of deductible temporary differences or deductible losses from deferred tax assets unrecognized in the current period	316,808,980.84
Changes in the balance of deferred tax assets/liabilities in previous period due to adjustment of tax rate	
Others	-261,031.03
Income tax expense	-8,544,396.99

64. Other comprehensive income

For details, please refer to Note "VIII. 45 Other comprehensive income".

65. Items of statement of cash flows

(1) Cash related to operating activities

1) Cash generated from other operating activities

Item	Amount in the current period	Amount in the previous period
Income from government grants	23,541,247.31	48,738,644.95
Front money and guarantee deposit	61,509,791.92	41,698,070.33
Interest income from bank deposits	10,343,774.61	12,715,233.74

Item	Amount in the current period	Amount in the previous period
Trading funds	105,719,083.85	84,787,383.62
Compensation and penalty income	3,226,460.19	3,109,325.19
Others	24,963,143.93	24,471,226.45
Total	**229,303,501.81**	**215,519,884.28**

2） **Cash used in other operating activities**

Item	Amount in the current period	Amount in the previous period
Cash payment fee	161,424,669.74	253,883,805.96
Deposit and margin	115,083,846.17	53,249,245.94
Payment made on behalf	90.00	28,616.88
Expense for bank handling charges	865,304.41	1,726,391.23
Others	21,855,655.84	42,373,701.96
Total	**299,229,566.16**	**351,261,761.97**

(2) Cash related to investing activities

1） **Cash generated from other investing activities**

Item	Amount in the current period	Amount in the previous period
Recovery of loan at call		
Cash received from acquisition of subsidiaries		
Others		858,150.68
Total		**858,150.68**

2） **Cash used in other investing activities**

Item	Amount in the current period	Amount in the previous period
Payment of loan at call		
Cash paid for disposal of subsidiaries		
Others	48,483.53	21,122,140.00
Total	**48,483.53**	**21,122,140.00**

(3) Cash related to financing activities

1） **Cash generated from other financing activities**

Item	Amount in the current period	Amount in the previous period
Recovery of margin deposit pledged	1,136,434,776.17	1,385,979,814.26
Receiving loan at call		700,000.00
Others	157,261.11	
Total	**1,136,592,037.28**	**1,386,679,814.26**

2） **Cash used in other financing activities**

Item	Amount in the current period	Amount in the previous period
Deposit as margin for pledge	577,001,715.84	1,220,117,802.84
Cash paid for leases	17,608,325.78	27,571,130.91
Retuning loan at call	2,199,917,902.74	20,800,521.46
Financing cost	194,323.50	18,690,332.38
Others	11,708,942.13	9,741,719.08
Total	**2,806,431,209.99**	**1,296,921,506.67**

3） **Changes in liabilities arising from financing activities**

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Non-current liabilities maturing within one year	3,650,840,615.21		2,019,687,704.67	2,719,092,827.20	857,232,168.20	2,094,203,324.48
Short-term borrowings	4,575,915,552.66	1,835,707,833.34	42,011,962.11	3,981,171,059.23		2,472,464,288.88
Long-term borrowings	6,537,926,737.54	3,995,000,000.00	987,182,461.74	236,110,566.20	1,159,268,448.55	10,124,730,184.53
Bonds payable	1,596,674,876.37		46,349,146.76	18,215,000.16	836,087,928.67	788,721,094.30
Lease liabilities	96,858,968.75		3,925,129.03	2,020,290.08	23,141,468.63	75,622,339.07
Long-term payables	2,033,227.02		48,363.29	469,071.50	460,279.64	1,152,239.17
Total	**16,460,249,977.55**	**5,830,707,833.34**	**3,099,204,767.60**	**6,957,078,814.37**	**2,876,190,293.69**	**15,556,893,470.43**

(4) **Notes to the presentation of cash flows on a net basis**

No cash flows were presented on a net basis in the current period.

(5) **Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future**

Item	Amount in the current period
Payment for materials made by endorsement of notes receivable	866,065,931.05
Acquisition of long-term assets by endorsement of notes receivable	36,121,469.83
Other payments made by endorsement of notes receivable	72,045,514.30

66. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Item	Current amount	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	-263,881,802.89	-497,119,077.09
Add: Provision for asset impairment	34,741,399.30	85,403,855.86
Credit impairment loss	-26,251,836.14	117,092,417.76
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	167,195,559.18	220,353,011.40
Depreciation of right-of-use assets	23,199,763.27	24,890,541.80
Amortization of intangible assets	15,369,541.45	23,917,196.86
Amortization of long-term prepaid expense	66,163,656.40	70,142,033.93
Losses on disposal of fixed assets, intangible assets and other long-lived assets (" " indicates income)	105,935.16	-31,513,481.94
Losses on scrap of fixed assets (" " indicates income)	416,883.59	955,602.12
Losses on changes in fair value (" " indicates income)	-62,041,331.96	-173,409,194.85
Finance costs (" " indicates income)	305,945,156.45	320,688,430.62
Investment loss (" " indicates income)	-430,062,360.56	-540,347,018.43
Decrease in deferred tax assets ("-" for increase)	-737,968.97	6,266,494.74
Increase in deferred income tax liabilities (" " indicates decrease)	-18,477,742.06	203,196,489.95

Item	Current amount	Amount for the previous period
Decrease in inventories (" " indicates increase)	184,573,976.80	133,699,360.03
Decrease in accounts receivable generated from operating activities (" " indicates increase)	136,967,524.15	-142,879,274.45
Increase in accounts payable used in operating activities (" " indicates decrease)	-655,132,076.42	-479,972,018.38
Others	-14,248,948.14	-16,988,800.86
Net cash generated from/used in operating activities	-536,154,671.39	-675,623,430.93
2. Significant investment and financing activities not involving cash		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,875,290,029.52	2,502,399,179.47
Less: beginning balance of cash	5,020,469,510.26	2,783,177,476.45
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	**-3,145,179,480.74**	**-280,778,296.98**

(2) Supplier finance arrangements

①Terms and conditions of supplier finance arrangements

The Group entered into agreements with banks and financial institutions, under which qualified suppliers approved by the Group can assign their eligible accounts receivable from the Group to the banks. The Group fulfills its unconditional payment obligation when the payables become due.

② Balance Sheet Presentation Items and Related Information (Unit: RMB '0,000)

Line items	Ending balance	Beginning balance
Accounts payable		75.35
Of which: Amount received by suppliers		75.35
Total		**75.35**

③ Maturity date ranges of payments

	Ending	Beginning

Liabilities under the arrangements	360-365 days after the date of issuance	360-365 days after the date of issuance
Comparable accounts payable not under the arrangements	-	-

④ Changes in the current period not involving cash receipts and payments

The changes in the Group's aforementioned financial liabilities were not affected by business combinations or exchange rate fluctuations.

(3) Net cash paid for acquisition of subsidiaries in the current period

No net cash was paid for the acquisition of subsidiaries in the current period.

(4) Net cash received for disposal of subsidiaries in the current period

There was no net cash received from disposal of subsidiaries in the current period.

(5) Breakdowns of cash and cash equivalents

Item	Ending balance	Beginning balance
Cash	1,875,290,029.52	5,020,469,510.26
Including: Cash on hand		
Bank deposits available for payment at any time	1,870,288,437.69	5,015,971,489.92
Other monetary funds available for payment at any time	5,001,591.83	4,498,020.34
Balance of cash and cash equivalents at the end of the year	**1,875,290,029.52**	**5,020,469,510.26**

(6) Limited use but still presented as cash and cash equivalents

Item	Current amount	Amount for the previous period	Reasons for classifying the funds as cash and cash equivalents
Project loan proceeds	15,329,963.22	21,235,919.44	The proceeds can be used at any time to make payments, and such payments can only be made for projects
Project pre-sale funds	12,412,922.19	14,945,902.26	The proceeds can be used at any time to make payments, and such payments can only be made for

Item	Current amount	Amount for the previous period	Reasons for classifying the funds as cash and cash equivalents
			projects
Total	**27,742,885.41**	**36,181,821.70**	**—**

(7) Monetary funds not classified as cash and cash equivalents

Item	Current amount	Amount for the previous period	Reasons for not classifying the funds as cash and cash equivalents
Cash deposit	202,348,614.05	699,851,445.35	It is pledged for borrowing or deposit for issuance of banker acceptance
Time deposits	440,277,833.44	540,851,836.28	The management intends to hold the deposits to maturity
Frozen funds	170,026,597.32	82,682,461.71	Not readily available for payment
Total	**812,653,044.81**	**1,323,385,743.34**	**—**

67. Notes to the statements of changes in owners' equity

No "other" amount in the closing amount of last period was adjusted in the current period.

68. Foreign currency monetary items

（1） Foreign currency monetary items

Item	Ending balance of foreign currency	Exchange rate	Ending balance denominated in RMB
Monetary assets			
Including: USD	28,421,610.63	6.81090	193,576,747.84
EUR	73,595.43	7.76956	571,804.11
EGP	7,670,952.05	0.13843	1,061,889.89
GBP	1.32	9.01793	11.90
HKD	1,239,667.14	0.86855	1,076,712.89
CAD	6.96	4.79007	33.34
PLN	1,966,405.02	1.81154	3,562,221.35

Item	Ending balance of foreign currency	Exchange rate	Ending balance denominated in RMB
Accounts receivable			
Including: USD	85,075,181.64	6.81090	579,438,554.63
EUR	176,089.46	7.76956	1,368,137.62
HKD	954,432.71	0.86855	828,972.53
AUD	49,764.00	4.68124	232,957.23
Prepayment			
Including: USD	57,671.50	6.81090	392,794.82
Other receivables			
Including: USD	109,382,627.43	6.81090	744,994,137.16
EGP	108,000.00	0.13843	14,950.44
HKD	12,794,169.39	0.86855	11,112,375.82
JPY	21,400,000.00	0.04201	899,054.66
Accounts payable			
Including: USD	2,928,087.97	6.81090	19,942,914.35
EUR	10,931.74	7.76956	84,934.81
EGP	30,620,358.59	0.13843	4,238,776.24
HKD	14,248.91	0.86855	12,375.89
Other payables			
Including: USD	3,047,271.49	6.81090	20,754,661.39
EUR	94,328.95	7.76956	732,894.44
EGP	498,014.80	0.13843	68,940.19
HKD	14,171,929.24	0.86855	12,309,029.14

（2） Overseas entities

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

IX. R&D expenditures

Item	Amount in the current period	Amount in the previous period
Labor costs	90,024,002.59	96,735,140.30
Depreciation and amortization expenses	55,439,467.41	59,670,273.81
New product trial production expense	1,159,885.83	900,602.57
Material expense	3,482,379.47	9,793,459.90
Commission service fee	28,728.16	134,759.46
Testing expense	1,406,384.01	1,604,963.68
Information use fee	256,060.64	308,099.64
Others	16,568,259.49	18,803,996.32
Total	**168,365,167.60**	**187,951,295.68**
Including: Expensed R&D expenditure	168,365,167.60	187,951,295.68
Capitalized R&D expenditure		

X. Changes in consolidation scope

1. Business combination not under common control

The Group had no business combinations not under common control in the current period.

2. Business combination under common control

The Group had no business combinations under common control in the current period.

3、Disposal of subsidiaries

No subsidiaries were disposed of in the current period.

4. Change of consolidation scope due to other reasons

No subsidiaries were newly established or deregistered in the current period.

XI. Equity in other entities

1. Equity in the subsidiaries

(1) Compositions of the Group

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
1	Konka Venture	Shenzhen, Guangdong	Shenzhen, Guangdong	Enterprise management consulting, incubation management, housing leasing, etc.	51		Establishment or investment
2	Yantai Konka	Yantai, Shandong	Yantai, Shandong	Other professional consulting and investigation		51	Establishment or investment
3	Konka Enterprise Service	Guiyang, Guizhou	Guiyang, Guizhou	Enterprise management consulting		51	Establishment or investment
4	Yibin Konka Incubator	Yibin, Sichuan	Yibin, Sichuan	Commercial services		51	Establishment or investment
5	Anhui Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	78		Establishment or investment
6	Kangzhi Trade	Chuzhou, Anhui	Chuzhou, Anhui	Wholesale		78	Establishment or investment
7	Konka Electronic Materials	Shenzhen, Guangdong	Shenzhen, Guangdong	Other science and technology promotion services	100		Establishment or investment
8	Konka Unifortune	Shenzhen, Guangdong	Shenzhen, Guangdong	Trade and services	51		Establishment or investment
9	Jiali International	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
10	Dongguan Konka	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing	75	25	Establishment or investment
11	Suining Konka Smart	Suining, Sichuan	Suining, Sichuan	Wholesale		100	Establishment or investment
12	Konka Europe	Frankfurt, Germany	Frankfurt, Germany	International trade	100		Establishment or investment
13	Telecommunications Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	75	25	Establishment or investment
14	Konka Mobility	Hong Kong, China	Hong Kong, China	Commercial		100	Establishment or investment
15	Technology Industry Development	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial	100		Establishment or investment
16	Sichuan Konka	Yibin, Sichuan	Yibin, Sichuan	Manufacturing		100	Establishment or investment
17	Yibin Konka Intelligent	Yibin, Sichuan	Yibin, Sichuan	Manufacturing		100	Establishment or investment
18	Anhui Tongchuang	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	100		Establishment or investment
19	Anhui Electrical Appliance	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		51	Establishment or investment
20	Frestec Refrigeration	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business combinations not under common control
21	Frestec Smart Home	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Establishment or investment
22	Frestec Electrical Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business combinations not

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
							under common control
23	Frestec Household Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51	Business combinations not under common control
24	Jiangsu Konka Smart	Changzhou, Jiangsu	Changzhou, Jiangsu	Manufacturing		51	Establishment or investment
25	Kangjiatong	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Trade and services	100		Establishment or investment
26	Pengrun Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Trade and services	51		Establishment or investment
27	Jiaxin Technology	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment
28	Beijing Konka Electronics	Langfang, Hebei	Langfang, Hebei	Sale of home appliances	100		Establishment or investment
29	Tianjin Konka	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service industry		100	Establishment or investment
30	Konka Circuit	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	100		Establishment or investment
31	Boluo Precision	Boluo, Guangdong	Boluo, Guangdong	Manufacturing		100	Establishment or investment
32	Hong Kong Konka	Hong Kong, China	Hong Kong, China	International trade	100		Establishment or investment
33	Hongdin Investment	Hong Kong, China	Hong Kong, China	Investment holding		100	Establishment or investment
34	Chain Kingdom Memory Technologies	Hong Kong, China	Hong Kong, China	International trade		51	Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
35	Chain Kingdom Semiconductor (Shaoxing)	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Trade and services		51	Establishment or investment
36	Hongjet	Hong Kong, China	Hong Kong, China	Trade and services		51	Establishment or investment
37	Hongdin Trading	Hong Kong, China	Hong Kong, China	International trade		100	Establishment or investment
38	Kanghao Technology	Cairo, Egypt	Cairo, Egypt	International trade		67	Establishment or investment
39	Konka North America	California, USA	California, USA	International trade		100	Establishment or investment
40	Konka Investment	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital market services	100		Establishment or investment
41	Yibin Konka Technology Park	Yibin, Sichuan	Yibin, Sichuan	Industrial park development and operation management		100	Establishment or investment
42	Konka Capital	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital market services		100	Establishment or investment
43	Konka Suiyong	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		51	Establishment or investment
44	Shengxing Industrial	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		51	Establishment or investment
45	Zhitong Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		51	Establishment or investment
46	Electronics Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	100		Establishment or investment
47	Shenzhen Kangcheng	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		100	Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
48	Xiaojia Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail trade		100	Establishment or investment
49	Haimen Konka	Nantong, Jiangsu	Nantong, Jiangsu	Trade and services		100	Establishment or investment
50	Chengdu Konka Electronics	Chengdu, Sichuan	Chengdu, Sichuan	Manufacturing		100	Establishment or investment
51	Xingda Hongye	Zhongshan, Guangdong	Zhongshan, Guangdong	Manufacturing		51	Business combinations not under common control
52	Liaoyang Kangshun	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale		100	Establishment or investment
53	Liaoyang Kangshun Renewable	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of renewable resources		100	Establishment or investment
54	Nanjing Konka	Nanjing, Jiangsu	Nanjing, Jiangsu	Wholesale		100	Establishment or investment
55	Shanghai Konka	Shanghai	Shanghai	Real estate	100		Establishment or investment
56	Yantai Kangjin	Yantai, Shandong	Yantai, Shandong	Real estate		62.8	Establishment or investment
57	Jiangxi Konka	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing	51		Business combinations not under common control
58	Xinfeng Microcrystal	Nanchang, Jiangxi	Nanchang, Jiangxi	Manufacturing and processing		51	Business combinations not under common control

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
59	Shenzhen Nianhua	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services	100		Establishment or investment
60	Shenzhen Konka Semiconductor	Shenzhen, Guangdong	Shenzhen, Guangdong	Semiconductors	100		Establishment or investment
61	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment
62	Ji'an Konka	Ji'an, Jiangxi	Ji'an, Jiangxi	Commercial services	51		Establishment or investment
63	Suining Konka Industrial Park	Suining, Sichuan	Suining, Sichuan	Industrial park development and operation management	100		Establishment or investment
64	Suining Electronic Technological Innovation	Suining, Sichuan	Suining, Sichuan	Commercial services	100		Establishment or investment
65	Shenzhen Chuangzhi Electrical Appliances	Shenzhen, Guangdong	Shenzhen, Guangdong	Wholesale	100		Establishment or investment
66	Chongqing Optoelectronic Technology	Chongqing	Chongqing	Research & experiment development	70	5	Establishment or investment
67	Kowin Memory (Shenzhen)	Shenzhen, Guangdong	Shenzhen, Guangdong	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
68	Konka ChipCloud Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
69	Nanjing Konka Smart	Nanjing, Jiangsu	Nanjing, Jiangsu	Technology promotion and application services	51		Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
70	Ningbo Kanghanrui Electric Appliances	Ningbo, Zhejiang	Ningbo, Zhejiang	Electrical machinery and equipment manufacturing	60		Establishment or investment
71	Suining Jiarun Property	Suining, Sichuan	Suining, Sichuan	Real estate	100		Establishment or investment
72	Yibin Kangrun	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance services	67		Establishment or investment
73	Hainan Konka Technology	Haikou, Hainan	Haikou, Hainan	Commercial services	100		Establishment or investment
74	Jiangxi High-transparency Substrate	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing		51	Business combinations not under common control
75	Nantong Konka	Nantong, Jiangsu	Nantong, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
76	Chuzhou Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		94.9	Establishment or investment
77	Konka Flexible Electronics	Suining, Sichuan	Suining, Sichuan	Manufacturing		97.5	Establishment or investment
78	Konka Hongye Electronics	Suining, Sichuan	Suining, Sichuan	Manufacturing		95.05	Establishment or investment
79	Kowin Memory (Hong Kong)	Hong Kong, China	Hong Kong, China	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment
80	Konka Cross-border (Hebei)	Handan, Hebei	Handan, Hebei	Wholesale	100		Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
81	Konka Central China	Changsha, Hunan	Changsha, Hunan	Commercial services	100		Establishment or investment
82	Yibin Kangrun Medical	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance services		63.65	Establishment or investment
83	Shanxi Konka Intelligent	Xi'an, Shanxi	Xi'an, Shanxi	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment
84	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
85	Anlu Konka	Anlu, Hubei	Anlu, Hubei	Software and information technology services		100	Establishment or investment
86	Kanghong Dongsheng	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		95.09	Establishment or investment
87	Guizhou Konka New Material Technology	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Manufacturing and processing		51	Establishment or investment
88	Shanxi Smart Home Appliance	Jincheng, Shanxi	Jincheng, Shanxi	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
89	Guizhou Kanggui Material Technology	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Manufacturing and processing	70		Establishment or investment
90	Nantong Kanghai	Nantong, Jiangsu	Nantong, Jiangsu	Real estate	51		Establishment or investment
91	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
92	Jiangxi Konka High-tech Park	Shangrao, Jiangxi	Shangrao, Jiangxi	Commercial services	100		Establishment or investment
93	Shangrao Konka Electronic Technology Innovation	Shangrao, Jiangxi	Shangrao, Jiangxi	Research & experiment development	100		Establishment or investment
94	Zhejiang Konka Electronic	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Research & experiment development	100		Establishment or investment
95	Zhejiang Konka Technology Industry	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Commercial services	51	49	Establishment or investment
96	Xi'an Konka Intelligent	Xi'an, Shanxi	Xi'an, Shanxi	Wholesale		51	Establishment or investment
97	Xi'an Konka Network	Xi'an, Shanxi	Xi'an, Shanxi	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
98	Xi'an Kanghong Technology Industry	Xi'an, Shanxi	Xi'an, Shanxi	Commercial services	40	60	Establishment or investment
99	Xi'an Konka Intelligent Technology	Xi'an, Shanxi	Xi'an, Shanxi	Retail trade	100		Establishment or investment
100	Songyang Industry Operation	Lishui, Zhejiang	Lishui, Zhejiang	Software and information technology services		51	Establishment or investment
101	Kangyan Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
102	Songyang Konka Intelligent	Lishui, Zhejiang	Lishui, Zhejiang	Wholesale	100		Establishment or investment
103	Konka North China	Tianjin	Tianjin	Electrical machinery and	100		Establishment or

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
				equipment manufacturing			investment
104	Digital Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		100	Establishment or investment

(2) Significant non-wholly-owned subsidiaries

Company name	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in this period	Dividends declared to be distributed to minority shareholders in this period	Ending balance of minority shareholders' equities
Shanxi Konka Intelligent	49.00%	-6,308,400.14		156,230,848.79

(3) Key financial information of significant non-wholly-owned subsidiaries

Name of subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanxi Konka Intelligent	346,995,825.88	547,052,389.17	894,048,215.05	280,399,745.69	294,810,002.44	575,209,748.13

Name of subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanxi Konka Intelligent	726,253,447.73	547,389,728.20	1,273,643,175.93	643,226,943.87	298,974,204.21	942,201,148.08

Name of subsidiary	Amount in the current period			
	operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent	134,412,722.53	-12,874,286.01	-12,874,286.01	-1,059,106.12

Name of subsidiary	Amount in the previous period			
	operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent	106,057,798.34	-14,556,410.13	-14,556,410.13	-4,779,480.52

2. **Equity in associates**

(1) Important associates

Name of associates	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Accounting processing method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	Investment management		49.95	Equity method
Shenzhen Jielunte Technology Co., Ltd.	Shenzhen	Shenzhen	Professional machinery manufacturing		42.79	Equity method

(2) Key financial information of significant associates

Item	Ending balance/amount incurred in the current period		Beginning balance/amount incurred in previous period	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.

Item	Ending balance/amount incurred in the current period		Beginning balance/amount incurred in previous period	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	361,962,760.84	250,977,751.37	350,138,667.41	219,896,979.76
Including: cash and cash equivalents	30,599,550.78	15,919,211.70	18,775,457.35	16,787,261.84
Non-current assets		368,635,137.77		381,156,956.39
Total assets	361,962,760.84	619,612,889.14	350,138,667.41	601,053,936.15
Current liabilities	32,171,808.25	309,881,281.60	20,026,785.45	280,946,973.50
Non-current liabilities		140,110,039.83		140,456,865.19
Total liabilities	32,171,808.25	449,991,321.43	20,026,785.45	421,403,838.69
Total net assets	329,790,952.59	169,621,567.71	330,111,881.96	179,650,097.46
Including: minority equity		3,687,277.66		4,215,206.30
Equities attributable to shareholders of the parent company	329,790,952.59	165,934,290.05	330,111,881.96	175,434,891.16
Share of net assets calculated based on the shareholding	164,730,580.82	71,003,282.71	164,890,885.04	75,068,589.93
Adjustments				

Item	Ending balance/amount incurred in the current period		Beginning balance/amount incurred in previous period	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
--Goodwill				
--Unrealized profit of internal transactions				
--Others				
Book value of equity investments in associated enterprises	164,730,580.82	71,003,282.71	164,890,885.04	80,165,191.30
Fair value of equity investments in associates with publicly quoted prices				
operating revenue		167,820,427.24		173,767,758.81
Finance costs	-14,270.63	5,439,755.12	-41,957.20	4,931,999.28
Income tax expense		2,604,773.10		4,045,925.04
Net profit	-320,929.37	-10,314,401.65	-233,242.80	-11,900,755.32
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	-320,929.37	-10,314,401.65	-233,242.80	-11,900,755.32

Item	Ending balance/amount incurred in the current period		Beginning balance/amount incurred in previous period	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Dividend received from joint venture in the current year				

(3) Summarized financial information of unimportant associates

Item	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in previous period
Associates		
Total book value of investments	2,183,737,703.33	1,780,982,080.65
The total of following items according to the shareholding proportions		
--Net profit	433,146,694.53	-33,813,434.11
--Other comprehensive income		35,170.29
--Total comprehensive income	433,146,694.53	-33,778,263.82

XII. Government grants

1. Liability items involving government grants

Account title	Beginning balance	Subsidy increase in the current period	Amount recognized as non-operating revenue for the current period	Amount transferred to other income for the current period
Deferred income	408,175,795.51	11,830,000.00		14,248,948.14

(Continued)

Account title	Other changes in the current period	Ending balance	Related to assets/ income
Deferred income		405,756,847.37	Related to assets/ income

2. Government grants included in the current profit or loss

Account title	Amount in the current period	Amount in the previous period
Other income	19,188,325.77	40,970,737.77
Finance costs		

XIII. Risks associated with financial instruments

The Group's main financial instruments include borrowings, accounts receivable, accounts payable, trading financial assets, and equity instrument investments. Please refer to Note VIII for detailed descriptions of various financial instruments. The risks related to these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these risk exposures to ensure that these risks are controlled within a limited scope.

1. Management objectives and policies for various risks

The Group's objective in risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risk on the Group's operating performance, and maximize the interests of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determining and analyzing the various risks faced by the Company, setting up the bottom line of risk and conducting appropriate risk management, and timely supervising various risks in a reliable way and controlling the risk within the range of limit.

(1) Market risks

1) Exchange rate risk

Foreign exchange risk refers to the risks that may lead to losses due to fluctuation in exchange rate. The foreign exchange risk borne by the Group is related to USD. Except the procurement and sales in USD of the Company's subsidiaries Hong Kong Konka, Hongdin Trading, Chain Kingdom Memory Technologies, Hongjet and Jiali, the Group's other primary business activities are settled in RMB. The currency risk arising from the assets and liabilities of such balance in USD may affect the Group's operating results. As of June 30, 2026, the Group's assets and liabilities were mainly the balance in RMB except for the assets or liabilities of a balance in USD as listed below.

Item	Ending amount	Beginning amount
Monetary assets	28,421,615.79	27,663,141.48
Accounts receivable	85,075,181.64	87,163,632.40
Other receivables	109,382,627.43	110,851,224.81
Other payables	2,928,087.97	5,589,778.90
Accounts payable	3,047,271.49	3,108,148.44

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

2) Interest rate risk

The Group bears interest rate risk due to interest rate changes of interest-bearing financial assets and liabilities. The Group's interest bearing financial assets are mainly bank deposits, of which the majority of the variable interest rates are short-term in nature, while the interest bearing financial liabilities are mainly bank borrowings and corporate bonds. The Group's long-term bank borrowings and corporate bonds have fixed interest rates. The risk of changes in cash flows of financial instruments due to interest rate fluctuations is mainly related to short-term bank borrowings with floating interest rates. The Group's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As of June 30, 2026, the balance of such short-term borrowings was RMB 2,472,464,288.88.

(2) Credit risk

As of June 30, 2026, the maximum credit risk exposure that may cause financial losses to the Group mainly came from losses generated from the Group's financial assets due to failure of the other party to a contract to perform its obligations and the financial guarantee undertaken by the Group, including:

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

In order to reduce credit risk, the Group has set up a group to determine the credit limit, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient provision for bad debts is made for the unrecoverable amount. Therefore, the Group's management believes that the Group's credit risk has been greatly reduced.

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

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

(3) Liquidity risk

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

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

Amount as of June 30, 2026:

Item	Within one year	One to two years	Two to five years	Over 5 years	Total
Financial assets					
Monetary assets	2,687,943,074.33				**2,687,943,074.33**
Trading financial assets	138,775,929.60				**138,775,929.60**
Notes receivable	156,921,039.72				**156,921,039.72**
Accounts receivable	1,036,383,168.85				**1,036,383,168.85**
Other receivables	947,515,719.09				**947,515,719.09**
Other current assets	719,531,026.32				**719,531,026.32**
Financial liabilities					
Short-term borrowings	2,472,464,288.88				**2,472,464,288.88**
Notes payable	739,788,094.34				**739,788,094.34**
Accounts payable	1,800,540,624.79				**1,800,540,624.79**
Other payables	4,345,738,069.13				**4,345,738,069.13**
Employee benefits payable	237,633,221.18				**237,633,221.18**
Non-current liabilities maturing within one year	2,094,203,324.48				**2,094,203,324.48**
Long-term borrowings		560,100,000.00	8,913,034,267.20	651,595,917.33	**10,124,730,184.53**
Bonds payable		788,721,094.30			**788,721,094.30**
Long-term payables		1,152,239.17			**1,152,239.17**

2. Sensitivity analysis

The Group 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	First half of 2026		First half of 2025	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	12,260,284.78	8,122,619.77	11,847,729.74	7,429,981.30
USD	Depreciation of 1% against RMB	-12,260,284.78	-8,122,619.77	-11,847,729.74	-7,429,981.30

（2） Sensitivity analysis of interest rate risk

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

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

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

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

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

Item	Interest rate fluctuations	First half of 2026		First half of 2025	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity

Item	Interest rate fluctuations	First half of 2026		First half of 2025	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest rates	Up 0.5%	-9,458,764.78	-8,889,845.61	-23,723,112.64	-23,151,242.01
Borrowings at floating interest rates	Down 0.5%	9,458,764.78	8,889,845.61	23,723,112.64	23,151,242.01

XIV. Disclosure of fair value

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

Item	Fair value at period end			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Continuous fair value measurement	—	—	—	—
(I) Trading financial assets	138,775,929.60			138,775,929.60
1. Financial assets measured at fair value through current profit or loss	138,775,929.60			138,775,929.60
(II) Accounts receivable financing		95,040,616.25		95,040,616.25
(III) Other debt investments				-
(IV) Other equity instrument investments			10,213,810.20	10,213,810.20
(V) Investment properties				-
(VI) Other non-current financial assets			1,041,679,477.77	1,041,679,477.77
Total assets continuously measured at fair value	138,775,929.60	95,040,616.25	1,051,893,287.97	1,285,709,833.82
Total liabilities				

Item	Fair value at period end			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
continuously measured at fair value				
II. Non-continuous fair value measurement	—	—	—	—
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for recognition of the market price of items measured at fair value of Level 1 on a going and non-going concern

The Level-1 input is an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date.

3. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2

Level 2 input value is the directly or indirectly observable input value of the relevant assets or liabilities except for the level 1 input value.

4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

The Level-3 inputs are the unobservable inputs of related assets and liabilities.

5. Continuous measurement items by fair value, reason for conversion among all levels in the current period and policies for determining the time of conversion

For the Group's items continuously measured at fair value, there was no conversion between levels in the current period.

6. Change of valuation techniques in the current period and reason for change

For the items measured at fair value of the Group, there were no changes in valuation techniques in the current period.

XV. Related parties and related-party transactions

1. Parent company

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding percentage of the parent company in the Company (%)	Voting right percentage of the parent company in the Company (%)
Panshi Runchuang (Shenzhen) Information Management Co., Ltd.	Shenzhen	Consulting services and enterprise management	RMB 11.71 billion	29.999997	29.999997

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

2. Subsidiaries of the Company

Please refer to "Note XI.1. (1) Subsidiaries" for the information of subsidiaries.

3. Associates of the Company

For details of the Company's important associates, please refer to "Note XI.2.(1) Important associates."

Other associates involved in the related-party transactions with the Company in the current period, or leading to balance due to the related-party transaction they had with the Company in previous periods:

Name of associates	Relationship with the Company
Kangkong Venture Capital (Shenzhen) Co., Ltd.	Associates
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	Associates
Feidi Technology (Shenzhen) Co., Ltd.	Associates
Foshan Zhujiang Media Creative Park Cultural Development Co., Ltd.	Associates
Kangkai Technology Service (Chengdu) Co., Ltd.	Associates
Puchuang Jiakang Technology Co., Ltd.	Associates
Shenzhen Jielunte Technology Co., Ltd.	Associates
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associates
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.	Associates
Shenzhen RF-Llink Technology Co., Ltd.	Associates
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associates
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	Associates
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Associates
Shenzhen Zhongkang Beidou Technology Co., Ltd.	Associates

Name of associates	Relationship with the Company
Shenzhen Yaode Technology Co., Ltd.	Associates
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.	Associates
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associates
Dongguan Guankang Yuhong Investment Co., Ltd.	Associates
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	Associates
Yantai Kangyun Industrial Development Co., Ltd.	Associates
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Associates
Shenzhen KONKA E-display Co., Ltd.	Associates
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	Associates
Shenzhen Kangpeng Digital Technology Co., Ltd.	Associates
Yantai Kangtang Construction Development Co., Ltd.	Associates
Dongguan Konka Smart Electronic Technology Co., Ltd.	Associates
Beijing Konka Jingyuan Technology Co., Ltd.	Associates
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	Associates
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associates
Guangdong Kangyuan Semiconductor Co., Ltd.	Associates
Chongqing Kangjian Photoelectric Technology Co., Ltd.	Associates
Anhui Kangta Supply Chain Management Co., Ltd.	Associates
Wuhan Kangtang Information Technology Co., Ltd.	Associates
Sichuan Chengrui Real Estate Co., Ltd.	Associates
Hefei KONSEMI Storage Technology Co., Ltd.	Associates
Sichuan Hongxinchen Real Estate Development Co., Ltd.	Associates
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Associates
Yantai Kangyue Investment Co., Ltd.	Associates
Econ Technology	Associates
Dongguan Kangjia New Materials Technology Co., Ltd.	Associates
Zhejiang Kangying Semiconductor Technology Co., Ltd.	Associates
Kangshengjia Smart Energy (Zhejiang) Co., Ltd.	Associates
Konka Huanjia Environmental Technology Co., Ltd.	Associates

4. Other related parties

Names of other related parties	Relationship with the Company
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Jiangsu Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
HOHOELECTRICAL＆FURNITURECO	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Guizhou Jiading Mining Management Investment Co., Ltd.	Minority shareholder of subsidiary
Beijing Xuri Shengxing Technology Co., Ltd.	Minority shareholder of subsidiary
Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.)	Minority shareholder of subsidiary
Chuzhou State-owned Assets Management Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Co. Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Technology Co., Ltd.	Minority shareholder of subsidiary
Liang Ruiling	Minority shareholder of subsidiary
Shenzhen Qianhai Datang Technology Co., Ltd.	Minority shareholder of subsidiary
Dai Yaojin	Minority shareholder of subsidiary
Dai Rongxing	Close family member of minority shareholders
Jiangxi Meiji Enterprise Co., Ltd.	Companies controlled by the ultimate controller of minority shareholders of subsidiaries

5. Related party transactions

(1) Related party transactions on purchase and sales of goods, rendering and receipt of services

1） **Purchasing goods/receiving services**

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	16,912,021.34	42,258,702.76

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
OCT Enterprises Co., Ltd. and its subsidiaries and associates	Purchase of goods and services	11,049,058.57	12,268,638.11
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Purchase of goods	10,469,586.42	6,745,228.28
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	7,319,212.86	3,137,843.02
China Resources Company Limited and its subsidiaries and associates	Purchase of goods and services	5,477,415.68	
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Purchase of goods and services	1,888,157.36	6,969,990.68
Jiangsu Korea Electric Group Co., Ltd.	Purchase of goods	1,712,721.54	5,551,975.72
Dongguan Konka Smart Electronic Technology Co., Ltd.	Purchase of goods	141,860.89	415,774.72
Dongguan Kangjia New Materials Technology Co., Ltd.	Purchase of goods		789,129.04
Subtotal of other related parties	Purchase of goods and services	937,305.42	1,698,466.84
Total		**55,907,340.08**	**79,835,749.17**

(2) Sales of goods/ rendering of services

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and provision of labour service	241,953,717.85	188,343,769.31
Korea Electric Group Co., Ltd. and its subsidiaries	Provision of labour service	31,871,866.76	36,632,643.64
Zhejiang Kangying Semiconductor Technology Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	23,017,497.22	9,699,069.13
OCT Enterprises Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labour service	6,931,496.66	21,189,371.31
China Resources Company Limited and its subsidiaries and associates	Sales of goods and provision of labour service	1,321,324.97	

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	-84,733.33	10,189,054.91
Dongguan Konka Smart Electronic Technology Co., Ltd.	Sales of goods	13,278.93	2,379,882.99
Hefei KONSEMI Storage Technology Co., Ltd.	Sales of goods	59,339.72	59,736.00
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Provision of labour service	297.17	1,678,163.41
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.	Sales of goods and provision of labour service		566,037.74
Subtotal of other related parties	Sales of goods and provision of labour service	756,168.13	7,125,673.74
Total		**305,840,254.08**	**277,863,402.18**

(3) Related party leases

1） Rental Status

Lessee	Leased assets Category	Recognized in the current period Lease income	Recognized in the previous period Lease income
OCT Enterprises Co., Ltd. and its subsidiaries and associates	Commercial residences and office buildings	6,395,607.53	7,465,175.99
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Commercial residences and office buildings	567,010.47	1,853,770.60
Other related parties	Commercial residences and office buildings	1,746,404.41	4,906,003.52
Total		**8,709,022.41**	**14,224,950.11**

2） Lease situation

Lessor	Leased assets Category	Recognized in the current period Lease expense	Recognized in the previous period Lease expense
Overseas Chinese Town Holdings Company and its subsidiaries	Commercial residences and office buildings	16,026,062.88	15,249,291.43
Dongguan Guankang Yuhong Investment Co., Ltd.	Industrial plant	15,210,273.00	3,182,580.32
Total		**31,236,335.88**	**18,431,871.75**

(4) Related party guarantees

1） **As the guarantor**

The secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Anhui Tongchuang	4,000.00	2,500.00	CNY	2025/4/21	2026/4/21	No
Konka ChipCloud Semiconductor	12,100.00	6,000.00	CNY	2024/11/26	2025/8/1	No
Chongqing Konka	38,000.00	11,548.58	CNY	2022/12/13	2037/12/13	No
Dongguan Konka	80,000.00	29,723.74	CNY	2021/6/23	2031/5/7	No
Xi'an Kanghong Technology Industry	30,000.00	3,460.84	CNY	2023/5/26	2032/12/31	No
Konka Hongye Electronics	19,010.00	13,834.72	CNY	2024/1/24	2038/11/7	No
Ningbo Kanghanrui Electric Appliances	6,000.00	472.98	CNY	2025/5/9	2026/8/9	No
Ningbo Kanghanrui Electric Appliances	6,000.00	2,400.00	CNY	2025/7/13	2026/7/12	No
Anhui Konka	10,215.95	4,321.27	CNY	2021/8/10	2031/7/15	No
Anhui Konka	7,000.00	500.00	CNY	2021/10/29	2026/10/26	No
Anhui Konka	7,000.00	500.00	CNY	2022/10/24	2026/10/26	No
Anhui Konka	5,000.00	3,513.06	CNY	2023/6/25	2028/6/24	No
Econ Technology	1,498.97	1,099.25	CNY	2023/5/22	2024/5/21	No
Econ Technology	4,388.00	577.81	CNY	2024/10/24	2025/8/6	No

The secured party	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Econ Technology	1,498.97	369.75	CNY	2025/1/14	2026/1/13	No
Econ Technology	1,249.15	1,249.15	CNY	2026/3/10	2027/3/9	No
Econ Technology	999.32	999.32	CNY	2026/3/10	2027/3/9	No
Econ Technology	1,249.15	1,249.15	CNY	2026/3/16	2027/3/15	No
Econ Technology	1,249.15	1,249.15	CNY	2026/4/27	2027/4/26	No
Econ Technology	749.49	749.49	CNY	2026/4/29	2027/4/28	No
Econ Technology	499.66	139.40	CNY	2026/4/7	2027/4/6	No
Econ Technology	2,498.29	2,498.29	CNY	2026/4/3	2027/4/2	No
Econ Technology	1,249.15	1,249.15	CNY	2026/4/8	2027/4/7	No
Econ Technology	1,249.15	1,249.15	CNY	2026/4/7	2027/4/6	No

2） **As the secured party**

Guarantor	Guarantee amount (RMB ‘0,000)	Currency	Guarantee Start date	Guarantee Due date	Whether the guarantee is completed
China Resources Inc.	40,000.00	CNY	2025/12/9	2027/3/18	No
China Resources Inc.	41,000.00	CNY	2025/12/9	2028/6/23	No
China Resources Inc.	79,000.00	CNY	2025/12/9	2028/7/4	No
Chuzhou State-owned Assets Management Co., Ltd.	950.68	CNY	2021/8/10	2031/7/15	No
Chuzhou State-owned Assets Management Co., Ltd.	110.00	CNY	2021/10/29	2026/10/26	No
Chuzhou State-owned Assets Management Co., Ltd.	110.00	CNY	2022/10/24	2026/10/26	No
Chuzhou State-owned Assets Management Co., Ltd.	772.87	CNY	2023/6/25	2028/6/24	No
Wu Guoren	875.00	USD	2019/12/31	2024/12/31	No
Wu Guoren	1,872.50	USD	2019/12/31	2024/12/31	No

Guarantor	Guarantee amount (RMB '0,000)	Currency	Guarantee Start date	Guarantee Due date	Whether the guarantee is completed
Xiao Yongsong	840.00	USD	2019/12/31	2024/12/31	No
Xiao Yongsong	1,797.60	USD	2019/12/31	2024/12/31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,269.10	USD	2021/6/21	2022/12/31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	650.49	USD	2021/6/21	2022/12/31	No
Guizhou Huajinrun Technology Co. Ltd.	381.15	USD	2022/1/1	2025/12/31	No
Guizhou Huajinrun Technology Co. Ltd.	157.50	USD	2022/1/1	2025/12/31	No
Shenzhen Henglongtong Technology Co., Ltd.	241.40	USD	2022/1/1	2025/12/31	No
Shenzhen Henglongtong Technology Co., Ltd.	99.75	USD	2022/1/1	2025/12/31	No
AUJET INDUSTRY LIMITED	3,155.11	USD	2021/11/10	2025/12/31	No
AUJET INDUSTRY LIMITED	1,029.00	USD	2020/7/20	2025/12/31	No
Zhu Xinming	12,446.00	CNY	2022/10/15	2023/10/14	No
Zhu Xinming	3,399.49	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	13,249.19	CNY	2023/2/19	2024/2/18	No
Zhu Xinming	6,860.00	CNY	2023/3/1	2024/2/28	No
Zhu Xinming	2,330.54	CNY	2023/3/9	2024/3/8	No
Zhu Xinming	2,156.00	CNY	2023/4/1	2023/9/30	No
Zhu Xinming	443.45	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/3/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/6/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/7/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/10/11	2023/12/31	No
Zhu Xinming	149.45	CNY	2023/10/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/12/29	2023/12/31	No
Zhu Xinming	490.00	CNY	2023/2/28	2024/2/27	No
Zhu Xinming	5,109.05	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	252.63	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	101.77	CNY	2023/1/13	2023/12/31	No

Guarantor	Guarantee amount (RMB '0,000)	Currency	Guarantee Start date	Guarantee Due date	Whether the guarantee is completed
Zhu Xinming	203.63	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	1,862.90	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	223.85	CNY	2023/2/17	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/3/8	2023/12/31	No
Zhu Xinming	101.35	CNY	2023/5/19	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/6/8	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/9/8	2023/12/31	No
Zhu Xinming	62.25	CNY	2023/12/7	2023/12/31	No
Zhu Xinming	128.87	CNY	2024/11/1	2026/10/30	No
Jiangxi Konka	13,431.31	CNY	2023/6/15	2027/3/8	No
Jiangxi High-transparency Substrate	38,045.57	CNY	2023/6/15	2027/3/19	No
Jiangxi High-transparency Substrate	258.80	CNY	2024/4/28	2030/3/6	No
Xinfeng Microcrystal	34,475.18	CNY	2023/6/15	2025/12/31	No
Jiangxi Konka	56.53	CNY	2024/3/7	2027/3/6	No
Jiangxi High-transparency Substrate	234.44	CNY	2024/3/7	2027/3/6	No
Xinfeng Microcrystal	1,379.77	CNY	2024/3/4	2027/3/3	No
Hu Zehong	6,320.02	CNY	2025/6/19	2029/6/18	No
Liang Ruiling, Dai Yaojin			2025/6/19	2026/12/31	No
Xingda Hongye	20,949.46	CNY	2025/6/19	2029/6/18	No
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	2018/1/1	2025/6/30	No
Suiyong Rongxin Asset Management Co., Ltd.	2,842.00	CNY	2018/1/1	2025/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.	735.00	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No

Guarantor	Guarantee amount (RMB '0,000)	Currency	Guarantee Start date	Guarantee Due date	Whether the guarantee is completed
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.	488.37	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.	552.72	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,688.62	CNY	2021/5/20	2024/5/19	No
Konka Venture	1,322.54	CNY	2021/12/15	2022/11/5	No

(5) Loans from/to related parties

Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Borrowed from				
Chuzhou Hanshang Electric Appliance Co., Ltd.	12,862.50	CNY	2025/1/1	2026/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CNY	2024/8/3	2026/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	980.00	CNY	2025/2/14	2026/2/13
Kangkong Venture Capital (Shenzhen) Co., Ltd.	245.00	CNY	2022/7/21	2026/7/18
Beijing Xuri Shengxing Technology Co., Ltd.	228.67	CNY	2024/12/1	2025/11/30
Total	**16,766.17**			

Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Lent to:				
Dongguan Guankang Yuhong Investment Co., Ltd.	2,223.19	CNY	2022/8/6	2025/9/25
Dongguan Guankang Yuhong Investment Co., Ltd.	17,376.81	CNY	2022/8/6	2025/9/25
Chuzhou Kangxin Health Industry Development Co., Ltd.	13,288.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,000.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	59.45	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,240.03	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	109.95	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,344.36	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,080.72	CNY	2023/10/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	562.97	CNY	2023/12/22	2025/12/21
Sichuan Chengrui Real Estate Co., Ltd.	14,724.50	CNY	2022/1/21	2026/4/15
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	2020/12/16	2022/11/5
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	2021/11/23	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	949.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,394.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development	323.00	CNY	2022/8/25	2026/3/31

Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Co., Ltd.				
Yantai Kangyun Industrial Development Co., Ltd.	564.00	CNY	2022/8/25	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	2022/3/17	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	2022/5/23	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	2022/6/1	2026/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	2022/11/15	2026/3/31
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	2020/11/25	2023/11/24
Sichuan Hongxinchen Real Estate Development Co., Ltd.	19,879.55	CNY	2022/9/15	2026/2/27
Econ Technology	18,315.11	CNY	2023/12/20	2026/12/20
Econ Technology	4,996.58	CNY	2023/12/21	2026/12/20
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/29	2026/9/27
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/30	2026/9/27
Total	**181,349.18**			

(6) Remuneration of key management personnel

Project	Amount in the current period (RMB'0,000)	Amount in the previous period (RMB'0,000)
Total remuneration		

6. Receivables and payables of related parties

(1) Receivables

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:				
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	139,976,261.62	139,976,261.62	144,454,581.31	144,454,581.31
HOHO ELECTRICAL & FURNITURE CO., LIMITED	102,413,323.31	99,166,172.76	116,261,899.92	109,061,518.07
Chuzhou Hanshang Electric Appliance Co., Ltd.	99,079,650.53	839,898.16	98,177,722.38	2,002,825.54
OCT Enterprises Co., Ltd. and its subsidiaries and associates	62,063,194.43	46,689,703.92	65,818,264.04	46,400,209.97
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	37,670,906.98	37,670,906.98	38,319,878.77	38,319,878.77
Korea Electric Group Co., Ltd. and its subsidiaries and associates	13,323,766.62	570,048.63	27,943,560.39	570,048.63
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	26,435,355.98	10,257,193.02	26,436,604.92	6,116,465.89
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	4,466,641.58	4,313,758.17	4,466,641.58	4,130,097.83
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	870,103.34	334,771.57	875,788.71	388,276.97
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	283,744.70	27,278.93	269,304.95	5,493.82
Subtotal of other related parties	9,644,752.51	669,628.42	9,361,800.98	617,441.63
Total	**496,227,701.60**	**340,515,622.18**	**532,386,047.95**	**352,066,838.43**
Financing accounts receivable/Notes receivable:				

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Korea Electric Group Co., Ltd. and its subsidiaries	2,768,377.31		3,209,127.25	
Chuzhou Hanshang Electric Appliance Co., Ltd.	41,800,000.00		-	
Total	**44,568,377.31**		**3,209,127.25**	
Other receivables:				
Konka Huanjia Environmental Technology Co., Ltd.	1,744,736,434.49	1,744,736,434.49	1,744,736,434.49	1,744,736,434.49
Chuzhou Kangxin Health Industry Development Co., Ltd.	460,482,883.84	341,564,138.03	460,482,883.84	341,564,138.02
Yantai Kangyun Industry Development Co., Ltd. and its subsidiaries	293,164,911.17	208,004,608.17	293,164,911.17	200,813,312.70
Sichuan Hongxinchen Real Estate Development Co., Ltd.	260,445,465.59	260,445,465.59	260,445,465.59	260,445,465.59
Dongguan Guankang Yuhong Investment Co., Ltd.	254,964,600.32	33,890,711.79	254,964,600.32	33,890,711.79
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	236,698,102.31	236,698,102.31	236,698,102.31	236,698,102.31
Sichuan Chengrui Real Estate Co., Ltd.	189,205,812.69	189,205,812.69	189,205,812.69	189,205,812.69
Yantai Kangyue Investment Co., Ltd.	171,069,706.45	127,404,906.45	171,069,706.45	127,404,906.45
Chongqing Liangshan Industrial Investment Co., Ltd.	102,863,972.62	3,061,864.38	102,616,027.38	3,026,160.28
Dai Rongxing	89,251,531.41	89,251,531.41	89,251,531.41	89,251,531.41
Jiangxi Meiji Enterprise Co., Ltd.	84,462,640.31	84,462,640.31	84,462,640.31	84,462,640.31
Shenzhen Kanghongxing	39,130,497.17	39,130,497.17	39,130,497.17	39,130,497.17

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Intelligent Technology Co., Ltd.				
OCT Enterprises Co., Ltd. and its subsidiaries and associates	28,864,936.57	20,087,770.94	28,342,867.96	22,862,402.59
HOHO ELECTRICAL & FURNITURE CO., LIMITED	2,389,842.65	2,389,842.65	2,466,257.96	2,466,257.96
Zhu Xinming	1,844,316.15	418,475.33	1,844,316.15	418,475.33
Hu Zehong	126,886.80	47,343.65	333,084.83	165,196.50
Subtotal of other related parties	4,833,539.59	279,811.60	4,761,997.11	184,522.25
Total	**3,964,536,080.13**	**3,381,079,956.96**	**3,963,977,137.14**	**3,376,726,567.84**
Prepayments:				
Puchuang Jiakang Technology Co., Ltd.	377,322.00		377,322.00	
China Resources Company Limited and its subsidiaries and associates	129,486.15		212,448.03	
Kangshengjia Smart Energy (Zhejiang) Co., Ltd.			67,139,571.68	
OCT Enterprises Co., Ltd. and its subsidiaries and associates			21,424.49	
Subtotal of other related parties	416,766.57		278,662.13	
Total	**923,574.72**		**68,029,428.33**	
Other current assets:				
Econ Technology Co., Ltd. and its subsidiaries	242,633,579.39		235,601,218.08	
Total	**242,633,579.39**		**235,601,218.08**	
Contract assets:				
OCT Enterprises Co., Ltd. and its subsidiaries and	963,764.77	147,478.28	963,764.77	51,725.07

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
associates				
Total	**963,764.77**	**147,478.28**	**963,764.77**	**51,725.07**

(2) Payables

Related party	Ending book balance	Beginning book balance
Accounts payable:		
OCT Enterprises Co., Ltd. and its subsidiaries and associates	48,919,313.00	43,601,700.08
Kangshengjia Smart Energy (Zhejiang) Co., Ltd.	27,626,327.68	-
Dongguan Guankang Yuhong Investment Co., Ltd.	19,363,039.60	2,783,842.00
Chuzhou Hanshang Electric Appliance Co., Ltd.	6,332,697.74	4,253,835.32
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	5,712,346.18	13,297,141.47
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,326,148.17	4,326,148.17
HOHO ELECTRICAL & FURNITURE CO., LIMITED	4,238,776.24	4,510,072.62
Korea Electric Group Co., Ltd. and its subsidiaries and associates	3,780,197.02	4,309,351.22
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	1,372,382.07	1,245,087.25
Panxu Intelligence Co., Ltd. and its subsidiaries	53,334.46	97,686.01
Subtotal of other related parties	2,315,352.17	1,984,392.70
Total	**124,039,914.33**	**80,409,256.84**
Notes payable:		
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	7,896,044.77	13,596,541.72
Korea Electric Group Co., Ltd. and its subsidiaries and associates	3,518,939.25	4,689,383.18
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,660,664.89	
Dongguan Kangjia New Materials Technology Co., Ltd.		918,483.35
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.		807,859.00
Panxu Intelligence Co., Ltd. and its subsidiaries		352,731.61
Total	**14,075,648.91**	**20,364,998.86**

Related party	Ending book balance	Beginning book balance
Contract liabilities/other current liabilities/other non-current liabilities:		
OCT Enterprises Co., Ltd. and its subsidiaries and associates	48,314,206.58	53,849,339.85
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	14,552,543.67	8,417,949.44
AUJET INDUSTRY LIMITED	4,234,856.38	3,983,759.72
Zhejiang Kangying Semiconductor Technology Co., Ltd. and its subsidiaries		1,604,546.07
Chongqing Kangyiqing Technology Co., Ltd.	177,798.70	206,882.30
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries		153,017.09
Subtotal of other related parties	307,169.69	135,288.55
Total	**67,586,575.02**	**68,350,783.02**
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	208,483,191.90	208,390,348.31
OCT Enterprises Co., Ltd. and its subsidiaries and associates	22,815,840.88	28,045,215.53
Guizhou Jiading Mining Management Investment Co., Ltd.	18,000,000.00	18,000,000.00
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	4,687,019.00	5,147,213.00
Beijing Xuri Shengxing Technology Co., Ltd.	2,883,619.10	2,814,638.40
China Resources Company Limited and its subsidiaries and associates	972,004.97	2,193,246,343.33
Dongguan Guankang Yuhong Investment Co., Ltd.	382,410.04	15,655,996.80
Econ Technology Co., Ltd. and its subsidiaries	359,175.04	355,586.25
Konka Huanjia Environmental Technology Co., Ltd.		4,353,280.41
Yantai Kangtang Construction Development Co., Ltd.		3,000,000.00
Kangkong Venture Capital (Shenzhen) Co., Ltd.		2,523,500.00
Subtotal of other related parties	7,602,764.25	9,165,998.82
Total	**266,186,025.18**	**2,490,698,120.85**
Advances from customers:		
China Resources Company Limited and its subsidiaries and associates	64,052.75	61,285.03
Total	**64,052.75**	**61,285.03**

XVI. Commitments and contingencies

1. Significant commitments

(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	137,000,000.00	137,000,000.00
Large amount contract	54,352,776.17	85,942,612.22
Total	**191,352,776.17**	**222,942,612.22**

(2) Other Commitments

As of June 30, 2026, there were no other significant commitments for the Group to disclose.

2. Contingencies

The Group's material contingencies requiring disclosure are set out below:

(1) A dispute over an international contract for the sale of goods between Micro Crystal Transfer Group Ltd. (plaintiff) and Chongqing Optoelectronic Technology Co., Ltd., a subsidiary of the Company (defendant), involving a disputed amount of RMB36,396,700. As of the date of issuance of this report, the case was under trial.

(2) A dispute over a construction contract between Shenzhen Sansen Decoration Group Co., Ltd. (plaintiff) and Shenzhen Konka Semiconductor, a subsidiary of the Company (defendant), and Chongqing Konka, a subsidiary of the Company (defendant), involving a subject matter amount of RMB 25,607,300. As of the date of issuance of this report, the case was under trial.

(3) A dispute over a sales and purchase contract between Jiujiang Baoyong Gas Co., Ltd. (plaintiff) and Jiangxi High-transparency Substrate, a subsidiary of the Company (defendant), involving a subject matter amount of RMB 91,227,800. As of the date of issuance of this report, the case was executed in progress.

(4) A dispute over a construction project contract between Nantong Construction Group Co., Ltd. (Plaintiff) and Haimen Ronghui Real Estate Co., Ltd. (Defendant), Shanghai Rongzhen Enterprise Management Co., Ltd. (Defendant), the Company (Defendant), and Nantong Konka Technology Industrial Park Operation Management Co., Ltd. (Defendant), an associated entity of the Company, involving a disputed amount of RMB 99,000,000. As of the date of issuance of this report, the case was under trial.

(5) A dispute over a construction contract between Sichuan Yisheng Construction Group Co., Ltd. (plaintiff) and Yibin Konka Industrial Park, a subsidiary of the Company (defendant), involving a subject matter amount of RMB 28,061,000.

As of the date of issuance of this report, the case was under trial.

(6) A dispute over a contract between Shenzhen Oriental Venture Capital Co., Ltd. (plaintiff) and the Company (defendant), involving a subject matter amount of RMB 752,147,500. The Company won both the first-instance and second-instance trials. The plaintiff has filed an application for retrial. As of the date hereof, the case is under retrial review.

(7) A case concerning a dispute over a construction contract between Longxin Construction Group Co., Ltd. (plaintiff) and Nantong Kanghai Technology Industry Development Co., Ltd., a subsidiary of the Company (defendant), involving a subject matter amount of RMB 80,000,000. As of the date of issuance of this report, the case was under trial.

(8) In 2018, to support the financing of Donggang Kangrun Environmental Treatment Co., Ltd. (hereinafter referred to as "Donggang Kangrun"), a subsidiary of Econ Technology Co., Ltd., the Company issued a support letter to China Construction Bank Corporation Donggang Sub-branch (hereinafter referred to as "CCB Donggang Sub-branch"). The main contents are as follows: "Donggang Kangrun is a subsidiary of our company and the project company of the Donggang Urban Inland River Comprehensive Treatment PPP Project (hereinafter referred to as the 'Project'). Our company attaches great importance to the Project. Therefore, Donggang Kangrun intends to apply to your bank for a project loan of RMB 975 million to support the fund operation of the Project. In addition to the applied loan, our company will use self-raised funds and other financing channels to support the Project to ensure its smooth progress, and guarantee that Donggang Kangrun will repay the loan from your bank in full when due." As of June 30, 2026, the outstanding principal balance of loans borrowed by Donggang Kangrun from CCB Donggang Sub-branch amounted to RMB 847,000,000.

(9) In 2019, to support the financing of Weifang Sihai Kangrun Investment and Operation Co., Ltd. (hereinafter referred to as "Weifang Kangrun"), a subsidiary of Econ Technology Co., Ltd., the Company issued two support letters to Weifang Branch of Industrial Bank Co., Ltd. (hereinafter referred to as "CIB Weifang Branch"). The main contents were respectively as follows: "Our company will use self-raised funds and other financing channels to support the Weifang Binhai Economic Development Zone Central Urban Area Comprehensive Improvement Project to ensure the smooth progress of the project, and at the same time, ensure that Weifang Kangrun can repay your bank's loan in full on the due date," and "Our company will use self-raised funds to support the Weifang Binhai Economic and Technological Development Zone Central Urban Area Comprehensive Improvement Project and ensure that the project capital of Weifang Kangrun is in place on time and in full." As of June 30, 2026, the outstanding loan balance (principal) of Weifang Kangrun to CIB Weifang Branch was RMB 577,851,500.

XVII. Events after the balance sheet date

1. Significant non-adjustment matters

As of the date of issuance of this financial report, the Group has no significant non-adjusting matters that need to be disclosed.

2. Sales return

As of the date of this financial report, the Group had no material sales returns.

3. Events after the balance sheet date

As of the date of issuance of this financial report, the Group has no other events after the balance sheet date.

18. Other significant events

As of the date of issuance of this financial report, the Group has no other significant matters.

XIX. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Accounts receivable listed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	2,531,982,018.81	2,518,870,996.93
1-2 years	17,060,899.32	936,172,219.27
2-3 years	73,781,268.94	71,304,189.74
3-4 years	8,957,796.43	25,395,465.05
4-5 years	41,693,673.64	42,024,672.61
Over 5 years	875,369,864.86	857,898,045.25
Total	**3,548,845,522.00**	**4,451,665,588.85**

(2) Listed by withdrawal methods for provision for bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	751,122,071.15	21.17	751,061,783.14	99.99	60,288.01

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	276,159,766.31	7.78	153,593,122.20	55.62	122,566,644.11
Related Party Portfolio	2,521,563,684.54	71.05			2,521,563,684.54
Subtotal of portfolio	2,797,723,450.85	78.83	153,593,122.20	5.49	2,644,130,328.65
Total	**3,548,845,522.00**	**100.00**	**904,654,905.34**	**25.49**	**2,644,190,616.66**

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	750,993,030.62	16.87	750,932,742.61	99.99	60,288.01
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	243,003,431.27	5.46	154,701,363.19	63.66	88,302,068.08
Related Party Portfolio	3,457,669,126.96	77.67			3,457,669,126.96
Subtotal of portfolio	3,700,672,558.23	83.13	154,701,363.19	4.18	3,545,971,195.04
Total	**4,451,665,588.85**	**100.00**	**905,634,105.80**	**20.34**	**3,546,031,483.05**

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

Name	Beginning balance	Ending balance

Others	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
CEFC Shanghai International Group Limited	298,280,558.37	298,280,558.37	298,073,128.27	298,073,128.27	100.00	Not expected to be recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Zhongfu Tiangong Construction Group Co., Ltd.	71,289,096.65	71,289,096.65	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	55,438,105.00	55,438,105.00	100.00	Not expected to be recoverable
China Energy (Shanghai) Industrial Co., Ltd.	49,993,564.16	49,993,564.16	49,993,564.16	49,993,564.16	100.00	Not expected to be recoverable
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	36,211,057.55	36,211,057.55	36,211,057.55	36,211,057.55	100.00	Not expected to be recoverable
Others	39,780,648.89	39,720,360.88	40,117,119.52	40,056,831.51	99.85	Expecte

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
						d to be difficult to recover
Total	**750,993,030.62**	**750,932,742.61**	**751,122,071.15**	**751,061,783.14**	**99.99**	**—**

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

① In the portfolio, accounts receivable of provision for expected credit loss made by aging

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	123,711,210.71	2,523,708.65	2.04
1-2 years	1,488,099.77	149,107.60	10.02
2-3 years	50,794.29	11,525.22	22.69
3-4 years	2,508.00	1,627.19	64.88
4-5 years	40,439,517.00	40,439,517.00	100.00
Over 5 years	110,467,636.54	110,467,636.54	100.00
Total	**276,159,766.31**	**153,593,122.20**	**55.62**

② In the portfolio, accounts receivable of provision for expected credit loss made by other methods

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Related Party Portfolio	2,521,563,684.54		
Total	**2,521,563,684.54**		

(3) Provision for bad debts accrued, recovered or reversed for the current period

Type	Beginning balance	Changes in the current period

		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	905,634,105.80	551,037.21	1,530,237.67
Total	**905,634,105.80**	**551,037.21**	**1,530,237.67**

(Continued)

Type	Changes in the current period		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable			904,654,905.34
Total			**904,654,905.34**

(4).Actual write-off of accounts receivable for the current period

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

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

The total amount of accounts receivable with top five ending balance categorized by debtors in the current period was RMB 2,378,554,219.75, accounting for 67.02% of the total ending balance of accounts receivable. The total ending balance of provision for bad debts correspondingly set aside was RMB 498,073,128.27.

2. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	390,420,640.53	394,828,312.64
Other receivables	6,395,607,991.35	6,169,721,184.70
Total	**6,786,028,631.88**	**6,564,549,497.34**

2.1 Dividends receivable

(1) Classification of dividends receivable

Investee	Ending balance	Beginning balance
Hong Kong Konka Co., Ltd.	110,420,640.53	114,828,312.64
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00

Total	**390,420,640.53**	**394,828,312.64**

2.2 Other receivables

(1) Classification of other receivables by nature of payment

Nature of funds	Ending book balance	Beginning book balance
Intercourse funds with subsidiaries	8,154,896,677.01	7,338,448,596.60
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related parties	3,643,659,525.57	3,643,705,051.48
Deposit and margin	31,544,154.65	11,316,782.23
Others	58,658,753.52	54,245,272.51
Total	**12,030,308,260.75**	**11,189,264,852.82**

(2) Other receivables disclosed by aging

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	3,091,193,197.99	2,468,208,504.58
1-2 years	2,067,204,784.71	1,821,365,482.14
2-3 years	1,724,588,428.08	2,712,875,647.73
3-4 years	2,353,253,789.84	2,087,164,066.22
4-5 years	896,558,618.46	193,527,410.48
Over 5 years	1,897,509,441.67	1,906,123,741.67
Total	**12,030,308,260.75**	**11,189,264,852.82**

(3) Disclosure of other receivables by provision method for bad debts

Type	Ending balance		
	Book balance	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	6,715,213,580.00	55.82	5,586,417,529.90	83.19	1,128,796,050.10
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	43,611,732.24	0.36	36,890,141.82	84.59	6,721,590.42
Low-Risk Portfolio	34,958,479.12	0.29	11,392,597.68	32.59	23,565,881.44
Related Party Portfolio	5,236,524,469.39	43.53			5,236,524,469.39
Subtotal of portfolio	5,315,094,680.75	44.18	48,282,739.50	0.91	5,266,811,941.25
Total	**12,030,308,260.75**	**100.00**	**5,634,700,269.40**	**46.84**	**6,395,607,991.35**

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	5,578,850,648.69	49.86	4,974,026,480.15	89.16	604,824,168.54
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	39,006,591.44	0.35	36,740,977.75	94.19	2,265,613.69
Low-Risk Portfolio	14,968,292.40	0.13	8,776,210.22	58.63	6,192,082.18
Related Party Portfolio	5,556,439,320.29	49.66			5,556,439,320.29
Subtotal of portfolio	5,610,414,204.13	50.14	45,517,187.97	0.81	5,564,897,016.16
Total	**11,189,264,852.82**	**100.00**	**5,019,543,668.12**	**44.86**	**6,169,721,184.70**

1) Provision for bad debts of other receivables by portfolio

Aging	Ending balance

	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	1,568,349,242.34	332,207.07	0.02
1-2 years	1,581,881,281.80	42,109.32	
2-3 years	268,912,254.95	165,897.84	0.06
3-4 years	1,182,275,028.66	68,751.65	0.01
4-5 years	654,277,365.10	2,627,008.85	0.40
Over 5 years	59,399,507.90	45,046,764.77	75.84
Total	**5,315,094,680.75**	**48,282,739.50**	**0.91**

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

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2026	**39,758.91**	**45,477,429.06**	**4,974,026,480.15**	**5,019,543,668.12**
Balance as of January 1, 2026 in the current period				
-- Transfer to Stage II	-8,573.15	8,573.15		
-- Transfer to Stage III				
-- Reversal to Stage II				
-- Reversal to Stage I				
Provision for the current period	301,021.31	2,464,530.22	612,391,049.75	615,156,601.28
Reversal in this period				
Charge-off in the current period				
Write-off in the current period				

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Other changes				
Balance as of June 30, 2026	**332,207.07**	**47,950,532.43**	**5,586,417,529.90**	**5,634,700,269.40**

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

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

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

(4) Provision for bad debts accrued, recovered or reversed for the current period

Type	Beginning balance	Changes in the current period	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	5,019,543,668.12	615,156,601.28	
Total	**5,019,543,668.12**	**615,156,601.28**	

(Continued)

Type	Changes in the current period		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of other receivables			5,634,700,269.40
Total			**5,634,700,269.40**

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

There were no other receivables actually written off in the current period.

(6) Other receivables of the top five ending balances collected by debtor

The total amount of other receivables with top five ending balance categorized by debtors in the current period was RMB 6,946,936,442.59, accounting for 57.75% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB 3,428,122,929.01.

3. Long-term equity investments

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	7,828,559,611.83	734,385,452.93	7,094,174,158.90	7,825,224,811.83	715,180,000.00	7,110,044,811.83
Investment in associates	3,095,557,104.76	2,264,032,106.38	831,524,998.38	3,101,020,668.93	2,264,032,106.38	836,988,562.55
Total	**10,924,116,716.59**	**2,998,417,559.31**	**7,925,699,157.28**	**10,926,245,480.76**	**2,979,212,106.38**	**7,947,033,374.38**

(1) Investment in subsidiaries

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Konka Venture	2,550,000.00						2,550,000.00	
Anhui Konka	122,780,937.98						122,780,937.98	
Konka Electronic Materials	300,000,000.00						300,000,000.00	
Konka Unifortune	15,300,000.00						15,300,000.00	
Dongguan Konka	274,783,988.91						274,783,988.91	
Konka Europe	3,637,470.00						3,637,470.00	

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Telecommunications Technology	360,000,000.00						360,000,000.00	
Technology Industry Development	100,000,000.00						100,000,000.00	
Anhui Tongchuang	779,702,612.22						779,702,612.22	
Kangjiatong	30,749,800.00						30,749,800.00	
Pengrun Technology		25,500,000.00						25,500,000.00
Beijing Konka Electronics	200,000,000.00						200,000,000.00	
Konka Circuit	745,682,721.18		3,334,800.00				749,017,521.18	
Hong Kong Konka	781,828.61						781,828.61	
Konka Investment	500,000,000.00						500,000,000.00	
Electronics Technology	1,000,000,000.00						1,000,000,000.00	
Shanghai Konka	40,000,000.00						40,000,000.00	
Jiangxi Konka		689,680,000.00						689,680,000.00
Shenzhen Nianhua	30,000,000.00						30,000,000.00	
Shenzhen Konka Semiconductor	100,000,000.00						100,000,000.00	
Ji'an Konka	50,000.00						50,000.00	

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Suining Konka Industrial Park	200,000,000.00						200,000,000.00	
Suining Electronic Technological Innovation	200,000,000.00						200,000,000.00	
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00						10,000,000.00	
Chongqing Optoelectronic Technology	1,400,000,000.00						1,400,000,000.00	
Kowin Memory (Shenzhen)	192,520,000.00						192,520,000.00	
Ningbo Kanghanrui Electric Appliances	90,000,000.00						90,000,000.00	
Suining Jiarun Property	10,000,000.00				10,000,000.00			10,000,000.00
Yibin Kangrun	67,000,000.00						67,000,000.00	
Hainan Konka Technology	9,205,452.93				9,205,452.93			9,205,452.93
Konka Cross-border (Hebei)	50,000,000.00						50,000,000.00	

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Konka Central China	30,000,000.00						30,000,000.00	
Guizhou Kanggui Material Technology	28,000,000.00						28,000,000.00	
Nantong Kanghai	15,300,000.00						15,300,000.00	
Jiangxi Konka High-tech Park	50,000,000.00						50,000,000.00	
Shangrao Konka Electronic Technology Innovation	30,000,000.00						30,000,000.00	
Xi'an Kanghong Technology Industry	12,000,000.00						12,000,000.00	
Xi'an Konka Intelligent Technology	50,000,000.00						50,000,000.00	
Songyang Konka Intelligent	30,000,000.00						30,000,000.00	
Konka North China	30,000,000.00						30,000,000.00	
Total	**7,110,044,811.83**	**715,180,000.00**	**3,334,800.00**		**19,205,452.93**		**7,094,174,158.90**	**734,385,452.93**

(2) Investments in associates

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.		85,892,934.52				
Kunshan Kangsheng Investment Development Co., Ltd.	35,503,350.74				-3,371,200.00	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.	152,670.80				-113,422.50	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		5,158,909.06				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				
Chuzhou Konka Technology Industry Development Co., Ltd.						
Chuzhou Kangjin Health Industrial Development Co., Ltd.	60,002,343.27				-1,974,700.00	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.		4,361,787.24				

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Dongguan Guankang Yuhong Investment Co., Ltd.						
Econ Technology	708,469,870.90	279,214,061.94			-1,257,918.18	
Dongguan Kangjia New Materials Technology Co., Ltd.		1,908,012.80				
Chongqing ypfun Technology Co., Ltd.		1,578,447,233.41				
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.						
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	2,448,605.88				-445,859.65	
Shenzhen KONKA E-display Co., Ltd.	27,435,255.38				1,575,000.00	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.	980,300.31				-800.00	
Wuhan Kangtang Information Technology Co., Ltd.	977,229.62				206,236.16	
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxinchen Real Estate		2,459,686.45				

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period			
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Development Co., Ltd.						
Shenzhen Kangyue Industrial Co., Ltd.		230,011.61				
Konka Huanjia Environmental Technology Co., Ltd.		91,800,000.00				
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.	1,018,935.65				-80,900.00	
Total	**836,988,562.55**	**2,264,032,106.38**			**-5,463,564.17**	

(Continued)

Investee	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Anhui Kaikai Shijie E-commerce Co., Ltd.						85,892,934.52
Kunshan Kangsheng Investment Development Co., Ltd.					32,132,150.74	
Shaanxi Silk Road Yunqi Intelligent Technology Co., Ltd.					39,248.30	
Shenzhen Kanghongxing Intelligent						5,158,909.06

Investee	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Technology Co., Ltd.						
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Chuzhou Konka Technology Industry Development Co., Ltd.						
Chuzhou Kangjin Health Industrial Development Co., Ltd.					58,027,643.27	
Nantong Konka Technology Industrial Park Operation Management Co., Ltd.						
Chuzhou Kangxin Health Industry Development Co., Ltd.						4,361,787.24
Dongguan Guankang Yuhong Investment Co., Ltd.						
Econ Technology					707,211,952.72	279,214,061.94
Dongguan Kangjia New Materials Technology Co., Ltd.						1,908,012.80
Chongqing ypfun Technology Co., Ltd.						1,578,447,233.41
Yantai Kangyun Industrial Development Co., Ltd.						
E3 (Hainan) Technology Co., Ltd.						

Investee	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					2,002,746.23	
Shenzhen KONKA E-display Co., Ltd.					29,010,255.38	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.					979,500.31	
Wuhan Kangtang Information Technology Co., Ltd.					1,183,465.78	
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxinchen Real Estate Development Co., Ltd.						2,459,686.45
Shenzhen Kangyue Industrial Co., Ltd.						230,011.61
Konka Huanjia Environmental Technology Co., Ltd.						91,800,000.00
Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.					938,035.65	
Total					**831,524,998.38**	**2,264,032,106.38**

4. Operating revenue and operating costs

（1） Operating revenue and cost of sales

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal activity	752,020,199.48	750,540,545.24	509,033,511.21	522,717,237.64
Other businesses	63,847,420.34	33,989,301.66	59,938,017.36	20,535,016.58
Total	**815,867,619.82**	**784,529,846.90**	**568,971,528.57**	**543,252,254.22**

（2） Information in relation to the trade price apportioned to the residual contract performance obligation

The amount of revenue corresponding to the performance obligations that had been signed but not yet performed or not yet completed at the end of the current period was RMB 4,494,087.19, of which RMB 4,494,087.19 was expected to be recognized as revenue in 2026.

5. Investment income

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income calculated by the cost method		
Returns on long-term equity investments calculated by the equity method	-5,463,564.17	-11,151,203.25
Return on investment arising from the disposal of long-term equity investments		7,970,560.10
Investment income from financial assets held for trading during the holding period		420,553.86
Investment income from disposal of financial assets held for trading	-6,257,897.51	-73,011,755.91
Interest income from debt investments during the holding period	2,771,983.93	1,970,451.37
Income from the derecognition of financial assets at amortized cost		-226,103.98
Conversion of long-term equity investments accounted for by the equity method to financial assets		655,666,680.89
Total	**-8,949,477.75**	**581,639,183.08**

20. Supplementary information

1. Breakdown of current non-recurring profit or loss

Item	Current amount	Description
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	-324,209.55	
Government grants included in profit and loss of the current period (except for government subsidies that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss)	16,168,495.38	
Gains/losses on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company’s ordinary course of business)	64,813,315.89	
Dispossession surcharge to non-financial institutions included in the current gains/losses		
Gains/ losses on entrusting others with investments or asset management		
Gains/losses on loan entrustment	6,868,213.73	
Losses on assets resulted from force majeure such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment		
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee		
Current net gains/losses of subsidiaries acquired in business merger under the same control from period-beginning to combination date		
Gains/losses on non-monetary asset swap		
Gains/losses on debt restructuring		
Non-recurring expenses incurred by the enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees		
One-time impact on the current gains/losses due to adjustments in tax, accounting and other laws and regulations		
One-time recognition of share-based payment expense due to cancellation and		

Item	Current amount	Description
modification of equity incentive plans		
Cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercisability		
Gains/losses on change in fair value of investment property subject to follow-up measurement at fair value method		
Gains from transactions at significantly unfair prices		
Gains/losses arising from contingencies unrelated to the normal operation of the Company's business		
Custodian fees earned from entrusted operation		
Non-operating revenue and expenses other than the above	3,352,083.44	
Other gains/losses that meet the definition of non-recurring gains/losses	-40,264,602.91	
Subtotal	**50,613,295.98**	
Less: Income tax effects	8,666,238.74	
Minority equity effects (after tax)	5,483,242.75	
Total	**36,463,814.49**	—

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

Item	Amount	Reason
Excessive losses of subsidiaries	14,525,336.77	During the Reporting Period, the amount of losses arising from the Company's receivables from subsidiaries with excessive losses was recognized as "Net income attributable to owners of the parent company", resulting in non-recurring gains/losses.
Interest on the equity repurchase price	-54,789,939.68	During the Reporting Period, the Company accrued interest on the equity repurchase price

(2) The items that are not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss (Revised in 2023) but recognized by the Company as non-recurring profit or loss items and involving significant amounts, and listed non-recurring profit or loss items recognized as recurring profit or loss items

Item	Amount	Reason
Software tax rebates, VAT credits and deductions	3,019,917.92	Government grants closely related to the normal operation of the Company's business, which comply with national policies and are received continuously based on a certain standard quota or quantitative

Item	Amount	Reason
		amount

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average Return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	Not applicable	-0.0718	-0.0718
Net profit attributable to ordinary shareholders of the parent company before non-recurring gains and losses	Not applicable	-0.0869	-0.0869

3. Differences between accounting data under domestic and foreign accounting standards

(1) Differences in net profits and net assets between the financial reports disclosed in accordance with the International Financial Reporting Standards (IFRS) and the PRC Generally Accepted Accounting Principles (GAAP)

□ Applicable √ Not applicable

(2) Differences in net profits and net assets between the financial reports disclosed in accordance with the overseas financial reporting standards and the PRC GAAP

□ Applicable √ Not applicable

(3) Explanations of the reasons for differences between accounting data under domestic and foreign accounting standards. If adjustments have been made to the differences in data audited by an overseas auditing firm, the name of the said overseas institution shall be specified.

□ Applicable √ Not applicable